



# NEWSLETTER <sup>Weekly</sup>

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## SECURITIES AND EXCHANGE BOARD OF INDIA

### **1. Guidelines to Stock Exchanges, Clearing Corporations and Depositories**

Securities and Exchange Board of India (SEBI) has issued new guidelines to strengthen the governance of Market Infrastructure Institutions (MIIs), including stock exchanges, clearing corporations, and depositories. Key measures focus on enhancing accountability through regular meetings of Public Interest Directors (PIDs) and mandatory quarterly and half-yearly reporting by compliance and risk officers. The guidelines also introduce procedures for disciplinary actions against Key Management Personnel (KMPs), improve whistleblower policies, and encourage the use of regulatory technologies (RegTech) to monitor MII operations. Furthermore, MIIs are required to disclose critical operational information, including investor grievances and regulatory actions, on their websites. The guidelines mandate training for governing board directors and emphasize policies for secure data sharing. These measures aim to improve transparency, oversight, and operational integrity within the securities market.

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

[https://www.sebi.gov.in/legal/circulars/nov-2024/guidelines-to-stock-exchanges-clearing-corporations-and-depositories\\_88709.html](https://www.sebi.gov.in/legal/circulars/nov-2024/guidelines-to-stock-exchanges-clearing-corporations-and-depositories_88709.html)

### **2. Withdrawal of Master Circular on issuance of No Objection Certificate (NOC) for release of 1% of Issue Amount**

Securities and Exchange Board of India (SEBI) has withdrawn the Master Circular on the issuance of a No Objection Certificate (NOC) for the release of 1% of the issue amount. This follows the amendment to Regulation 38(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations), notified on May 17, 2024. The amendment eliminates the requirement for issuer companies to deposit 1% of the issue size with the designated stock exchange during public subscription. Consequently, the earlier circular dated November 7, 2022, is no longer applicable. Stock exchanges are instructed to jointly establish a standard operating procedure (SOP) for handling 1% security deposits made by issuers before the amendments. Exchanges must notify listed companies of this update, publish it on their websites, and amend their bye-laws, rules, and regulations as needed. This circular is effective immediately and aims to ease the compliance burden on issuers while ensuring regulatory clarity. It has been issued under Section 11(1) of the SEBI Act, 1992, to protect investor interests and regulate the securities market. For further details, refer to SEBI's official website under the "Legal→Circulars" section.

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

[https://www.sebi.gov.in/legal/circulars/nov-2024/withdrawal-of-master-circular-on-issuance-of-no-objection-certificate-noc-for-release-of-1-of-issue-amount\\_88655.html](https://www.sebi.gov.in/legal/circulars/nov-2024/withdrawal-of-master-circular-on-issuance-of-no-objection-certificate-noc-for-release-of-1-of-issue-amount_88655.html)

## MINISTRY OF FINANCE

### **1. CBDT Chairman Shri Ravi Agrawal dedicates Taxpayers' Lounge to nation builders at Indian International Trade Fair (IITF), 2024.**

The Central Board of Direct Taxes (CBDT) Chairman, Shri Ravi Agrawal, inaugurated the Taxpayers' Lounge at the Indian International Trade Fair (IITF) 2024, held at Pragati Maidan, New Delhi. The initiative, themed "My contribution in developed India, my income tax is my responsibility", aims to promote awareness about taxpayer responsibilities and facilitate engagement with various tax-related services.

The Lounge offers assistance with PAN applications, Aadhaar-PAN linking, e-filing queries, TDS, and faceless assessments. It also features interactive elements like a Children's Corner with VR games, digital comic books, and board games, designed to educate the younger generation on taxation and civic duties in a playful manner. Visitors can enjoy events such as Nukkad Natak (street plays), quizzes, and art competitions.

Additionally, the CBDT released five brochures on direct taxation to simplify taxpayer understanding. The pavilion emphasizes India's aspirations for global prominence by 2047 and underscores the critical role of honest taxpayers in nation-building. The Taxpayers' Lounge emphasizes the role of taxpayers as partners in the advancement of the country and symbolizes the Department's development as an e-governance model and an enabler for honest taxpayers.

