

IBBI

Insolvency and Bankruptcy Board of India Invites Suggestions to Simplify, Ease and Reduce Cost of Compliance of Regulations Notified under the Insolvency and Bankruptcy Code, 2016 – October 12, 2023

IBBI has framed IBBI (Mechanism for Issuing Regulations) Regulations, 2018 providing for the manner of consultation, framing and review of Regulations. Apart from wide and transparent public consultation before making regulations, the IBBI follows a dual-review mechanism of its regulations, as under –

- (a) Annual review of Regulations after inviting public comments.
- (b) Review of regulations every three years based on set criteria including intended objectives and outcomes achieved.

The three-year review process has been completed in the year 2021 and IBBI has issued a press release on May 4, 2023, seeking public comments on Regulations for Annual review for this year. The last date for submission of comments and suggestions is December 31, 2023. To access the press release, [click here](#).

Discussion Paper on Strengthening the Liquidation Process – October 20, 2023

IBBI has issued a discussion paper on Strengthening the Liquidation Process, to further solidify the regulatory framework of the liquidation process in terms of certain matters related to sale, accountability of liquidator towards stakeholders, etc. The key proposals include the mandatory holding of a meeting of the Stakeholders Constitution Committee (SCC), mandating the liquidator to place a reason for liquidation costs exceeding estimates of liquidation cost before SCC etc. To access the discussion paper, [click here](#).

SEBI

Relaxation to Listed Entities from Certain Provisions of LODR – October 6 & October 7, 2023

SEBI has provided relaxations to entities that have listed their specified securities and non-convertible securities on stock exchanges from certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). These relaxations were primarily limited to provisions ascribed under Companies Act, 2013. To access the notification dated October 6, 2023, [click here](#) and for notification dated October 7, 2023, [click here](#).

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2023 – October 9, 2023

SEBI has further amended the LODR Regulations 2015, which lays down detailed requirements to be complied with by the listed entities. These amendments entail a few omissions to the first proviso of Sub-Regulation (11) of Regulation 30, which provides for disclosure of events or information. Effectively, the regulator has omitted the top 100 listed entities and top 250 listed entities from symbols, words and numerals appearing after words and numerals. To access the circular, [click here](#).

Master Circular on Know Your Client norms for the securities market – October 12, 2023

SEBI has issued a Master Circular bringing about uniformity for all SEBI registered intermediaries to use the same KYC form and supporting documents. The account opening form would be divided into two parts – Part-I will entail the basic information of the client and Part-II will entail additional information specific to the business activity of the entity. To access the circular, [click here](#).

Amendment to the Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention

of Money-laundering Act, 2002 and Rules Framed there under – October 13, 2023

SEBI has amended the Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) obligations for Securities Market Intermediaries under the Prevention of Money Laundering Act (PMLA) and relevant rules. It provides for determination of beneficial ownership for companies, partnership firms, unincorporated entities and trusts. It also lays down the obligations of principal officer who will be responsible for ensuring registered intermediaries report suspicious transactions to the Financial Intelligence Unit (FIU). To access the circular, [click here](#).

Revision in Manner of Achieving Minimum Public Unitholding Requirement – Infrastructure Investment Trusts (InvITs) – October 31, 2023

Regulation 14(1A) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 mandates all listed InvITs having public unitholding below 25% to increase its public unitholding to at least 25% within a period of 3 (three) years from the date of listing of units pursuant to initial offer. SEBI has issued a circular dated October 31, 2023, introducing certain amendments. Prior to the Amendment, the Master Circular for InvITs dated July 06, 2023, laid down 9 methods in order to facilitate achievement of such minimum public unitholding requirement. An additional method has been introduced to facilitate achievement of such minimum public unitholding requirement for privately placed InvITs through issuance of units through preferential allotment. However, this will be subject to the condition that only units issued to the public would be considered for compliance with minimum unitholding requirement. Moreover, modifications have been made to one of the existing methods for achieving the minimum public unitholding, i.e., sale of units held by Sponsor(s)/Investment Manager/Project Manager and their associates/related parties in the open market. To access the circular, [click here](#).

MCA

Companies Incorporation Third Amendment Rules, 2023 – October 20, 2023

The Ministry of Corporate Affairs (MCA) introduced the Companies (Incorporation) Third Amendment, 2023 to amend the Companies (Incorporation) Rules, 2014. Rule 30 relating to the “*Shifting of Registered Office from one State or Union Territory to another State*” has been revised. In sub-rule (9) the words “*and may include such order as to costs as it thinks proper*” has been omitted; and Proviso has been inserted which states that, the shifting of the registered office will be allowed if the management of the company has been taken over by new management, following the resolution plan mentioned under Section 31 of the Insolvency and Bankruptcy Code, 2016, and no appeal is pending in any Court or Tribunal and no inquiry, inspection, investigation is pending or initiated after the approval of the resolution plan. To access the rules, [click here](#).

MCA Imposes Key Company Law Provisions for Foreign Listing of Certain Indian Public Companies – October 30, 2023

The MCA has notified effect to the provisions of sub-section (3) and (4) of Section 23 of the Companies Act, 2013 vide notification dated October 30, 2023. The said provisions were proposed to be inserted vide the Companies (Amendment) Act, 2020. Section 5 of the Companies (Amendment) Act, 2020, which amends Section 23 of the Companies Act, 2013, states as follows:

“Amendment of Section 23: In section 23 of the principal Act, after sub-section (2) and before the Explanation, the following sub-sections shall be inserted, namely:

(3) Such class of public companies may issue such class of securities for the purposes of listing on permitted stock exchanges in permissible foreign jurisdictions or such other jurisdictions, as may be prescribed.

