

CORPORATE NEWSFLYER

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Zero Coupon Zero Principal Instruments declared as Securities under Securities Contract (Regulation) Act, 1956

- The Department of Economic Affairs has declared Zero Coupon Zero Principal Instruments as Securities under Securities Contract (Regulation) Act, 1956.
- “zero coupon zero principal instruments” means an instrument issued by a Not for Profit organization that shall be registered with the Social Stock Exchange segment of a recognized Stock Exchange in accordance with the regulations made by the Securities and Exchange Board of India.
- Social enterprises eligible to participate in the SSE should be entities -- NPOs and for-profit social enterprises having social intent and impact as their primary goal.
- With regard to fundraising, it has been proposed that eligible NPOs may raise funds through equity, zero coupon zero principal bonds, mutual funds, social impact funds, and development impact bonds.

GST at the rate of 18% shall be applicable on all charges payable to SEBI w.e.f. July 18, 2022.

- SEBI has instructed that any fees payable by Market Infrastructure Institutions, Companies who have listed/are intending to list their securities, other intermediaries and persons who are dealing in the securities market, shall be subject to GST.
- This move has been taken after the GST Council last month recommended withdrawing the exemption granted to services by SEBI and the same was notified on July 13, 2022.
- The charge would be applicable to all market infrastructure institutions, companies who have listed/are intending to list their securities, other intermediaries, and persons who are dealing in the securities market. Market infrastructure institutions include stock exchanges, clearing corporations, and depositories.

SEBI introduces new Chapter w.r.t. Obligations of Social Enterprises under SEBI (Listing Obligations and Disclosure Requirements), Regulations

- The provisions of the new Chapter introduced shall apply to Profit Social Enterprise whose designated securities are listed on the applicable segment of the Stock Exchange(s) and Not for Profit Organization that is registered on the Social Stock Exchange(s).

- A Social Enterprise whose designated securities are listed on the Social Stock Exchange(s) or the Stock Exchange(s), as the case may be, shall frame a policy for determination of materiality, duly approved by its board or management, as the case may be, which shall be disclosed on the Social Stock Exchange(s) or the Stock Exchange(s).

New Chapter Introduced under SEBI (Issuance of Capital and Disclosure Requirements) Regulations, for issuance of securities by Social Enterprises

- The provisions of the new Chapter shall apply to a Not-for-profit Organization seeking to get registered with an SSE;
- To a Not-for-profit Organization seeking to get registered and raise funds through an SSE and a For-Profit Social Enterprise seeking to be identified as a Social Enterprise under the provisions of this Chapter.
- The SSE will be accessible only to institutional investors and non-institutional investors. Every SSE will constitute a Social Stock Exchange Governing Council to an oversight on its functioning.

MCA

MCA issues clarification w.r.t. Spending of Corporate Social Responsibility (CSR) funds for “Har Ghar Tiranga” campaign

- ‘Har Ghar Tiranga’, a campaign under the aegis of Azadi Ka Amrit Mahotsav, is aimed to invoke the feeling of patriotism in the hearts of the people and promote awareness about the Indian National Flag.
- In this regard, it is clarified that spending of CSR funds for the activities related to this campaign, such as mass scale production and supply of the National Flag, outreach and amplification efforts and other related activities, are eligible CSR activities under item no. (ii) of Schedule VII of the Companies Act, 2013 pertaining to the promotion of education relating to culture.

TAX

MCA - CBDT notifies the procedure of PAN application and allotment through Simplified Proforma for incorporating Limited Liability Partnerships electronically (Form: FiLLiP) of MCA

As per Proviso to Rule 114(1) of Income Tax Rules, 1962 an applicant may apply for allotment of a permanent account number through a common application form notified by the Central Government. A Common Application Form (CAF) in the form of Simplified Proforma for incorporating Limited Liability Partnership (LLP) (Form - FiLLiP) has been notified by the Ministry of Corporate Affairs.

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