

**Circular: Enhancing Transparency and Stakeholder Engagement in Liquidation Process – February 22, 2024**

The Insolvency and Bankruptcy Board of India (IBBI) has issued a circular on the enhancement of transparency and stakeholder engagement in the liquidation process via the circulation of progress reports to stakeholders, preparation of the preliminary report and sharing of final report, Form H, and process closure/dissolution order with IBBI. To access the circular, click [here](#).

**IBBI (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2024 – February 15, 2024**

IBBI notified the Insolvency Resolution Process for Corporate Persons (Amendment) Regulations, 2024 with the objective to streamline CIRP. It provides for operation of separate bank accounts for real estate projects to ensure financial transparency, accountability and flexibility in inviting resolution plans in real estate cases. The amendment also streamlines monthly meetings for Committee of Creditors, voting procedures, approval of insolvency resolution process costs, valuation methodology related disclosures, disclosure of fair value in the information memorandum, constitution of a monitoring committee for implementation of resolution plan, and continuation of the resolution process pending extension application. To access the regulations, click [here](#).

**Expert Committee constituted by IBBI submits its Report on Framework for Use of Mediation under the Insolvency and Bankruptcy Code, 2016 – February 14, 2024**

The Expert Committee, constituted by IBBI to examine the scope of use of mediation in respect of processes under the Insolvency and Bankruptcy Code, 2016 (IBC) has made recommendations on the likely framework for the introduction of mediation as a complementary mechanism for resolution of disputes around the processes under IBC. The mediation framework under IBC, as recommended by the Expert Committee, would best operate as a self-contained blueprint within IBC, with independent infrastructure to ensure that the objectives of IBC are met without compromising or diluting the basic structure of IBC in terms of timelines, public rights, etc. In consonance with the Mediation Act, 2023, the Expert Committee has recommended a voluntary mediation framework under IBC. The Expert Committee has recommended a phased introduction of voluntary mediation as a dispute resolution mechanism under IBC while maintaining the sanctity of the timelines for various existing insolvency resolution processes. To access the report, click [here](#).

**Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 and Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 – February 5, 2024**

IBBI has amended the Insolvency Resolution Process for Personal Guarantors to Corporate Debtors Regulations, 2019 and Bankruptcy Process for Personal Guarantors to Corporate Debtors Regulations, 2019 via the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2024 (Insolvency Amendment Regulations) and the IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2024 (Bankruptcy Amendment Regulations) (collectively referred as “Amendment Regulations”).

The amendment regulations remove the restrictions on an Insolvency Professional (IP) to be appointed as Resolution Professional (RP) or Bankruptcy Trustee (BT) in the insolvency resolution process or bankruptcy process of Personal Guarantors (PGs) to Corporate Debtors (CDs) respectively, if she has acted or is acting as interim resolution professional, RP or liquidator during the Corporate Insolvency Resolution Process (CIRP) or liquidation process of the CD. Removal of this restriction will allow the

appointment of same IP in both the corporate process as well as the insolvency and bankruptcy proceeding of the PGs to the CDs for better harmonization and effective coordination of both the processes. The PG submits a repayment plan to the RP, who then evaluates its viability and submits a report to the Adjudicating Authority with a recommendation on whether to call a meeting of the creditors. If the RP deems such a meeting unnecessary, he will provide reasons for the same. The amendment regulations aim to make the convening of meeting of creditors mandatory with an intention to foster active participation and cooperation among all stakeholders. This will supposedly reinforce a robust and equitable framework for addressing financial distress in PG cases. To access the amendment, click [here](#).

#### **Enabling Framework for Regulatory Sandbox – February 28, 2024**

RBI has placed the revised framework for Regulatory Sandbox, with a vision to foster responsible innovation in financial services, promote efficiency, and bring benefit to consumers, via the framework. The target applicants for entry to the Regulatory Sandbox, are FinTech companies including start-ups, banks, financial institutions, limited liability partnership and partnership firms, partnering with or providing support to financial services businesses, subject to the Regulatory Sandbox criteria laid down in these guidelines.

The Regulatory Sandbox process has been divided into five stages, to be completed within nine months - preliminary screening phase, application assessment and shortlisting stage, formulation of test design and integration phase, testing phase and evaluation phase. It is pertinent to note that RBI may consider some relaxations for the duration of Regulatory Sandbox on a case-to-case basis in terms of liquidity requirements, board composition, management experience, financial soundness, track record and statutory restrictions. However, there will be no concessions given in terms of customer privacy and data protection, secure storage of and access to payment data of stakeholders, local data storage, security of transactions, know your customer/anti-money laundering/counter finance terrorism compliance, and statutory requirements. To access the framework, click [here](#).

#### **Amendment to Master Direction on Prepaid Payment Instruments – February 23, 2024**

The RBI has issued an amendment to the Master Direction on Prepaid Payment Instruments under the Payment and Settlement System Act. The PPIs are the instruments for payment to purchase goods and services and facilitate financial services, etc., against the merchants. The new amendment on the master direction on prepaid payment instruments has come up with some changes to the various types of PPIs for which banks and non-banks can issue PPIs. The main aim of issuing the amendment in the Payment and Settlement System Act, 2007 is to enhance the safety of digital payment in public transport services, and after approval from the RBI, the PPI issuers will be permitted to issue PPIs for making payments within the public transport system. To access the amendment, click [here](#).

