



NEWSLETTER

August 2021

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Reserve Bank of India (RBI)
Ministry of Corporate Affairs (MCA)
Securities Exchange Board of India (SEBI)
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RBI issues notification on maintenance of State Government Transaction records

The Reserve Bank of India (RBI) on August 02, 2021 issued a notification on Maintenance of State Government Accounts – Recovery of Interest on Excess put through/ Double claim (State Government Transactions).

Certain partial modifications were done in the para 5.11 of the Memorandum of Instructions on Accounting and Reconciliation of State Government Transactions. The instructions in the notification will come into effect from date of issuance of this circular. The procedure for claiming/ recovering of delayed period interest will remain unchanged and it will be charged irrespective of the amount involved in such excess put through /double claim by agency banks.

[Click here](#) to view the notification.

RBI issues Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators

The Reserve Bank of India issued the Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators for the Payment System Operators (PSOs) on August 03, 2021

To enable effective management of attendant risks in outsourcing of such activities, RBI announced in the Statement on Developmental and Regulatory Policies released with the bi-monthly Monetary Policy Statement 2020-21 on February 05, 2021, that a framework for outsourcing of payment and settlement-related activities by PSOs, will be issued by the Reserve Bank of India. A framework for the same is provided in the Annex.

The PSOs shall ensure that all their outsourcing arrangements, including the existing ones, are in compliance with this framework by March 31, 2022.

[Click here](#) to view the notification

RBI issues Guidelines for Implementation of the circular on Opening of Current Accounts by Banks

On August 04, 2021, the Reserve Bank of India (RBI) issued guidelines for Implementation of the circular on Opening of Current Accounts by Banks.

The guidelines were issued after receiving requests from the banks for some more time to resolve the operational issues while implementing the circular in letter and spirit. Therefore, in order to ensure that the instructions are implemented in a non-disruptive manner, RBI has issued certain circulars too:

- a. Banks will be permitted time till October 31, 2021 to implement the provisions of the circular. This extended time line shall be utilised by banks to engage with their borrowers to arrive at mutually satisfactory resolutions within the ambit of the circular. Such issues which banks are unable to resolve themselves shall be escalated to Indian Banks' Association (IBA) for appropriate guidance. Residual issues, if any, requiring regulatory consideration shall be flagged by IBA to the Reserve Bank for examination by September 30, 2021.
- b. In terms of para 1(vii) of circular DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020, accounts of White Label ATM operators and their agents are exempt from the provisions of the Current Account circular dated August 6, 2020. Since Cash-in-Transit (CIT) Companies/ Cash Replenishment Agencies (CRAs) essentially carry out a similar activity, the exemption would be applicable to these entities as well.
- c. Banks shall put in place a monitoring mechanism, both at head office and regional/zonal office levels to monitor non-disruptive implementation of the circular and to ensure that customers are not put to undue inconvenience during the implementation process.
- d. As has already been indicated in FAQ no 6 of circular DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020, banks are not permitted to open current accounts for borrowers who have availed agricultural/ personal Overdraft (OD) or OD against deposits.

[Click here](#) to view the notification

RBI Restructures Derivative Contracts

The Reserve Bank of India on August 06, 2021 issued Prudential Norms for Off-Balance Sheet Exposures of Banks – Restructuring of derivative contracts.

The terms of change in any of the parameters of the original derivative contract would be treated as a restructuring was provided in an earlier circular of RBI circular dated October 13, 2008.

It is clarified that change in the terms of a derivative contract on account of change in reference rate necessitated due to transition from LIBOR to an alternative reference rate shall not be treated as restructuring of the derivative contract provided all other parameters of the original contract remain unchanged.

[Click here to view the notification](#)

RBI issues Guidelines on Export Credit in Foreign Currency – Benchmark Rate

The Reserve Bank of India (RBI) on August 06, 2021, issued a notification on guidelines on export credit in foreign currency – Benchmark Rate.

Authorized dealers are permitted to extend Pre-shipment Credit in Foreign Currency (PCFC) to exporters for financing the purchase, processing, manufacturing, or packing of goods prior to shipment at LIBOR/EURO LIBOR/EURIBOR related rates of interest as per the guidelines.

The Reserve Bank of India has decided to permit banks to extend export credit using any other widely accepted Alternative Reference Rate in the currency concerned. All other instructions in this regard shall remain unchanged.

