



NEWSLETTER ^{Weekly}

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. Master Circular for Real Estate Investment Trusts (REITs)

The Securities and Exchange Board of India (SEBI) vide master circular dated May 15th 2024 issued a master circular addressing Real Estate Investment Trusts (REITs). This circular consolidates the regulations and guidelines related to REITs issued by SEBI until the aforementioned date.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-real-estate-investment-trusts-reits-83375.html>

2. Master Circular for Infrastructure Investment Trusts (InvITs)

The Securities and Exchange Board of India (SEBI) vide master circular dated May 15th 2024 issued a master circular addressing Infrastructure Investment Trusts (InvITs). This circular consolidates the regulations and guidelines related to InvITs issued by SEBI until the aforementioned date.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-infrastructure-investment-trusts-invits-83376.html>

3. Master Circular for Credit Rating Agencies (CRAs)

The Securities and Exchange Board of India (SEBI) vide master circular dated May 15th 2024 issued a master circular addressing Credit Rating Agencies (CRAs). This circular consolidates the regulations and guidelines related to CRAs issued by SEBI until the aforementioned date.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-credit-rating-agencies-cras-83417.html>

4. Master Circular for Debenture Trustees (DTs)

The Securities and Exchange Board of India (SEBI) vide master circular dated May 15th 2024 issued a master circular addressing Debenture Trustees (DTs). This circular consolidates the regulations and guidelines related to DTs issued by SEBI until the aforementioned date.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-debenture-trustees-dts-83419.html>

5. Master Circular for ESG Rating Providers (ERPs)

The Securities and Exchange Board of India (SEBI) vide master circular dated May 15th 2024 issued a master circular addressing ESG Rating Providers (ERPs). This circular consolidates the regulations and guidelines related to ERPs issued by SEBI until the aforementioned date.

For more information, you can access the SEBI master circular here:

<https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-esg-rating-providers-erps-83421.html>

6. Certification requirement for key investment team of manager of AIF

The Securities and Exchange Board of India (SEBI) vide circular dated May 13th 2024 informed regarding certification requirements for the key investment team of Alternative Investment Funds (AIFs). It mandates at least one key personnel in the team to obtain certification specified by SEBI. This regulation is effective from May 10, 2024

For more information, you can access the SEBI circular here:

<https://www.sebi.gov.in/legal/circulars/may-2024/certification-requirement-for-key-investment-team-of-manager-of-aif-83328.html>

7. Review of validation of KYC records by KRAs under Risk Management Framework

The Securities and Exchange Board of India (SEBI) vide circular dated May 14th 2024 addressed key updates to the Know Your Client (KYC) validation process under the Risk Management Framework. This circular revise the provisions outlined in the previous circular dated October 12, 2023, aiming to streamline the KYC validation process for intermediaries and facilitate smoother transactions for clients.

For more information, you can access the SEBI circular here:

<https://www.sebi.gov.in/legal/circulars/may-2024/review-of-validation-of-kyc-records-by-kras-under-risk-management-framework-83367.html>

MINISTRY OF FINANCE

1. CBDT releases new functionality in AIS for taxpayers to display status of information confirmation process in real-time.

The Ministry of Finance, through the Central Board of Direct Taxes (CBDT), has introduced a new feature in the Annual Information Statement (AIS) accessible via the compliance portal on the Income Tax Department's e-filing website. This enhancement allows taxpayers to monitor the confirmation process of the information displayed in real-time. Taxpayers can now assess whether their feedback on the accuracy of reported financial transactions has been acknowledged and acted upon by the relevant Source or Reporting Entities. The AIS presents a comprehensive overview of various financial activities that may impact tax liabilities, collated from diverse sources. Within the AIS, taxpayers have the option to provide feedback on each transaction, enabling them to highlight inaccuracies in the data sourced from Reporting Entities. The CBDT has automated the process of seeking confirmation from these entities, initially focusing on data from Tax Deductors/Collectors and Reporting Entities.

The recent update includes a feature to track the status of this confirmation process. Taxpayers can now observe whether their feedback has been reviewed by the source, and if so, whether it has been partially or fully accepted or rejected. If corrections are required, the Source is expected to submit a correction statement. The new functionality within the AIS offers transparency by providing details such as whether feedback has been shared for confirmation, the date of feedback sharing, the date of Source response, and the nature of the Source's response. This initiative aligns with the Income Tax Department's commitment to simplifying compliance procedures and enhancing taxpayer services, ultimately facilitating smoother interactions between taxpayers and regulatory entities.

The Annual Information Statement (AIS) is available to all registered Income Taxpayers through the compliance portal, accessible through the e-filing website (www.incometax.gov.in). AIS provides details of a large number of financial transactions undertaken by the taxpayer which may have tax implications. AIS is populated based on the financial data received from multiple information sources. In AIS, taxpayer has been provided with a functionality to furnish feedback on every transaction displayed therein. This feedback helps the taxpayer to comment on the accuracy of the information provided by the Source of such information. In case of wrong reporting, the same is taken up with the Source for their confirmation, in an automated manner. It may be noted that, information confirmation is currently made functional with regard to information furnished by Tax Deductors/Collectors and Reporting Entities.

The Central Board of Direct Taxes (CBDT) has now rolled out a new functionality in AIS to display the status of information confirmation process. This will display, whether the feedback of the taxpayer has been acted upon by the Source, by either, partially or fully accepting or rejecting the same. In case of partial or full acceptance, the information is required to be corrected by filing a correction statement by the Source. The following attributes shall be visible to the taxpayer for status of Feedback confirmation from Source.