#### **Consultation paper on proposals to improve ease of doing business with respect to the additional disclosure framework for FPIs – February 27, 2024**

SEBI released a consultation paper proposing two exemptions to additional disclosure framework for Foreign Portfolio Institutions (FPIs) specified under the August 24, 2023, circular. It seeks to exempt Category I University Funds and University related Endowments FPI that meet certain objective criteria from the requirement of enhanced disclosures. The second proposal is to exempt enhanced reporting requirements for some funds with concentrated holdings in entities with no identified promoter group, where there is no risk of breach of Minimum Public Shareholding. It also proposes that custodians and depositories monitor the positions of FPIs, direct them to realign their positions in the event of breach of the threshold, and disclose the breach. To access the consultation paper, click [here](#).

#### **Consultation Paper on Ease of Doing Business Initiatives for Mutual Funds – February 23, 2024**

SEBI has sought comments/suggestions from the public on the proposals regarding ease of doing business initiatives for mutual funds. It proposed to introduce certain relaxations in rules for exchange traded funds and index funds. The propositions are three-fold, viz., appointment of single fund manager, streamlining prudential norms of passive schemes with regard to exposure to single stock of own group companies, and to remove the restriction to invest up to 25% of their net assets in group companies or sponsors. To access the consultation paper, click [here](#).

#### **Consultation Paper on Relaxation in Timelines for Disclosure of Material Changes by Foreign**

## Portfolio Investors – February 7, 2024

SEBI released a consultation paper proposing relaxation in timelines for disclosure of material changes by Foreign Portfolio Investors (FPIs), to bring consistency and address the concerns of the market participants. It has proposed to categorize the material changes to be notified by the FPIs into two following categories for the purpose of mandating timelines for notification of such changes –

Type I: Changes which require FPI to seek fresh registration or which affect any privileges/exemption available to the FPI. This includes change of jurisdiction, acquisition/merger/demerger resulting in cessation of existence of FPI, restructuring, among other indicative aspects. This will have to be informed by the FPIs within 7 days of occurrence of the change and the supporting documents will have to be provided within 30 days of such change.

Type II: All other material changes will have to be informed by the FPIs within 30 days of the change. To access the consultation paper, click [here](#).

## Draft Competition Commission of India (General) Amendment Regulations, 2024 – February 26, 2024

The Competition Commission of India (CCI) has proposed amendments to Regulations 25, 27 and 50 of the General Regulations with an objective to enhance efficiency by streamlining the processes and ensure timely disposal of proceedings before the CCI. The proposals focus on creation of confidentiality rings, streamlining processes, setting timelines for document access and revising inspection fees. The proposed revisions aim to strike a balance between the confidentiality concerns and the need for timely resolution, ensuring a fair and competitive market environment. To access the draft, click [here](#).

## The Competition Commission of India (Lesser Penalty) Regulations, 2024 – February 20, 2024

CCI has notified the CCI (Lesser Penalty) Regulations, 2024 to come into effect on February 20, 2024, repealing the CCI (Lesser Penalty) Regulations, 2009. It is aimed at incentivizing companies and individuals under investigation for cartelisation to report other cartels. The Regulations outline the conditions for lesser penalty and lesser penalty plus, and the manner in which lesser penalty and lesser penalty plus will be granted. To access the regulations, click [here](#), and to access the FAQs on Lesser Penalty Regime, click [here](#).

## PFRDA notifies amendments to Trustee Bank (TB) and Central Recordkeeping Agency (CRA) Regulations for Good Governance with focus on subscriber protection, reduce cost of compliance and enhance ease of doing business – February 22, 2024

The Pension Fund Regulatory and Development Authority (PFRDA) has notified the Trustee Bank (TB) (Amendment) Regulations, 2023 and the Central Recordkeeping Agency (CRA) (Amendment) Regulations, 2023. These amendments aim at simplification and reducing compliance burden. The amendments to TB Regulations strengthen the provisions related to implementation of fraud prevention and mitigation policy, compensation to the subscriber, invitation of application for new registration and surrender of certificate of registration. Similarly, the amendments to CRA Regulations strengthen the provisions related to governance of CRA in line with Companies Act, 2013 and enhanced disclosure of information by CRA. The other notable amendments *inter alia* include:

- i. Implementation of fraud prevention and mitigation policy by CRA to protect the interest of subscribers.
- ii. Inclusion of certificate by CEO in the annual report in respect of adequacy and effectiveness of internal controls, compliance, and audit processes.
- iii. Criteria of 'fit and proper person' has been introduced for CRA and its key personnel.

To access the amendments in TB regulations, click [here](#), and to access the amendments in CRA regulations, click [here](#).

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**NEW DELHI**  
30, Nizamuddin East  
New Delhi – 110 013  
Tel: + 91 11 4719 4400 | Fax: + 91 11 4050 6977  
E-mail: delhi@dmd.law

**MUMBAI**  
121, Maker Chambers – IV, Nariman Point  
Mumbai – 400 021  
Tel: + 91 22 4356 5555 | Fax: + 91 22 4356 5550  
E-mail: mumbai@dmd.law

[www.dmd.law](http://www.dmd.law)

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