

**Clarification on the Position of Compliance Officer in Terms of Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – April 1, 2025**

Securities and Exchange Board of India (SEBI) issued a circular providing clarification regarding the position of the Compliance Officer under Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The circular specifies that the Compliance Officer must be positioned one level below the Board of Directors, meaning they should report directly to the Managing Director or Whole-Time Director(s) of the listed entity. This clarification aligns with the recommendations of the Expert Committee aimed at facilitating ease of doing business and harmonizing the provisions of the SEBI LODR Regulations and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The committee noted that, in some companies, the role of the Compliance Officer was not commensurate with the responsibilities assigned to them, as they were often positioned two levels below the Board and reported to other Key Managerial Personnel (KMPs) or senior management. To address this, the committee recommended elevating the Compliance Officer's position to ensure effective discharge of statutory duties. SEBI accepted this recommendation, emphasizing that the Compliance Officer should be designated as a KMP and positioned just below the Board to enhance their authority and effectiveness in compliance matters.

To access the circular, [click here](#).

**Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2025 – April 3, 2025**

The Insolvency and Bankruptcy Board of India issued the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2025, under the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016, to amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, by substituting the existing Form H in Schedule I with a revised compliance certificate format under Regulation 39(4), thereby mandating resolution professionals to furnish detailed disclosures regarding the Corporate Insolvency Resolution Process, including timelines, committee of creditors' meetings, resolution plan particulars, voting outcomes, compliance with statutory provisions, and declarations affirming adherence to the code and regulations.

To access the regulations, [click here](#).

**Ministry of Corporate Affairs - Draft Amendments to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for Public Consultation – April 4, 2025**

The Ministry of Corporate Affairs has proposed an amendment to Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to expand the scope of fast-track mergers under Section 233 of the Companies Act, 2013, allowing simplified mergers with approval of the Central Government through Regional Directors rather than the National Company Law Tribunal. The proposed amendment seeks to include (i) certain unlisted companies, excluding Section 8 companies, with borrowings not exceeding INR 50,00,00,000/- and no default history, subject to an auditor's certificate; (ii) mergers between a holding company (listed or unlisted) and one or more of its unlisted subsidiaries, even if not wholly owned; (iii) mergers between unlisted fellow subsidiaries of a common holding company; and (iv) cross-border mergers of a foreign holding company into its Indian wholly owned subsidiary, which are currently allowed under Rule 25A but proposed to be consolidated under Rule 25.

To access the draft amendments, [click here](#).

**Draft Circular on Amendments to Master Circular on Online Resolution of Disputes in the Indian**

## **Securities Market – April 21, 2025**

SEBI released a draft circular proposing amendments to the Master Circular on online resolution of disputes in the Indian securities market, aiming to enhance the efficiency and accessibility of the Online Dispute Resolution (ODR) framework. The proposed amendments seek to streamline the ODR process by clarifying procedural aspects, expanding the scope of disputes eligible for online resolution, and integrating technological advancements to facilitate seamless interactions among stakeholders. Key proposals include the establishment of standardized protocols for initiating and conducting online dispute resolution proceedings, the incorporation of user-friendly digital platforms to ensure wider participation, and the implementation of robust data security measures to protect sensitive information.

To access the consultation paper, [click here](#).

## **Amendments to Directions - Compounding of Contraventions under FEMA, 1999 – April 22, 2025**

Reserve Bank of India (RBI) issued a circular amending the guidelines for compounding contraventions under the Foreign Exchange Management Act (FEMA), 1999. The amendment removes Paragraph 5.4.II.v from the earlier Circular No. 17/2024-25 dated October 1, 2024, thereby eliminating the practice of linking the compounding amount to previous compounding orders; henceforth, each application will be treated independently, and the compounding amount will be determined afresh. Additionally, to address issues arising from incorrect payments and delays in application submissions, the RBI mandates that applicants include their mobile number, specify the RBI office where the payment was made (Central Office, Regional Office, or FED CO Cell), and indicate the mode of application submission (PRAVAAH or physical) in Part B of Annexure I.

To access the circular, [click here](#).

## **Master Directions - Compounding of Contraventions under FEMA, 1999, dated April 22, 2025 (Updated as on April 24, 2025) (Supersedes Master Direction - Compounding of Contraventions under FEMA, 1999, (Updated as on May 24, 2022)) – April 24, 2025**

The RBI issued Master Directions detailing the compounding of contraventions under the FEMA, 1999, which allows individuals to apply for compounding of certain violations, excluding those under Section 3(a), within 180 days of application receipt; the compounding process involves submitting an application with a INR 10,000/- fee (plus applicable GST) either physically or via the PRAVAAH Portal, ensuring all requisite documents and undertakings are provided, and understanding that certain serious contraventions—such as repeat offenses within three years, cases under investigation by the Directorate of Enforcement, or those involving money laundering or national security concerns—are ineligible for compounding; upon review, the Reserve Bank assesses factors like undue gains, loss to the exchequer, and the contravener's conduct to determine the compounding amount, which must be paid within 15 days of the order, thereby streamlining compliance and reducing litigation for foreign exchange violations.

To access the directions, [click here](#).

## **Consultation Paper on Framework for Orderly Winding Down of Critical Operations and Services of a KYC Registration Agency – April 29, 2025**

SEBI released a consultation paper proposing a framework for the orderly winding down of critical operations and services of the Know Your Client KYC Registration Agency (KRA), aiming to ensure continuity and integrity in investor services during such transitions. The proposed framework outlines procedures for the transfer of KYC records to other KRAs, mandates prior approval from SEBI for winding down, and emphasizes the need for KRAs to maintain business continuity plans and disaster recovery mechanisms. It also stipulates that KRAs must provide advance notice to SEBI and clients, ensure data security during the transition, and facilitate seamless migration of services to minimize disruption. SEBI has invited public comments on the consultation paper until May 20, 2025.

To access the consultation paper, [click here](#).

## **Consultation Paper on Amendment to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 with the Objective of Mandatory Dematerialization of Existing Securities of Select Shareholders prior to IPO – April 30, 2025**

SEBI issued a consultation paper proposing amendments to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, with the objective of mandating the de-materialization of existing securities held by certain shareholders before an Initial Public Offering (IPO). This proposed amendment aims to enhance transparency, reduce the risks of fraud, and streamline the IPO process by requiring all securities to be held in a dematerialized form. The proposal specifically targets shareholders whose securities are not currently in electronic form, making it mandatory for them to convert their holdings into dematerialized form prior to their IPO. SEBI has invited public comments on the consultation paper until May 20, 2025.

To access the consultation paper, [click here](#).



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