

RBI

RBI issues guidelines on Digital Lending – To protect Borrowers from Recovery Troubles

- The guidelines, while promoting innovation in digital lending, aim to ensure that the recovery agents and their unethical tactics don't become a deterring factor for the borrowers.
- The norms prohibit any automatic increase in credit limits without the borrowers' explicit consent.
- The guidelines reduce the interference of LSPs, and dictate that all loan disbursements and repayments be executed between the borrower's bank accounts and Res.
- The new guidelines reduce the interference of lending service providers (LSPs) and dictate that all loan disbursements and repayments be executed between the borrowers' bank accounts and the REs.
- The registered entities have to comply with the digital lending guidelines by November 30. The idea is to promote innovation within the digital lending ecosystem while ensuring that there is no scope for harassment and exploitation of borrowers.

Change in Bank Rates – Liquid Adjustment Facility

RBI Monetary Policy Committee increases the following rates-

- a. Repo rate enhancement by 50 basis points to 5.90 percent.
- b. Standing Deposit Facility (SDF) rate to 5.65 percent
- c. Marginal Standing facility (MSF) rate to 6.15 percent.

Late Submission fee (LSF) for Reporting delays under Foreign Exchange Management Act, 1999 (FEMA)

RBI has decided to bring uniformity in imposition of LSF across functions and a matrix has been prescribed to be followed accordingly-

- a. Form ODI Part II/APR, FCGPR (B), FLA Returns, Form OPI, evidence of investment or any other return which does not capture flows or any other periodical reporting – INR 7500
- b. FC-GPR, FCTRS, Form ESOP, Form LLP (I), Form LLP (II), Form CN, Form DI, Form InVi, Form ODI – Part I, Form ODI – Part III, Form FC, Form ECB, Form ECB-2, Revised Form ECB or any other return which captures flows or returns which capture reporting of non-fund transactions or any other transactional reporting – [INR 7500 + (0.025% x A x n)]

Foreign Trade Policy 2015-2020 extended upto March 31, 2023

Existing Foreign Trade Policy 2015-2020 which was valid till September 30, 2022 is now extended upto March 31, 2023.

SEBI

SEBI prescribes framework on Social Stock Exchange

- Minimum requirements to be met by a Not for Profit Organization (NPO) for registration with SSE in terms of Regulation 292F of the ICDR Regulations
 - a. Entity to be registered as NPO and the registration certificate should be valid at least for next 12 months at the time of seeking registration with SSE.
 - b. Minimum Fund Flows – Annual Spending in the past financial year must be at least INR 50 Lakhs, also the funding in the past financial year must be at least INR 10 Lakhs.
- Minimum Initial Disclosure Requirement for NPOs raising funds through the issuance of Zero Coupon Zero Principal Instruments in terms of Regulation 292K(1) of the ICDR Regulations.
 - a. SSE Governing Council to mandate the structure of the draft fund raising document/final raising document. SSE to host such requirements on its website.
- Annual Disclosure by NPOs on SSE which have either raised funds through SSE or are registered with SSE in terms of Regulation 91C of the LODR Regulations.
- Disclosure of Annual Impact Report by all Social Enterprises which have registered or raised funds using SSE in terms of Regulation 91E of the LODR Regulations within 90 days from the end of Financial year.
- Statement of utilization of funds in terms of 91F of the LODR Regulations to be submitted within 45 days from the end of quarter.



SEBI allows Issue and listing of Commercial Paper by listed InvITs and REITs

SEBI allows issuance and listing of commercial paper by listed InvITs and REITs subject to the following conditions-

- a. InvITs and REITs to abide the guidelines prescribed by RBI for issuance of commercial papers.
- b. To follow the conditions of listing norms prescribed by SEBI under SEBI (Issuance and Listing of Non-Convertible Securities) Regulations, 2021.
- c. Also, the issuance of listed CPs shall be within the overall debt limit permitted under SEBI (Infrastructure Investment Trusts) Regulations, 2014 and SEBI (Real Estate Investment Trusts) Regulations, 2014

https://www.sebi.gov.in/legal/circulars/sep-2022/issue-and-listing-of-commercial-paper-by-listed-reits_63264.html

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SEBI key decisions in the Board Meeting held on September 30, 2022

