

RBI

Extension of timeline for implementation of certain provisions of Master Direction - Credit Card and Debit Card - Issuance and Conduct Directions, 2022 till October 1, 2022.

RBI extends the timeline for implementation of the following provisions of the Master Direction by October 1, 2022

- a. Card-issuers shall seek One Time Password (OTP) based consent from the cardholder for activating a credit card, if the same has not been activated by the customer for >30 days from the date of issue. If no consent is received for activating the card, card-issuers shall close the credit card account without any cost to the customer within seven working days from date of seeking confirmation from the customer.
- b. Card-issuers shall ensure that the credit limit as sanctioned and advised to the cardholder is not breached at any point in time without seeking explicit consent from the cardholder.
- c. No capitalization of unpaid charges/levies/taxes for charging/compounding of interest.

SEBI

SEBI has Introduced UPI mechanism for value upto INR 5 Lacs to apply in public issues of units of REIT and InvITs to promote the digital payment model

Pushing digital/online payment, SEBI has allowed payments/blocking of funds through Unified Payments Interface (UPI) mechanism for retail application valued up to INR 5 lacs for units of public issues of Infrastructure Investment Trust (InvIT) and Real Estate Investment Trust (REIT) order to ease out the process of payment of application in public issue of units.

SEBI extends timeline for Validation of KYC Records by Registered Intermediaries till August 1, 2022

- a. KYC records of all existing clients (who have used Aadhar as an OVD) shall be validated within a period of 180 days from August 1, 2022.
- b. The validation of all KYC records (new and existing) shall commence from August 1, 2022.

SEBI amends format of Statement showing shareholding pattern of Public Shareholder/foreign ownership limits – Person holding 1% or more than 1% in the listed entity to be disclosed as a part of public shareholding

SEBI in the interest of providing transparency in the disclosure of shareholding pattern to the investors in the securities market, the following amendments have been made-

- a. In the disclosure of public shareholding, names of the shareholders holding 1% or more than 1% of shares of the listed entity is to be disclosed.
- b. Names of the shareholders who are persons acting in concert, if available, shall be disclosed separately.

MCA

Rule 13 of National Financial Reporting Authority (NFRA) Amendment Rules, 2022 amended - Penalty of INR 5000/- for non-compliance or contravention with any provisions of the NFRA

National Financial Reporting Authority (NFRA) amended Rule 13 to provide for revised penalty provision for non-compliance or contravention with any of the provisions. Any non-compliance or contravention with any of the provisions will attract a penalty of INR 5,000/- and where the contravention is a continuing one, a further fine of INR 500/- for every day during the period of contravention. This applies to offenses for which the penalty is not specified elsewhere in the law.

Last day for filing of LLP Form 11 (Annual Return) without additional fee extended till July 15, 2022

MCA extends the last day of filing e-Form 11 LLP (Annual Return) for the Financial Year 2021-22 without paying additional fees till July 15, 2022.

TAX

CBDT issues revised guidelines on the issue of TDS on perquisites under Section 194R of the Income Tax Act, 1961

- a. The Budget brought in a new section, 194R in the I-T Act which requires deduction of tax at source at the rate of 10%, by any person, providing any benefit or perquisite, exceeding INR 20,000 in a year to a resident, arising from the business or profession of such resident.
- b. The benefit or perquisite may or may not be convertible into money but should arise either from carrying out of business or from exercising a profession, by such resident.
- c. The responsibility of tax deduction also does not apply to a person, being an Individual/Hindu undivided family (HUF) deductor, whose total sales/gross receipts/gross turnover from business is less than INR 1 cr, or from profession does not exceed INR 50 lacs, during the financial year immediately preceding the financial year in which such benefit or perquisite is provided by him.

CBDT notifies Non-Fungible token as Virtual Digital Assets

CBDT specifies a token which qualifies to be a virtual digital asset as non-fungible token within the meaning of sub-clause (a) of clause (47A) of Section 2 of the Act but shall not include a non-fungible token whose transfer results in transfer of ownership of underlying tangible asset and the transfer of ownership of such underlying tangible asset is legally enforceable.

Exclusion of certain digital assets from definition of virtual digital asset

The following virtual digital assets shall be excluded from the definition of virtual digital asset-

- a. Gift card or vouchers, being a record that may be used to obtain goods or services or a discount on goods or services.
- b. Mileage points, reward points or loyalty card, being a record given without direct monetary consideration under an award, reward, benefit, loyalty, incentive, rebate or promotional program that may be used or redeemed only to obtain goods or services or a discount on goods or services.
- c. Subscription to websites or platforms or application.

GST Council has made the recommendations relating to changes in GST rates on the supply of Goods and services and changes related to GST law and procedure

- a. The GST on the supply of printing, writing or drawing ink, knives, power-driven pumps, LED Lamps, lights and fixtures are recommended to be increased from 12% to 18%.
- b. The GST rate on the solar water heaters and finished leather is recommended to be increased from 5% to 12%.
- c. The GST Council has clarified that electric vehicles whether or not fitted with a battery pack would be eligible for the concessional GST rate of 5%
- d. The rate changes recommended by the 47th GST Council will be made effective from July 18, 2022.

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OTHER

FSSAI directs the E-Commerce Food Business Operators to get the requisite nutritional information from the respective food business operators and display the same on their website wherever applicable

As per sub-regulation 9 of FSS (labeling and display) regulations 2020, the food service establishments having central license or outlets at 10 or more locations shall mention the calorific value against the food items displayed on the menu cards or boards or booklets and shall also provide information such as nutritional information, allergen information, ingredient information, etc. Therefore, all the E-Commerce food business operators are directed to enable provisions in their online platforms including mobile applications for the display of nutritional information as well as specific requirements under the ibid regulations so that the FBOs registered on the respective platforms would be able to feed and update such information in respect of each dish/food that are offered for sale.

FCRA extends the validity of the FCRA (Foreign Contribution Regulation Act) registration certificate to September 30, 2022 for those whose registration was expiring between July 1, 2022 to September 30, 2022.

The validity of those FCRA entities whose five years validity period is expiring from July 1, 2022 to September 30, 2022 and which have applied or apply for renewal before the expiry of 5 years validity period will stand extended up to September 30, 2022 or till the date of disposal of the renewal application, whichever is earlier. The Foreign Contribution Regulation Act (FCRA) mandates every person or NGO seeking to receive foreign donations to be registered under the Act and it shall utilise those funds only for the purpose for which they have been received and as stipulated in the Act. The registration is valid for five years at first, after which it can be renewed if all requirements are met.

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