

RBI

RBI revises Regulatory Framework for Urban Co-Operative Banks (UCBs) w.r.t. Net Worth and Capital Adequacy

I. Net Worth

UCBs shall have minimum net worth as under:

- a. Tier 1 UCBs operating in a single district shall have minimum net worth of ₹2 crore.
- b. All other UCBs (of all tiers) shall have minimum net worth of ₹5 crore.
- c. UCBs which currently do not meet the minimum net worth requirement, as above, shall achieve the minimum net worth of ₹2 crore or ₹5 crore (as applicable) in a phased manner. Such UCBs shall achieve at least 50 per cent of the applicable minimum net worth on or before March 31, 2026 and the entire stipulated minimum net worth on or before March 31, 2028.

II. Minimum capital to risk weighted assets ratio (CRAR) requirement UCBs shall maintain minimum CRAR as under:

- a. Tier 1 UCBs shall maintain, as hitherto, a minimum CRAR of 9 per cent of Risk Weighted Assets (RWAs) on an ongoing basis.
- b. Tier 2 to 4 UCBs shall maintain a minimum CRAR of 12 per cent of RWAs on an ongoing basis.
- c. UCBs in Tier 2 to 4, which do not currently meet the revised CRAR of 12 per cent of RWAs, shall achieve the same in a phased manner. Such UCBs shall achieve the CRAR of at least 10 per cent by March 31, 2024, 11 per cent by March 31, 2025, and 12 per cent by March 31, 2026.

The same shall come into effect from April 1, 2023.

Hedging of Gold Price Risk in Overseas Markets

Resident entities in India are currently not permitted to hedge their exposure to price risk of gold in overseas markets. It has now been decided to permit eligible entities to hedge their exposure to price risk of gold on exchanges in the International Financial Services Centre (IFSC) recognized by the International Financial Services Centre Authority (IFSCA).

Individual Housing loans – Revised limits under four tiered regulatory framework

Classification of UCBs into four tiers under the revised category framework, it has been decided to specify the limits on housing loans sanctioned by UCBs to an individual borrower as ₹60 lakh for Tier-1 UCBs and ₹140 lakh for UCBs categorised in Tier-2 to 4. Other terms and conditions of the circular ibid, remain unchanged.

SEBI

SEBI Board Meeting – 12 Key decisions taken

SEBI took some of the following main decisions-

- i. Strengthening focus and governance mechanisms in Market Infrastructure Institutions (MIIs)
- ii. Amendment to SEBI (Buy-Back of Securities) Regulations, 2018 –
 - Buyback through Stock Exchange Route –
 - a. Buyback through stock exchange route to be phased out in a gradual manner.
 - b. Increasing the minimum utilization of the amount to 75%
 - c. Creation of separate window on stock exchanges
 - Buyback through Tender Offer Rate
 - a. Reduction in timeline for completion of Buyback by 18 days
 - b. Permitting upward revision of buyback price
 - c. Mandatory placing of the relevant advertisements / documents with respect to buyback.
- iii. Introduction of framework to facilitate Execution Only Platforms for direct plans of Mutual Fund Schemes
- iv. Platform for Risk Reduction Access to investors in case of disruption of trading services provided by a Stockbroker
- v. Enhanced risk management framework for stockbrokers designated as Qualified Stock Brokers (QSBs)
- vi. Streamlining the on-boarding process to facilitate ease of doing business and reducing the time taken for registration of Foreign Portfolio Investors (FPIs)
- vii. Amendment to SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (NCS Regulations) – to facilitate sustainable finance while safeguarding against greenwashing
- viii. Facilitation of participation by AIFs in Credit Default Swaps
- ix. Amendment to SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (NCS Regulations), to streamline appointment of nominee director and specify public issue timelines.



CORPORATE NEWSFLYER

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- x. Introduction of governance norms for REITs and InvITs on the lines of corporate governance norms for listed companies
- xi. Streamlining provisions related to tenure of auditor, computation of leverage, unclaimed/unpaid distribution and other provisions for REITs and InvITs.
- xii. Framework for Adoption of cloud services by SEBI Regulated Entities.

BSE issues notification w.r.t. non - disclosure of Aadhar numbers in the offer document or any other public document

Listed entities should not disclose Aadhar number /Aadhar related information in any disclosure / announcements / any other public document made / submitted to the Exchange.

Filing of Equity announcements and Financial Results to be made available on NEAPS platform

Filing of Equity Announcements and Financial Results to be made available on the NEAPS (NSE Electronic Application Processing System) w.e.f. December 17, 2022.

Henceforth, the Companies will have to file their disclosures for the Equity Announcements subjects and Financial Results in the same manner as it was available on the NEAPS platform in the month of February 2022.

Foreign Investment in Alternative Investment Funds (AIFs)

The manager of AIF to ensure the following at the time of on-boarding investors:

- a. Foreign Investor of the AIF is a resident of the country whose securities market regulator is a signatory to the International Organization of the Securities' Commission's Multilateral Memorandum of Understanding or a signatory to the bilateral Memorandum of Understanding with SEBI.
- b. The investor, or its underlying investors contributing twenty five percent or more in the corpus of the investor or identified on the basis of control, is not the person(s) mentioned in the Sanctions List notified from time to time by the United Nations Security Council and is not a resident in the country identified in the public statement of Financial Action Task Force

Amendment to SEBI (Procedure for Board Meetings) Regulations

The following proviso has been inserted in Regulation 4 - "Provided that a Member who intends to participate in a meeting through video conferencing or any other audio visual means, shall communicate the same, sufficiently in advance to the Chairperson or the Secretary of the Board and in such case, the procedure as specified in Schedule I to the SEBI (Procedure for Board Meetings) Regulations, 2001 shall be followed".

Master Circulars for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors

SEBI updates Master Circulars for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors. Further, with respect to the directions or other guidance issued by SEBI, as specifically applicable to FPIs, shall continue to remain in force in addition to the provisions of any other law for the time being in force. Terms not defined in this Master Circular shall have the same meaning as provided under the Regulations.

MCA

EGMs through VC or OAVM or transact items through postal ballot till September 30, 2023

MCA allow companies to conduct their EGMs through Video Conference (VC) or Other Audio-Visual Means (OAVM) or transact items through postal ballot in accordance with framework provided in the earlier circulars up to September 30, 2023.

Clarification on holding AGM by Companies due in the year 2023

MCA allow Companies to conduct AGMs on or before September 30, 2023 through Video Conference (VC) or Other Audio-Visual Means (OAVM).