- a. Whether feedback is shared for confirmation: This will let the taxpayer know if the feedback has been shared with the Reporting Source for confirmation or not.
- b. Feedback Shared On: This will let the taxpayer know the date on which the feedback has been shared with the Reporting Source for confirmation.
- c. Source Responded On: This will let the taxpayer know the date on which the Reporting Source has responded on the feedback shared with it for confirmation.
- d. Source Response: This will let the taxpayer know the response provided by the Source on the taxpayer's feedback (if any correction is required or not). This new functionality is expected to increase transparency by displaying such information in AIS to the taxpayer. This is another initiative of the Income Tax Department towards ease of compliance and enhanced taxpayer services.

For more information you can access the GOI release over here:

<file:///C:/Users/Admin/Downloads/PIB2020466.pdf>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. Delay in insolvency process eroding asset value: IBBI Chairman.

The delay in the corporate insolvency resolution process (CIRP) under the insolvency and bankruptcy code (IBC) erodes the stressed-asset's value and minimises recovery for the creditors; hence, it's important for all the stakeholders to expedite decision making, said Ravi Mittal, chairperson, Insolvency and Bankruptcy Board of India (IBBI). The IBBI Chairman said that, on an average, the CIRP is taking 679 days to conclude as against the standard timeline of 330 days. Data of 947 resolved cases as of March 2024 indicates a direct correlation between the length of the CIRP and the recovery rate, he said. As per the data, the recovery rate for creditors stands at 49.2% if the CIRP is concluded within 330 days. It reduces to 36%, if the CIRP process concludes between 330-599 days; and beyond 600 days, the recovery rate stands at mere 26.1%. Mittal highlighted that the insolvency regulator has taken various measures to reduce delays in the CIRP such as putting a cap on number of modifications in the resolution plan, sharing of information by creditors with the resolution professional (RP) etc. "Needless to say, continued efforts to streamline the resolution process, enhance transparency, and provide greater clarity on regulatory requirements are underway to further bolster the effectiveness of IBC."

RESERVE BANK OF INDIA

1. Formation of new district in the State of Assam - Assignment of Lead Bank Responsibility

The Reserve Bank of India (RBI) vide notification dated May 15th 2024 designated Indian Bank as the Lead Bank of the new district Biswanath in the state of Assam formed vide Gazette Notification ECF.No.367433/29 dated September 07, 2023 passed by the Government of Assam.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12685&Mode=0>

2. Conference for the Heads of Assurance Functions of Non-Banking Financial Companies (NBFCs)

The Reserve Bank of India (RBI) vide press release dated May 15th 2024 informed about the Conference held in Mumbai for the Heads of Assurance Functions (i.e., Chief Compliance Officers, Chief Risk Officers and Heads of Internal Audit) of select Non-Banking Financial Companies (NBFCs). This event, with the theme 'Resilient Financial System – Role of Effective Assurance Functions', is a part of the series of supervisory engagements the Reserve Bank has been organising over the last one year with its Regulated Entities.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57904

3. Conference for the Heads of Assurance Functions of Urban Co-operative Banks (UCBs)

The Reserve Bank of India (RBI) vide press release dated May 16th 2024 informed about the Conference held in Mumbai for the Heads of Assurance Functions (i.e., Chief Compliance

Officers, Chief Risk Officers and Heads of Internal Audit) of select Urban Co-operative Banks (UCBs).. This event, with the theme 'Resilient Financial System – Role of Effective Assurance Functions', is a part of the series of supervisory engagements the Reserve Bank has been organising over the last one year with its Regulated Entities.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57909

4. Buyback of Government of India Dated Securities

The Reserve Bank of India (RBI) vide press release dated May 16th 2024 the Government of India has announced the buyback of its Securities through auction for an aggregate amount of ₹60,000 crore (face value). There is no notified amount for the individual securities within the aggregate ceiling of ₹60,000 crore. Auction for securities will be conducted using multiple price method. The offers for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system on May 21, 2024 (Tuesday) between 10:30 a.m. and 11:30 a.m. The result of the auction will be announced on the same day and settlement will take place on May 22, 2024 (Wednesday).

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57914

5. Conference for the Directors and MD/CEOs of Asset Reconstruction Companies (ARCs)

The Reserve Bank of India (RBI) vide press release dated May 17th 2024 informed about the Conference held in Mumbai for the Directors and MD/ CEOs of Asset Reconstruction Companies (ARCs).. This event, with the theme 'Governance in ARCs – Towards Effective Resolutions', is a part of the series of supervisory engagements the Reserve Bank has been organising over the last one year with its Regulated Entities. As part of this series, the Conference for the Board of Directors and MD/ CEOs of Scheduled Commercial Banks and Urban Co-operative Banks were held earlier.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57924

6. Auction of Government of India Dated Securities

The Reserve Bank of India (RBI) vide press release dated May 17th 2024 government of India (GOI) has announced the sale (issue/re-issue) of three dated securities for a notified amount of ₹ 29,000 crore GoI will have the option to retain additional subscription up to ₹ 2,000 crore against each security mentioned above. The securities will be sold through Reserve Bank of India Mumbai Office, Fort, Mumbai – 400001. The sale will be subject to the terms and conditions spelt out in the 'Specific Notification' mentioned above and the General Notification F.No.4(2)-W&M/2018, dated March 27, 2018.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57926

You may send your suggestions at kartikey@asalegal.in

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