[Click here to view the notification](#)

RBI revises timelines for compliances

The Reserve Bank of India on August 06, 2021 issued a notification for Resolution Framework for COVID-19-related Stress and revision of timelines.

The key ratios and their sector specific thresholds to be considered by lending institutions while finalising the resolution plans in respect of eligible borrowers under Part B of the Annex to the Resolution Framework for Covid-19 related stress issued on August 6, 2020.

The Reserve Bank of India has decided to defer the target date for meeting the specified thresholds in respect of the four operational parameters, viz. Total Debt / EBIDTA, Current Ratio, DSCR and ADSCR, to October 1, 2022. The target date for achieving the ratio TOL/ATNW, as crystallised in terms of the resolution plan, shall remain unchanged as March 31, 2022.

[Click here to view the notification](#)

RBI extends the relaxation in maintenance of Statutory Liquidity Ratio (SLR)

The Reserve Bank of India (RBI) on August 09, 2021 issued a notification on providing relaxations in maintenance of Statutory Liquidity Ratio (SLR).

The banks were allowed to avail of funds under the MSF by dipping into the Statutory Liquidity Ratio (SLR) up to an additional one per cent of their net demand and time liabilities i.e., cumulatively up to three per cent of NDTL.

This facility, which was initially available up to June 30, 2020, was later extended in phases up to September 30, 2021, providing comfort to banks on their liquidity requirements and also to enable them to meet their Liquidity Coverage Ratio (LCR) requirements.

To provide comfort to banks on their liquidity requirements, banks are allowed to continue with the MSF relaxation for a further period of three months, i.e., up to December 31, 2021.

[Click here to view the notification](#)

RBI announces collateral free loans to self-help groups under DAY-NRLM

The Reserve Bank of India (RBI) on August 09, 2021 announced collateral free loans to Self Help Groups (SHGs) under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) from ₹10 lakh to ₹20 Lakh after making certain modification in Paragraph 7.4 of RBI Master circular.

7.4 Security and Margin:

7.4.1 For loans to SHGs up to ₹10.00 lakh, no collateral and no margin will be charged. No lien should be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans.

7.4.2 For loans to SHGs above ₹10 lakh and up to ₹20 lakh, no collateral should be charged and no lien should be marked against savings bank account of SHGs. However, the entire loan (irrespective of the loan outstanding, even if it subsequently goes below ₹10 lakh) would be eligible for coverage under Credit Guarantee Fund for Micro Units (CGFMU).”

[Click here to view the notification.](#)

RBI seeks Feedback on draft Overseas Investment rules & regulations

The Reserve Bank of India issued a press release to seek feedback on draft Overseas Investment rules & regulations. It has been decided to rationalize the existing provisions governing overseas investment in order to further liberalize regulatory framework and also to promote ease of doing business.

Till Now the Overseas Investments and acquisition of immovable properties outside India by persons resident in India is presently governed by the provisions of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 and Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations 2015.

[Click here](#) to view the notification.

RBI asks to monitor the availability of cash in ATMs

The Reserve Bank Of India on August 10, 2021 issued a notification on monitoring of availability of cash in the ATMs to avoid cash-outs which leads to non-availability of cash and cause avoidable inconvenience to the members of the public. Earlier the RBI had also issued a mandate to provide banknotes and the banks are fulfilling this mandate by dispensing banknotes to the public through their wide network of branches and ATMs.

The Reserve Bank Of India has decided that the banks/ White Label ATM Operators (WLAOs) shall strengthen their systems/ mechanisms to monitor availability of cash in ATMs and ensure timely replenishment to avoid cash-outs. Any non-compliance in this regard shall be viewed seriously and shall attract monetary penalty as stipulated in the "Scheme of Penalty for non-replenishment of ATMs" in the Annex. The Scheme shall be effective from October 01, 2021.

[Click here](#) to view the notification.

RBI further extends the deadline on tap TLTRO Scheme

The Reserve Bank of India (RBI) on August 13, 2021 issued a press release to further extend the deadline for the on Tap Targeted Long-Term Repo Operations (TLTRO) Scheme to December 31, 2021, which was earlier extended to September 31, 2021, for the nascent and fragile economic recovery. All other terms and conditions of the scheme remain unchanged

[Click here](#) to view the notification.

RBI revises the Instructions for Locker/Safe Custody Article Facility provided by the banks

The Reserve Bank of India (RBI) on August 18, 2021 issued revised set of instructions for the Locker/Safe Custody Article Facility provided by the banks after observing the various developments in the area of banking and technology, nature of consumer grievances and also the feedback received from banks and Indian Banks' Association (IBA).