- a. Introduction of Regulatory Framework to facilitate Online Bond Platform Providers and reduction in the face value of listed privately placed debt securities
- b. Disclosure of Key Performance Indicators (KPIs) and price per share of issuer, in Public Issues, based on past transactions and past fund raising from the investors.
- c. Amendment to Mutual Funds Regulations to facilitate faster payout of redemptions and dividends to unit holders.
- d. Net Settlement of cash segment and F&O segment upon expiry of stock derivatives to facilitate efficient settlement.
- e. Introduction of pre-filing of offer document as an optional alternative mechanism for the purpose of Initial Public Offer on the Main Board of Stock Exchanges.
- f. Flexibility in approval process for appointment and/or removal of Independent Directors – Amendments to the SEBI (LODR) Regulations
- g. Amendments to SEBI (Real Estate Investment Trusts) Regulations, 2014 to allow reduction in minimum holding by sponsors from 25% to 15%.
- h. Amendments to SEBI (Infrastructure Investment Trusts) Regulations, 2014 relating to unlisted InvITs.

- i. Amendment to SEBI (Alternative Investment Funds) Regulations, 2012 to facilitate clarity in tenure of AIF schemes and requirements for change in manager/sponsor
- j. Review of the existing framework for Offer for Sale (OFS) of Shares through Stock Exchange Mechanism to facilitate greater flexibility in the process
- k. Monitoring of utilization of issue proceeds raised through Preferential Issue and Qualified Institutions Placement (QIP) issue, in terms of SEBI (LODR) Regulations, 2018
- l. Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the context of schemes of arrangement
- m. Amendment to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”) in the context of strategic disinvestment of PSUs and consideration payable under open offer.
- n. Inclusion of units of Mutual Funds under SEBI (Prohibition of Insider Trading) Regulations, 2015
- o. Amendments to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 for orderly winding down of Clearing Corporations.

MCA

Companies (CSR Policy) Amendment Rules, 2022

- A Company having any amount in its Unspent Corporate Social Responsibility (CSR) Account as per sub-section (6) of Section 135 of the Companies Act 2013 shall constitute a CSR committee and shall comply with the provisions contained in sub-section (2) to (6) of the said Act.
- If section 135 (1) of the Companies Act, 2013 is once applicable, a company shall comply with the entire CSR provisions unless it ceases to meet the criteria during the “next three years” has been omitted.
- Board to ensure that the CSR activities are undertaken by the Company itself or through implementing agency – New Class of implementing agencies added by inserting “Section 8 company, or a registered public trust or registered society, exempted under sub clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities. www.acquisory.com | Email- Info@acquisory.com

CORPORATE NEWSFLYER

September 2022

- Further, such type of IAs do not need to get registration under Section 12A and 80G of the Income Tax Act, 1961
- Form CSR-1 has also been amended/ revised to add an option for registration of newly added clause of IAs.
- A Company undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed 2% of total CSR expenditure of INR 50 lakhs, whichever is higher. Earlier, it was 5% of total CSR expenditure or INR 50 lakhs, whichever is less.
- New format of CSR reporting has been introduced.

MCA revises threshold for paid up capital and Turnover of Small Companies upto INR 4 Crores and INR 40 Crores respectively

MCA notifies Companies (Specification of Definition Details) Amendment Rules, 2022 amending the definition of small company w.e.f. September 15, 2022 the limit of paid up capital and turnover for the small company has been increased to INR 4 Crores and INR 40 Crores respectively.

MCA extends time for filing DIR -3KYC till October 15, 2022

MCA allows filing of e-form DIR-3KYC and web-form DIR-3KYC -WEB without filing fee upto October 15, 2022.

TAX

CBDT extends time for filing of modified ITR in Form ITR-A till March 31, 2023 by a Successor Company under Section 170A of the Income Tax Act, 1961

CBDT extends timeline for filing of modified ITR in Form ITR-A by a successor company under section 170A of Income Tax Act till March 31, 2023 in cases where the order of business reorganization of the competent authority was issued between the period April 1, 2022 and September 30, 2022.

The section was inserted in the Finance Act, 2022 effective April 1, 2022 relating to effect of order of tribunal or court in respect of business reorganization, may furnish modified return of income for any assessment year to which such order of business reorganization is applicable.

OTHER

FCRA Extension of validity of Registration Certificate till March 31, 2023

The FCRA registration certificates whose validity was extended till September 30, 2022 in terms of notice dated June 22, 2022 and whose renewal application is pending, shall stand extended up to March 31, 2023 or the date of disposal of renewal application whichever is earlier.

The FCRA registration certificates which are expiring during the period between October 1, 2022 and March 31, 2023 and have applied / will apply for renewal before the expiry of 5 years validity period shall extended upto March 31, 2023 or the date of disposal of renewal application, whichever is earlier.