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2074410>

## **2. DFS carried out National Cyber Security Awareness Month (NCSAM) 2024 in October in collaboration with regulators and financial institutions**

The Department of Financial Services (DFS), part of India's Ministry of Finance, actively observed National Cyber Security Awareness Month (NCSAM) 2024 in October. This initiative, in collaboration with regulators and financial institutions, focused on promoting cybersecurity awareness under the theme #CyberJagrukNagrik ("Cyber Vigilant Citizen"). It aimed to foster a culture of cybersecurity and improve digital hygiene among the public, employees, and financial stakeholders.

Key activities during the month included webinars, workshops, and social media campaigns that emphasized best practices for online security, safe digital banking, and fraud prevention. Events also included insights from cybersecurity experts, such as a workshop featuring Shri Sanjay Bahl, Director General of CERT-In, who discussed trends affecting the financial sector. Additionally, the government launched resources to enhance digital security awareness, such as the Chakshu Portal, designed to protect users from fraudulent communications.

This campaign reinforced the importance of collective responsibility in safeguarding digital transactions and personal data while encouraging vigilance against cyber threats.

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2075587>

## **3. Repayment of 8.03% GOI FCI SPL BONDS 2024**

The repayment of the "8.03% GOI FCI Special Bonds 2024" is scheduled for December 13, 2024. Since December 14 and 15, 2024, are non-working days (Saturday and Sunday), no interest will accrue beyond December 13. If a holiday is declared on the repayment date by any state under the Negotiable Instruments Act, 1881, the repayment will be processed on the preceding working day in that state. Holders of these bonds should ensure their bank account details are updated for electronic transfer of funds. Alternatively, the bonds, duly discharged, can be submitted at Public Debt Offices, treasuries, sub-treasuries, or designated branches of the State Bank of India 20 days prior to the repayment date. Further details can be obtained from the respective paying offices.

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2076037>

## INSOLVENCY AND BANKRUPTCY BOARD

### 1. **Insolvency and Bankruptcy Board of India proposes several changes in latest paper.**

The Insolvency and Bankruptcy Board of India (IBBI) has proposed significant changes to enhance the efficiency and transparency of the insolvency and liquidation processes under the Insolvency and Bankruptcy Code (IBC). The Insolvency and Bankruptcy Board of India has issued a discussion paper on amendments to the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and Insolvency and Bankruptcy Board of India ((Voluntary Liquidation Process) Regulations, 2017.

Key proposals in its recent discussion paper include:

- **Mandatory Monitoring Committees:** To ensure effective implementation of resolution plans, the IBBI recommends mandatory monitoring committees for all approved plans. These committees will include stakeholders like the Committee of Creditors, resolution professionals, and successful resolution applicants, and will submit quarterly updates to authorities. This move follows Supreme Court suggestions and aims to streamline implementation and foster trust among stakeholders
- **Review of the auction process:** The IBBI proposes to review the auction process to ensure transparency and fairness. Under the proposed amendments, potential bidders will be permitted to participate in an auction process if they provide an affidavit or statement of eligibility under Section 29A. Nowadays, before allowing any potential bidder to participate in an auction, liquidators perform due diligence on them.
- **Ensuring transparency in compromise or arrangement schemes:** The IBBI proposes to mandate liquidators to apply for closure of the liquidation process to the Adjudicating Authority in order to ensure transparency.
- **Improving the management of unclaimed proceeds in the Corporate Liquidation account:** The IBBI proposes to dispense with the requirement of having the Corporate Liquidation Account within the Public Accounts of India (PAI) and utilize interest income for stakeholder awareness campaigns.
- **Uncalled capital or unpaid capital contribution:** The IBBI proposes to amend Regulation 33 to allow the completion of the voluntary liquidation process even if there is uncalled capital.
- **Improving the management of unclaimed proceeds in the Corporate Voluntary Liquidation account:** The IBBI proposes to dispense with the requirement of having the Corporate Voluntary Liquidation Account within the Public Accounts of India (PAI), utilize interest income for stakeholder awareness campaigns, and facilitate the claim withdrawal process.

These changes are aimed at improving the efficiency and effectiveness of the liquidation process under the IBC. The IBBI has invited comments from stakeholders on these proposed changes.