The Revised Guidelines contains the following:

- PART I: Customer Due Diligence (CDD) for Lockers

1. Customer Due Diligence

- PART II: Locker Allotment

1. Model Locker Agreement

2. Locker rent

- PART III: Infrastructure and Security Standards

1. Security of the Strong Room/Vault

2. Locker Standards

- PART IV: Locker Operations

1. Regular Operations by Customers

2. Internal Controls by banks

- PART V: Nomination Facility and Settlement of Claims

1. Nomination Facility

2. Settlement of Claims in case of death of a Customer

3. Access to the articles in the safe deposit lockers/ return of safe custody articles

- PART VI: Closure and Discharge of locker items

1. Discharge of locker contents at the request of customer

2. Attachment and recovery of contents in a Locker and the Articles in the safe custody of the bank by any Law Enforcement Authority

3. Discharge of locker contents by banks due to non-payment of locker rent

4. Discharge of locker contents if the locker remains inoperative for a long period of time

- PART VII: Compensation Policy / Liability for Banks

1. Liability of banks

2. Liability of banks arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer

3. Liability of banks arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the bank

- PART VIII: Risk Management, Transparency and Customer Guidance

1. Branch Insurance Policy

2. Insurance of locker contents by the customer

3. Customer guidance and publicity

4. Board approved policies and SOPs

This notification has superseded certain earlier instructions listed in the appendix.

[Click here](#) to view the notification

MCA issues the Companies (Specification of definitions details) Third Amendment Rules, 2021

On 5 th August, 2021 the MCA had issued the Companies (Specification of definition details) Third Amendment Rules, 2021 to further amend the Companies (Specification of definition details) Rules, 2014.

The following new explanation has been inserted under Rule 2 (1) (h), which specifies the electronic based offering of securities:

“Explanation- For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under Section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as ‘electronic mode’ for the purpose of clause (42) of Section 2 of the Act.”

[Click here](#) to view the notification.

MCA issues the Companies (Registration of Foreign Companies) Amendment Rules, 2021

On 5 th August, 2021 the MCA had issued the Companies (Registration of Foreign Companies) Amendment Rules, 2021 to further amend the Companies (Registration of Foreign Companies) Rules, 2014.

The following new explanation has been inserted under Rule 2 (1) (c), which specifies the electronic based offering of securities:

“Explanation- For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres setup under Section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as ‘electronic mode’ for the purpose of clause (42) of Section 2 of the Act.”

[Click here](#) to view the notification

MCA issues notification for exemption of Foreign Companies under provisions S. 387 to S. 392 of Companies Act, 2013

On 5 th August, 2021 the MCA had issued a notification stating that the Central Government has exempted foreign companies and companies incorporated or to be incorporated outside India from the applicability of the provisions of Sections 387 to 392 (both inclusive), with respect to the prospectus and all matters incidental thereto in the International Financial Services Centres set up under Section 18 of the Special Economic Zones Act, 2005 (28 of 2005).

[Click here](#) to view the notification.

MCA amends schedule III of Companies Act, 2013 on disclosure norms in financial statements

On 10 th August, 2021 the MCA had stated various disclosures to be made by the companies in their financial statements under the Schedule II of the Companies Act, 2013 effective from 1 st April, 2021 which were amended vide notification dated 24 th March, 2021.

The new disclosures with respect to the virtual currency/ crypto currency transactions and CSR spending undertaken by companies during a financial year are:

Details of Virtual Currency or Crypto Currency

Where the Company has traded or invested in Crypto Currency or Virtual Currency during the financial year, the following shall be disclosed:

- Profit or Loss on transactions involving Crypto Currency or Virtual Currency
- Amount of Currency held as at the reporting date
- Deposits or Advances from any person for the purpose of trading or investing in Crypto Currency/ Virtual Currency.

Details of Corporate Social Responsibility (CSR)

Where the Company covered under Section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:

- Amount required to be spent by the company during the year
- Amount of expenditure incurred
- Shortfall at the end of the year
- Total of previous years shortfall
- Reason for shortfall
- Nature of CSR activities
- Details of related party transactions, e-contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard
- Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.

