



# *Weekly* **NEWSLETTER**

*Volume – XLIII, Issue – I, Dated: 5<sup>th</sup> February, 2018*

## **RESERVE BANK OF INDIA**

All Public Sector Banks, ICICI Bank Ltd., Axis Bank Ltd., and HDFC Bank Ltd., were authorised to receive subscriptions under National Saving Time Deposit Scheme, 1981, National Saving (Monthly Income Account) Scheme, 1987, National Saving Recurring Deposit Scheme, 1981 and National Saving Certificates (VIII Issue) Scheme, 1989 in addition to the existing small saving schemes.

It has been decided to pay agency commission to authorised banks for handling the work relating to the above four small saving schemes also as per the extant rates advised by our Master Circular RBI/2017-18/2 DGBA.GBD.No.2/31.12.010/2017-18 dated July 1, 2017.

All the transactions i.e. receipt, payment, penalty, interest, etc. may be directly reported to the Central Account Section, Reserve Bank of India, Nagpur on a daily basis like the transactions of Public Provident Fund, 1968, in order to have uniformity in reporting, reconciliation and accounting.

The Agency banks are required to observe the rules and regulations of the respective scheme. Non-observance of rules and regulations would attract penal action. Pecuniary liabilities, if any, arising from such non-observance shall be borne entirely by the bank.

Source: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11214&Mode=0>

## **MINISTRY OF CORPORATE AFFAIRS**

### **Companies (Appointment and qualification of Directors) Amendment Rules, 2018**

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the companies Act, 2013 (18 of 2013), the central Government made the Companies (Appointment and qualification of Directors) Amendment Rules, 2018 further to amend the companies (Appointment and Qualification of Directors) Rules, 2014.

The Rules contains substitution and insertion of certain clauses which is detailed in the link mentioned below:

Source:

[http://www.mca.gov.in/Ministry/pdf/AppointmentQualificationDirectoramendmentrules2018\\_25012018.pdf](http://www.mca.gov.in/Ministry/pdf/AppointmentQualificationDirectoramendmentrules2018_25012018.pdf)

## MINISTRY OF FINANCE

### **GOVERNMENT INTRODUCES BILL TO AMEND THE PREVENTION OF MONEY-LAUNDERING ACT, 2002 THROUGH FINANCE ACT, 2018**

Following amendments have been made in the Prevention of Money-laundering Act, 2002 (PMLA) through Finance Act 2018. The Amendments aim at further enhancing the effectiveness of the Act, widen its scope and take care of certain procedural difficulties faced by the Enforcement Directorate in prosecution of PMLA cases. The major amendments proposed are as follows:

#### **Measures to enhance effectiveness of PMLA**

1. **Amendment in definition of "proceeds of crime"** : The definition of "proceeds of crime" in PMLA was amended in 2015 to include "property equivalent held within the country" in case proceeds of crime is taken out or held "outside the country". The present amendment shall allow to proceed against property equivalent to proceeds to crime held outside the country also.
2. **Amendment in bail provisions:** Amendment proposed in Section 45(1) would make the applicability of bail conditions uniform to all the offences under PMLA, instead of only those offences under the schedule which are liable to imprisonment of more than 3 years. This will be a significant step forward in delinking the proceedings against scheduled offences and Money laundering offences under PMLA.  
Further limit of Rs. One crore shall allow court to apply bail provisions more leniently to less serious PMLA cases.
3. **Corporate frauds included as Scheduled offence:** Section 447 of Companies Act is being included as scheduled offence under PMLA so that Registrar of Companies in suitable cases would be able to report such cases for action by Enforcement Directorate under the PMLA provisions. This provision shall strengthen the PMLA with respect to Corporate frauds.
4. **Measures to enhance effectiveness of investigations**

Section 5(1) of the Act provides that every order of provisional attachment passed by an officer of Enforcement Directorate shall cease to have effect after 180 days from the date of the provisional attachment order, unless confirmed by the Adjudicating Authority under PMLA within that period. The section is proposed to be amended to include the period of stay in this time limit of 180 days and also further period of not more than 30 days to take care of delays if any in communication of judicial orders.

5. Under the existing provision of Section 8(3), presently, the Directorate is required to file prosecution immediately after confirmation by Adjudicating Authority. Proposed amendment gives 90 days more for investigation to ED, before prosecution is filed.
6. New sub-section (2) of section 66 is being introduced to provide for clear guidelines to share the information relating to contraventions of other laws noticed during investigation by ED, with concerned authorities under the said Acts. This shall enable exchange of information among agencies and enhance effectiveness of efforts against black money.

7. Measures for restoration of property of persons adversely affected by PMLA investigation  
Present provisions under Section 8(8) allow distribution of confiscated property to the rightful claimants, only after the trial is complete. Present amendment allows Special Court, if it thinks fit, to consider the claims of the claimants for the purposes of restoration of such properties even during trial also, in such manner as may be prescribed.

Source: <http://pib.nic.in/newsite/erelease.aspx>

### **CENTRAL BOARD OF EXCISE AND CUSTOMS [CBEC] TO BE RENAMED CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS (CBIC).**

With the roll out of GST, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley while presenting the General Budget 2018-19 in Parliament, announced that the name of Central Board of Excise and Customs [CBEC] will be changed to Central Board of Indirect Taxes and Customs (CBIC). The necessary changes in law for this are proposed in the Finance Bill.

Source: <http://pib.nic.in/newsite/erelease.aspx>

### **AMENDMENTS IN THE INCOME-TAX ACT PROPOSED TO NOTIFY A NEW SCHEME FOR ASSESSMENT IN ELECTRONIC MODE**

In the General Budget 2018-19 presented in Parliament, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley proposed to amend the Income-tax Act to notify a new scheme for assessment. Shri Jaitley said the assessment will be done in electronic mode which will almost eliminate person to person contact leading to greater efficiency and transparency. The Finance Minister added that the e-assessment system was introduced in 2016 on a pilot basis. In 2017, it was extended to 102 cities with the objective of reducing the interface between the department and the taxpayers. "With the experience gained so far, we are now ready to roll out the E-assessment across the country, which will transform the age-old assessment procedure of the income tax department and the manner in which they interact with taxpayers and other stakeholders" Shri Jaitley said.

Source: <http://pib.nic.in/newsite/erelease.aspx>

***Your suggestions are invited regarding improvement of the format of the newsletter and its relevance to your work.***

***You may send your suggestions at [sujoy@asalegal.in](mailto:sujoy@asalegal.in)***

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#### **DELHI**

3, Birbal Road, Ground & First Floor,  
Jangpura Extension, New Delhi 110014.  
Phone: +91-11-43575459, 45661440, 43552440  
+91-11-24327050-52, +91-9311052521  
Fax: +91-11-24327053&43108998

#### **MUMBAI**

305 & 306, 3<sup>rd</sup> Floor, Magnum Opus,  
Near Grand Hyatt, Behind Mudra Group,  
Santacruz (East), Mumbai – 400 055.  
Phone: +91-22-69515555, 26661979

#### **BENGALURU**

No.506, A-Wing, 5<sup>th</sup> Floor,  
Mittal Tower, M.G. Road,  
Bengaluru – 560001.  
Phone: +91-9483454589

**Website :** [www.asalegal.in](http://www.asalegal.in)