(4) The Central Government may, by notification, exempt any class or classes of public companies referred to in sub-section (3) from any of the provisions of this Chapter, Chapter IV, section 89, section 90 or section 127 and a copy of every such notification shall, as soon as may be after it is issued, be laid before both Houses of Parliament.” To access the notification, [click here](#).

MCA Notifies Limited Liability Partnership (Third Amendment) Rules, 2023 – October 27, 2023

The MCA issued a significant notification with direct implications on significant beneficial ownership related disclosures. It requires the LLPs to maintain a register of partners, furnish details of person holding

beneficial interests, record the declaration in register of partners and specify a designated partner to furnish information regarding beneficial interest contribution with the authorities. To access the notification, [click here](#).

Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 – October 27, 2023

The MCA announced significant revisions to the the Companies (Prospectus and Allotment of Securities) Rules, 2014 mandating dematerialization of share warrants for public companies and issuance of securities in dematerialized forms only. The new rules make some minor changes to clarifying the requirements for disclosing information about related party transactions and procedure for allotting shares to qualified institutional buyers. To access the notification, [click here](#).

Companies (Management and Administration) Second Amendment Rules, 2023 – October 27, 2023

The MCA notified the Second Amendment Rules to the Management and Administration Rules, 2014 which aim at increasing transparency and accountability in companies, and to improve the corporate governance framework. It makes additional compliance requirements in regard to the disclosure of beneficial interests in shares and contributions in Form PAS – 8 and appointment of designated person responsible for furnishing the beneficial interest information to the ROC. Pertinently, it enhances the power of Registrar of Companies to investigate and prosecute cases of non-compliance with beneficial interest disclosure requirements. To access the notification, [click here](#).

RBI

RBI's New Regulatory Framework for NBFCs: Scale Based Regulation Directions 2023 – October 19, 2023

The Reserve Bank of India (RBI) has issued Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (NBFC Directions) which outlines the new regulatory framework for NBFCs. These directions intend to consolidate various regulations for NBFCs of different scales and functions in one place and eliminate the classification of 'systemically important' NBFCs which should supposedly streamline compliance requirements and ensure that all NBFCs operate within a clear framework. The NBFC Directions also require the top 15 NBFCs to list on stock exchanges. Under the erstwhile framework, even the relatively smaller sized finance companies were classified as systemically important because of the definition which included NBFCs with assets over INR 500 crores. This has now been done away with. Under the NBFC Directions, NBFCs with over INR 1,000 crore assets are part of the mid-layer, and only the top 10 NBFCs form part of the upper layer to which the stringent conditions will apply. To access the circular, [click here](#).

Draft Master Direction on Managing Risks and Code of Conduct in Outsourcing of Financial Services for Public Comments – October 26, 2023

The RBI has placed the Draft Master Direction on Managing Risks and Code of Conduct in Outsourcing of Financial Services for public consultation. Regulated Entities (REs) are increasingly using outsourcing as a means for reducing costs as well as for availing specialist expertise not available internally. Outsourcing of a permissible activity is an operational decision of REs, but it exposes them to various risks which need to be managed. The directions on managing these risks have been incorporated in the enclosed Reserve Bank of India (Managing Risks and Code of Conduct in Outsourcing of Financial Services) Directions, 2023. These Directions provides for delineation of activities that may be outsourced, material outsourcing, risk management practices, risk evaluation, outsourcing agreements, confidentiality, control of outsourcing activities and grievance redressal, among other pertinent provisions. Moreover, it proposes a framework for additional regulatory and supervisory requirements and role of regulated entities direction aimed to waive all impediments to effective supervision and scrutiny by the authorities. To access the Master Directions, [click here](#).

Regulation of Payment Aggregator – Cross Border (PA - Cross Border) – October 31, 2023

The RBI has unveiled direct regulations to monitor all entities that facilitate cross-border payments for import and export of goods and services in online mode. It provides for net-worth requirement, import collection account and export collection account, customer due diligence and KYC, payment instruments,

registration with FIU, classification of import-export activity and the transaction limit. To access the press release, [click here](#).

INDIRECT TAX

Recommendations of 52nd GST Council Meeting – October 7, 2023

The 52nd GST Council Meeting made pertinent changes in GST tax rates, measures for facilitation of trade and measures for streamlining compliances in GST. It included technical and procedural clarifications in addition to approving the exemptions of millet-based powdered foods, coastal cruises, and a rate clarity on Extra Neutral Alcohol for industrial use. Moreover, it issued clarifications regarding taxability of personal guarantee offered by directors to the bank against the credit limits/loans being sanctioned to the company and regarding taxability of corporate guarantee provided for related persons including corporate guarantee provided by holding company to its subsidiary company.

The Council offered a breather for appeal filers and pending writ petitions seeking time relief. It recommended the provision of an amnesty scheme for extending the time for filing an appeal for orders passed on or before March 31, 2023, till January 31, 2024. The council also recommended allowing taxpayers to supply authorised goods to Special Economic Zones on payment of IGST and claim the refund of tax so paid from October 1, 2023. To access the press release, [click here](#).

AVIATION

Amendment to Aircraft Rules, 1937 – October 16, 2023

The Ministry of Civil Aviation has notified the Amendments to the Aircraft Rules, 1937, aiming to promote Safety and Ease of Doing Business in Aviation Regulation to align India's aviation regulations with the International Civil Aviation Organization's Standards and Recommended Practices and international best practices. The amendment extended the validity of Airline Transport Pilot License and Commercial Pilot License holders' licenses from five years to ten years to streamline the licensing process and reduce the administrative burdens. It also enhanced control over the false lights, removed the redundant rule pertaining to validation of foreign licenses and liberalized requirements for air traffic controller license. To access the rules, [click here](#).



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