[Click here](#) to view the notification

MCA issues the Companies (Creation and Maintenance of Databank of Independent Directors) Second Amendment Rules, 2021

On 19 th August, 2021 the MCA had issued the Companies (Creation and Maintenance of Databank of Independent Directors) Second Amendment Rules, 2021 to further amend the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

The following new rule, which specifies Annual Report on the capacity building of independent directors, has been inserted:

“6. Annual Report on the Capacity Building of Independent Directors- The institute shall within sixty (60) days from the end of every financial year send an annual report to every individual whose name is included in the data bank and also to every company in which such individual is appointed as an independent director in format provided in the Schedule to these Rules.”

A Schedule which specifies Annual Report on Capacity Building of Independent Director has also been inserted along with Rule 6.

[Click here](#) to view the notification.

MCA issues the Chartered Accountants (Election to the Council) Amendment Rules, 2021

On 24 th August, 2021 the MCA had issued the Chartered Accountants (Election to the Council) Amendment Rules, 2021 to further amend the Chartered Accountants (Election to the Council) Rules, 2006.

The following new opening part has been inserted under Rule 5, which specifies member eligible to vote:

“Subject to other provisions of these rules, a member, whose name is borne on the Register on the April 01, of the financial year in which the election to the Council is to take place and is entitled to vote by poll, shall be permitted to cast his vote for the candidates contesting from the regional constituency to which he belongs, at any polling booth of his choice within his Regional Constituency, provided an intimation to vote at a particular booth is received by the Returning Officer at least fourteen days prior to the date of polling:”

The following new proviso has been inserted under Rule 6, which specifies List of Voters:

“Provided that the Returning Officer may, on an application from a voter eligible to vote by poll seeking permission to cast his vote at a polling booth beyond his regional constituency, received at least three weeks prior to the date of polling, permit him to vote, for the candidates contesting from the regional constituency to which he belongs, at a polling booth, in the city of his choice beyond such regional constituency, if there has been a change in his professional address published in the List of Voters or he is expected to be away from his professional address on the date of polling and all necessary arrangement therefor shall be made by the Returning Officer.”

The following new sub-rule (1) has been substituted under Rule 26, which specifies presence of the candidates and their authorized representatives at the polling booths:

“(1) A candidate for election from a constituency shall be entitled to be present at the polling booths in that constituency including at such polling booths beyond that Constituency, as may be permitted in terms of the proviso to sub-rule (2) of rule 6.”

The following new proviso has been inserted under Rule 32, which specifies Appointment of time and date for the counting of votes:

“Provided that, the date and time for commencement of counting of votes for all constituencies shall be uniform.”

The sub-clause (3) has been omitted under Schedule 2, which specifies List of Voters.

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Permitting non-scheduled payment banks to register to an issue

The Securities and Exchange Board of India issued a notice on August 3, 2021, permitting non-scheduled payment banks to register as bankers to an issue (BTI). In this regard, non-scheduled payment banks, which have prior approval from the Reserve Bank of India, shall be eligible to act as a BTI subject to fulfilment of the conditions stipulated in the BTI regulations. [Click here](#) to view the notification.

SEBI (Listing Obligations and Disclosure Requirements) (3 rd Amendment) Regulations, 2021

SEBI has issued SEBI (Listing Obligations and Disclosure Requirements) (3 rd Amendment) Regulations, 2021 to amend SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Important Amendments:

- A new sub-regulation, 1C has been added to Regulation.
- A new proviso has been added to Regulation 23, under sub-regulation 2
- Sub-regulation 2A and sub-regulation 11 has been inserted in Regulation 11.
- A new clause (f) has been added to Regulation 36 under sub-regulation 3.
- In Schedule II, a new sub-clause (1A) has been inserted.

All the amended provisions are defined under the aforesaid amended regulation.

[Click here](#) to view the notification

Securities Board of India (Credit Rating Agencies) (Amendment) Regulations, 2021

SEBI has issued Securities and Exchange Board of India (Credit Rating Agencies) (Amendment) Regulations, 2021 to further amend the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999.

- Regulation 2(2) has been substituted, namely to clarify the meaning of words and expressions which are not defined in Act.
- Regulation 29(2) (c) has been substituted to lay down the criteria for investigation of complaints.

[Click here](#) to view the notification.