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

<https://www.ibbi.gov.in/uploads/whatsnew/e74cfca55309ed11c7c4cecb9bdd6018.pdf>

## RESERVE BANK OF INDIA

### 1. **RBI Bulletin – November 2024.**

The Reserve Bank of India (RBI) released its November 2024 Bulletin, featuring five articles that provide insights into various economic aspects. The State of the Economy article highlights a resilient global economic activity and a recovering Indian economy, driven by private consumption and festival spending, despite rising inflation pressures. Another article discusses Estimating Equilibrium Exchange Rates, offering a framework for understanding the Indian rupee's value through various models, emphasizing the importance

of multiple approaches for policy assessment. The Dynamic Landscape of Monetary Policy Communication analyzes the evolution of monetary policy communication in India, revealing how it has adapted to changing economic conditions, particularly during crises like the COVID-19 pandemic. The article on Agri-tech Startups explores the growth of India's agri-tech sector, noting increased investor interest and challenges such as fragmented land holdings. Lastly, the article on Seasonality in Key Economic Indicators presents seasonal patterns observed in various economic metrics, indicating significant fluctuations in agricultural production and consumer behavior throughout the year. Overall, the Bulletin reflects ongoing economic recovery and highlights critical areas for policy focus and innovation in India.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59138](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59138)

## **2. Reserve Bank of India and Maldives Monetary Authority Sign Memorandum of Understanding (MoU) to Promote Use of Local Currencies for Bilateral Transactions.**

The Reserve Bank of India (RBI) and the Maldives Monetary Authority (MMA) signed a Memorandum of Understanding (MoU) today in Mumbai for establishing a framework to promote the use of local currencies viz., the Indian Rupee (INR) and the Maldivian Rufiyaa (MVR) for cross-border transactions. The MoU was signed by the Governor, Reserve Bank of India, Shri Shaktikanta Das and the Governor, Maldives Monetary Authority, Mr. Ahmed Munawar. The MoU encourages the use of INR and MVR in current account transactions, permissible capital account transactions and any other economic and financial transactions as agreed upon by both countries. This framework would enable exporters and importers to invoice and settle in their respective domestic currencies, which in turn would enable the development of trading in INR-MVR pair in foreign exchange market. Use of local currencies would optimize costs and settlement time for transactions. This collaboration marks a key milestone in strengthening bilateral cooperation between RBI and MMA. Use of local currencies in bilateral transactions will eventually contribute to promoting trade between India and Maldives as well as deepen financial integration and strengthen the economic relations between India and Maldives.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59149](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59149)

## **3. High-Level Policy Conference of Central Banks from the Global South: Building Synergies, November 21-22, 2024.**

The Reserve Bank of India (RBI) hosted the “High-Level Policy Conference of Central Banks from the Global South” on November 21-22, 2024, in Mumbai, commemorating its 90<sup>th</sup> anniversary. The conference, themed “Building Synergies,” gathered delegates from 18 countries, including central bank governors and officials, to discuss contemporary challenges and foster partnerships for a sustainable future. In his keynote address, RBI Governor Shaktikanta Das emphasized the importance of maintaining overall stability amidst global economic challenges and advocated for robust policy frameworks that integrate monetary, fiscal, and structural policies. The event featured seven sessions addressing key issues such as balancing growth and inflation, monetary policy communication, and the impact of digital payments on economies. This conference marks the third in a series aimed at enhancing collaboration among central banks in the Global South and strengthening their collective voice in shaping global economic policies.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59161](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59161)

## **4. RBI imposes monetary penalty on RBL Bank Limited.**

On November 19, 2024, the Reserve Bank of India (RBI) imposed a monetary penalty of ₹61.40 lakh on RBL Bank Limited for failing to comply with RBI's 'Know Your Customer' (KYC) directives. This action was taken under the Banking Regulation Act, following statutory inspections conducted as of March 31, 2022, and March 31, 2023. The RBI found that RBL Bank did not obtain the required Officially Valid

Document (OVD) when opening certain credit card accounts and assigned multiple Customer Identification Codes instead of a Unique Customer Identification Code for individual customers. The penalty reflects deficiencies in regulatory compliance and does not affect the validity of any transactions between the bank and its customers, with RBI reserving the right to take further action if necessary.

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

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59164](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59164)

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

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