Securities and Exchange Board of India (Portfolio Managers) (Third Amendment) Regulations, 2021

SEBI through a circular dated August, 04, 2021 has issued Securities and Exchange Board of India (Portfolio Managers) (Third Amendment) Regulations, 2021 to further amend the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

- A new proviso has been added to Regulation 22(1) to provide clarification on the applicability of contents of the agreement.
- Another proviso has been inserted in Regulation 23(2) to provide clarification on applicability minimum investment amount on accredited investor
- Regulation 2(4A) has been inserted implying that portfolio managers may offer advisory services for investment up to 100% of the assets.

[Click here](#) to view the notification

Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2021

SEBI through circular dated August 4, 2021, has provided few amendments in the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. Overseas Indians may be constituents to the applicants provided that they meet the conditions set by the committee.

Resident Indian, other than individual may also be a constituent of the applicant based on the conditions mentioned in the aforementioned regulation.

[Click here](#) to view the notification

Maintenance of Current Accounts in multiple banks by mutual funds

SEBI through a circular dated August 04, 08, 2021 clarified that mutual funds should maintain current accounts in an appropriate number of banks for receiving subscription amount and for payment of redemption/dividend/brokerage/commission etc. to avail maximum convenience of investors, financial inclusion and ease of doing business.

[Click here](#) to view the notification.

Requirement of minimum number and holding of unitholders for unlisted Infrastructure Investment Trust (InvITs)

SEBI through a circular dated August 4, 2021 has issued the requirement of minimum number and holding of unit holders for unlisted Infrastructure Investment Trusts. Earlier, SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations") were amended through notification No.

SEBI/LAD-NRO/GN/2021/27 to provide the requirement of min. number of holding unit holders.

The InvITs which have already issued units shall comply with sub-regulation (3) of Regulation 26B of InvITs Regulations within a period of 6 months from the date of the circular.

[Click here](#) to view the notification.

Sub-Securities and Exchange Board of India (Investment Advisers) (Third Amendment) Regulations, 2021

SEBI through a circular dated August 04, 2021 has issued the Securities and Exchange Board of India (Investment Advisers) (Third Amendment) Regulations, 2021 to further amend the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

- Regulation 2(1) (aa) has been inserted to clarify the meaning of state "accreditation agency".
- Regulation 2(1) (ab) has been inserted to clarify the meaning of "accredited investor"

[Click here](#) to view the notification.

Modalities for implementation of the framework for Accredited Investors

SEBI has issued a circular on August, 26, 2021 to explain the modes for implementing the framework for accredited investors to avail flexibility in minimum investment amounts or exemptions from specific regulatory requirements applicable to investment products, subject to the conditions outlined in the aforementioned Regulations for specific products/services.

[Click here](#) to view the document.

Modification in Operational Guidelines for FPIs and DPPs pursuant to amendment in SEBI (Foreign Portfolio Investors) Regulations, 2019

SEBI through the circular dated August, 04, 2021 has issued modifications in Operational Guidelines for FPIs and DPPs pursuant to amendment in SEBI (Foreign Portfolio Investors)

Regulations, 2019 as followed:

The circular dated August 4, 2021, for operationalizing the above amendment, has modified the explanation provided under Para 2 (ii) (b) of Part A of the Operational Guidelines for Foreign Portfolio Investors and Custodians and Designated Depository Participants, issued vide circular dated November 05, 2019.

[Click here](#) to view the notification.

Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2021

SEBI through a circular dated August 5 has issued Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2021.

- Regulation 25 (16A) has been inserted to direct the companies to invest in the mutual funds
- based on the risk associated.
- Regulation 76 has been substituted to specify the actions of the board in case of violations.

[Click here](#) to view the notification.

Calendar Spread margin benefit in commodity futures contracts

SEBI has issued a circular on August 9, 2021 to extend Calendar Spread margin benefit in commodity futures contracts beyond three expiries.

Following the request for extension of this benefit beyond the first three expiries is expected to increase liquidity in far-month contracts, facilitate hedging by value chain participants, and

lower trading costs. Considering the benefits, it has been decided to extend the first three expiries policies by amending 2.5 of the SEBI Circular SEBI/HO/CDMRD/DRMP/

CIR/P/2018/51 dated March 20, 2018. The circular shall be effective within one month from the date of its issue.

[Click here](#) to view the notification.

Securities and Exchange Board of India (Prohibition of Insider Trading) (Second Amendment) Regulations, 2021

SEBI through a circular dated August 5, 2021 has issued Securities and Exchange Board of India (Prohibition of Insider Trading) (Second Amendment) Regulations, 2021.

Regulation 7D (1A) has been inserted, namely:

The Board may provide the aforementioned incentive if the total reward payable is less than or equal to Rupees One Crore at the time of the Board's final order.

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Security and Covenant Monitoring' using Distributed Ledger Technology

SEBI on August, 25, 2021 has issued a circular on "Security and Covenant Monitoring Using Distributed Ledger Technology" to strengthen the process of security creation and monitoring, asset cover and covenants of non-convertible securities, and a platform for the 'Security and Covenant Monitoring System' ('system') hosted by Depositories.

[Click here](#) to view the notification.

Sub-Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2021

The Securities and Exchange Board of India (SEBI) on August 03, 2021 has issued the Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2021 to further amend the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

- A new proviso has been inserted to Regulation 13 (4) which permits extending the tenure of large value funds for accredited investors beyond two years.
- A new proviso has been added to Regulation 15(1) (c) and to Regulation 15 (d) (1) (d) issue guidelines for Category I and Category III accredited investors to invest funds investee company.

[Click here](#) to view the notification.

Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2021

SEBI through a circular dated 13, 2021 has issued Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2021

- Regulation 29, sub-regulation (1) has been substituted.
- Regulation 30 has been omitted.
- Sub-regulation (1) and sub-regulation (2) have been added to Regulation 3.

[Click here](#) to view the notification.

Securities and Exchange Board of India (Alternative Investment Funds) (Fourth Amendment) Regulations, 2021

SEBI through a circular dated August 13, 2021 has issued the Securities and Exchange Board of India (Alternative Investment Funds) (Fourth Amendment) Regulations, 2021 to further amend the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

The following amendments have been made:

- Sub-regulation (3) of Regulation 12, Clause (f) in sub-regulation (1) of regulation 15, Clause (a) in sub-regulation (2) of regulation 16, Clause (c) in sub-regulation (1) of regulation 16 and Clause (f) in Regulation 17 has been substituted.
- Clause (b) has been omitted in sub-regulation (2) of regulation 16.

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Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Second Amendment) Regulations, 2021

The word "listed" has been omitted from sub-regulation (1) under Regulation 17

In Regulation 19, sub-regulation (2) and sub-regulation (6) has been omitted.

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Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

SEBI has issued the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 on August 13, 2021.

The provisions of these regulations shall apply to any company whose equity shares are listed on a recognised stock exchange in India and who seeks to issue sweat equity shares or has a scheme as specified in the aforementioned regulation.

[Click here](#) to view the notification.

Tendering of shares in open offers, buy-back offers and delisting offers by marking lien in the de-mat account of the shareholder

The Securities and Exchange Board of India (SEBI) has published a circular allowing shareholders to tender shares in open offers, buy-back offers, and delisting offers by making lien on their Demat account. It has been finalized that a lien shall be marked against the shares of the shareholders participating in the tender offers. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure. All other procedures shall remain unchanged.

[Click here](#) to view the notification.

Disclosure of shareholding patterns of promoter(s) and promoter group entities

SEBI has issued a circular on August 13, 2021, for the Disclosure of shareholdings pattern of promoter(s) and promoter group entities, which are currently revealed in the aforementioned circular's Table II. Annexure A contains the updated version of the aforementioned table II. All listed entities must now provide such shareholdings, separated by the promoter(s) and promoter group, in the interest of investor transparency.

[Click here](#) to view the notification.

Automation of Continual Disclosure under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulation, 2015- System driven disclosures- Ease of doing business

SEBI through a circular dated August, 13, 2021 has issued a circular for the Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures - Ease of doing business. Stock exchanges and depositories have certified that they have implemented the SDD in accordance with the circular dated September 9, 2020 and that it is operational as of April 1, 2021.

Therefore, it is clarified that the manual filing of disclosures no longer mandatory.

[Click here](#) to view the notification

'Security and Covenant Monitoring using Distributed Ledger Technology'

SEBI through a circular dated August, 13, 2021 has issued the 'Security and Covenant Monitoring' using Distributed Ledger Technology. Based on the recommendations of the working group constituted by SEBI, a platform for 'Security and Covenant Monitoring System' ('system') hosted by Depositories shall be developed to strengthen the process of security creation, monitoring of security created, monitoring of asset cover and covenants of the non-convertible securities.

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Penalty for Repeated Delivery Default

SEBI through a circular dated August 8, 2021 has issued a penalty for repeated delivery defaults. It has previously decided the norms for default delivery vide Circular SEBI/HO/CDMRD/DRMP/CIR/P/2021/35 dated March 23, 2021.

After the consultation with Clearing Corporations (CCs), the following has been decided:

An additional penalty in case of repeated default by a seller or a buyer. The definition of repeated default is also explained under the aforementioned regulation.

This circular will be in effect after 1 month from the date of its issuance i.e September 08, 2021.

[Click here](#) to view the notification.

Income-tax (24th Amendment) Rules, 2021

The Central Board of Direct Taxes (CBDT) on August 18, 2021 issued the Income-tax (24th Amendment) Rules, 2021 to further amend the Income-tax Rules, 1962.

The amendments are as followed:

• Rule 12AA, which specifies, Prescribed person for the purposes of clause (c) and clause (cd) of section 140, has been Inserted, namely:

“12AA - For the purpose of clause (c) or clause (cd), as the case may be, of section 140, any other person shall be the person, appointed by the Adjudicating Authority for discharging the duties and functions of an interim resolution professional, a resolution professional, or a liquidator, as the case may be, under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and the rules and regulations made thereunder.

Explanation– For the purposes of this rule, “Adjudicating Authority” shall have the same meaning as assigned to it in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).”

• Rule 51B, which specifies, Appearance by Authorised Representative in certain cases, has been Inserted, namely:

“51B. - For the purposes of clause (viii) of sub-section (2) of section 288, any other person, in respect of a company or a limited liability partnership, as the case may be, shall be the person appointed by the Adjudicating Authority for discharging the duties and functions of an interim resolution professional, a resolution professional, or a liquidator, as the case may be, under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and the rules and regulations made thereunder.

Explanation—For the purposes of this rule “Adjudicating Authority” shall have the same meaning as assigned to it in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).”

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CBDT extends due dates for e-filing of various Forms under the Income-tax Act, 1961

The Central Board of Direct Taxes (CBDT) on August 29, 2021 has issued a circular to extend the due dates of various forms under the Income Tax Act, 1961.

The Forms and the extended due dates are as followed:

1. The application for registration or intimation or approval under Section 10(23C), 12A, 35(1)(ii)/(iia)/(iii) or 80G of the Act in Form No. 10A, for which the earlier date was August 31, 2021 and the extended date is March 31, 2022.
2. The application for registration or approval under Section 10(23C), 12A or 80G of the Act in Form No.10AB, for which the earlier date was February 28, 2022 and the extended date is March 31, 2022.
3. The Equalization Levy Statement in Form No.1 for the Financial Year 2020- 21 for which the earlier date was August 31, 2021 and the extended date is December 31, 2021.
4. The Quarterly statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on June 30, 2021, for which the earlier date was August 31, 2021 and the extended date is November 30, 2021.
5. The Quarterly statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on September 30, 2021 for which the earlier date was October 15, 2021 and the extended date is December 31, 2021
6. Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending June 30, 2021 for which the earlier date was August 31, 2021 and the extended date is November 30, 2021.
7. Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending September 30, 2021 for which the earlier date was October 15, 2021 and the extended date is December 31, 2021.
8. Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India in Form II SWF for the quarter ending on June 30 , 2021, for which the earlier date was September 30, 2021 and the extended date is November 30, 2021.
9. Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India in Form II SWF for the quarter ending on September 30, 2021 for which the earlier date was October 31, 2021 and the extended date is December 31, 2021.
10. Intimation to be made by Pension Fund in respect of each investment made by it in India in FORM NO. 10BBB for the quarter ending on June 30, 2021, for which the earlier date was September 30, 2021 and the extended date is November 30, 2021.

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11. Intimation to be made by Pension Fund in respect of each investment made by it in India in FORM NO. 10BBB for the quarter ending on September 30, 2021, for which the earlier date was October 31, 2021 and the extended date is December 31, 2021.
12. Intimation by a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India, for the purposes of sub-section (1) of section 286 of the Act, in Form No.3CEAC, for which the earlier date was November 30, 2021 and the extended date is December 31, 2021.
13. Report by a parent entity or an alternate reporting entity or any other constituent entity, resident in India, for the purposes of sub-section (2) or sub-section (4) of section 286 of the Act, in Form No. 3CEAD, for which the earlier date was November 30, 2021 and the extended date is December 31, 2021.
14. Intimation on behalf of an international group for the purposes of the proviso to sub-section (4) of section 286 of the Act in Form No. 3CEAE, for which the earlier date was November 30, 2021 and the extended is December 31, 2021.

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