

JANUARY 2023

NEWSLETTER

REGULATORY

- RBI
- SEBI
- MCA



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1. Foreign Investment in India - Rationalisation of reporting in Single Master Form (SMF) on FIRMS Portal

RBI/2022-2023/160 A. P. (DIR Series) Circular No. 22

Dated: January 04, 2023

Vide this notification, RBI has advised following changes with respect to the reporting of foreign investment in SMF on FIRMS portal:

- i.) Forms submitted on the portal will be auto acknowledged.
- ii.) AD banks shall verify the same within five working days based on documents uploaded.
- iii.) In cases of delayed reporting, AD banks shall either advise the Late Submission Fee (LSF) to the applicants, or advise for compounding of contravention.

[Notification](#)**2. Basel III Capital Regulations - Eligible Credit Rating Agencies**

RBI/2022-2023/162 DOR.STR.REC.94/21.06.008/2022-23

Dated: January 09, 2023

Vide this notification, RBI has advised Scheduled Commercial Banks to use ratings of the following domestic credit rating agencies for risk weighting their claims for capital adequacy purposes:

- i.) Acuite Ratings & Research Limited (Acuite);
- ii.) Credit Analysis and Research Limited (CARE);
- iii.) CRISIL Ratings Limited; d) ICRA Limited;
- iv.) India Ratings and Research Private Limited (India Ratings);
- v.) INFOMERICS Valuation and Rating Pvt Ltd. (INFOMERICS)

[Notification](#)**3. 'Fully Accessible Route' for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds**

RBI/2022-2023/169 FMRD.FMID.No.07/14.01.006/2022-23

Dated: January 23, 2023

Reserve Bank, vide A.P. (DIR Series) Circular No. 25 dated March 30, 2020, had specified certain categories of Central Government securities which were opened fully for non-resident investors without any restrictions under the Fully Accessible Route (FAR).

Such Government Securities that were eligible for investment under the FAR ('specified securities') were notified by the Bank, vide circular no. FMRD.FMSD.No.25/14.01.006/2019-20 dated March 30, 2020 and circular no. FMRD.FMID.No.04/14.01.006/2022-23 dated July 07, 2022.

RBI vide this notification has decided to designate all **Sovereign Green Bonds** issued by the Government in the fiscal year 2022-23 as 'specified securities' under the FAR.

[Notification](#)

SEBI
1. Limited relaxation –dispatch of physical copies of financial statements etc. –Regulation 58 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
<p>Circular No.: SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 Dated 5th January, 2023</p> <p>SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 had inter-alia, relaxed certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) related to dispatch of hard copy of Annual Report to debenture holders, pursuant to relaxations granted by the Ministry of Corporate Affairs (MCA) in holding of AGM through VC or OAVM. Subsequently the said relaxations were extended till December 31, 2022, vide Circular no. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022.</p> <p>MCA vide Circular dated December 28, 2022 had, inter-alia, extended the relaxations in holding of AGM through VC or OAVM by companies whose AGMs are due in the year 2023 to conduct their AGMs on or before September 30, 2023.</p> <p>Accordingly, SEBI has also further extended the relaxation of dispatching hard copy of Annual Report to holders of non-convertible securities who have not registered their email address (es) either with the listed entity or with any depository upto September 30, 2023.</p> <p>Circular</p>
2. Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
<p>Circular No.: SEBI/HO/CFD/PoD-2/P/CIR/2023/4 Dated 5th January, 2023</p> <p>SEBI, vide circular dated May 12, 2020, had inter-alia relaxed the requirements specified in regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) relating to dispatching hard copy of the statement containing salient features of all the documents as prescribed in section 136 of the Companies Act, 2013 (financial statements, Board’s report, Auditor’s report etc.), to those shareholders who have not registered their email addresses. The said relaxation was initially extended till December 31, 2021 and was subsequently extended up to December 31, 2022 vide SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022.</p> <p>SEBI has further extended the relaxation till September 30, 2023 vide circular as mentioned in point no. 1 above.</p> <p>SEBI vide this circular has decided to extend the relaxations provided in para 2 & 3 as reproduced below of the above SEBI Circular dated May 13, 2022 till September 30, 2023.</p> <ol style="list-style-type: none"> In terms of regulation 36(1)(c) of the LODR Regulations, listed entities are required to send hard copy of full annual reports to those shareholders who request for the same. The notice of AGM published by advertisement in terms of regulation 47 of the LODR Regulations shall disclose the web-link to the annual report so as to enable shareholders to have access to the full annual report. <p>Circular</p>
3. Management and advisory services by AMCs to Foreign Portfolio Investors
<p>Circular No.: SEBI/HO/IMD/IMD-POD1/P/CIR/2023/005 Dated 6th January, 2023</p> <p>SEBI vide Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/155 dated December 16, 2019 had specified the categories of Foreign Portfolio Investors (FPIs), to which the AMCs (Asset Management Companies) may provide management and advisory services in terms of Regulation 24(b) of SEBI (Mutual Funds) Regulations, 1996.</p>

Vide this circular, SEBI has decided that AMC's may also provide management and advisory services to FPIs operating from IFSC and regulated by IFSCA, not falling under the categories of FPIs specified in above circular, subject to the following:

1. Such FPI shall be allowed to invest in mutual fund schemes other than schemes in the category of "thematic" as defined in SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017
2. For investment in equity and equity derivative securities listed on recognized stock exchanges in India, such FPI shall not take contra-position for a period of six months from the date of purchase or sale of such securities.

[Circular](#)

4. Operational Circular for Credit Rating Agencies

Circular No.: SEBI/HO/DDHS/DDHS-RACPOD2/P/CIR/2023/6
Dated 6th January, 2023

Effective Date: February 1, 2023

SEBI had issued multiple circulars, over the years, covering the operational and procedural aspects of Credit Rating Agencies (CRAs).

In order to enable the industry and other users to have access to all the applicable circulars/ directions at one place, Operational Circular for CRAs has now been prepared.

This Operational Circular is a compilation of the existing circulars as on December 31st 2022, with consequent changes. The stipulations contained in the earlier circulars have been detailed chapter-wise in this operational circular.

[Circular](#)

5. Mode of settlement for trades executed on the Request for Quote (RFQ) platform

Circular No.: SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/9
Dated 9th January, 2023

SEBI vide circular dated October 19, 2022 on '*Request for Quote (RFQ) platform for trade execution and settlement of trades in listed Non-convertible Securities, Securitised Debt Instruments, Municipal Debt Securities and Commercial Paper*' had permitted stock brokers registered under the debt segment of the Stock Exchange(s) to place/ seek bids on the RFQ platform on behalf of client(s), in addition to the existing option of placing bids in a proprietary capacity.

Further, SEBI had reduced the denomination for debt securities and non-convertible redeemable preference shares' issued on private placement basis traded on a stock exchange or OTC from Rs. Ten Lakh to Rs. One lakh.

Furthermore, SEBI vide circular dated November 14, 2022 on '*Registration and regulatory framework for Online Bond Platform Providers*' had inter-alia stipulated that all orders with respect to listed debt securities placed on an online Bond Platform shall be mandatorily routed through the RFQ platform of the recognised Stock Exchange(s) and settled through the respective Clearing Corporations.

SEBI vide this circular has now clarified that in addition to the existing payment mechanisms, payment mechanisms provided by banks/payment aggregators authorised by Reserve Bank of India from time to time, may be used for settlement of trades executed on the RFQ platform.

[Circular](#)

6. Securities Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2023

No. SEBI/LAD-NRO/GN/2023/113
Dated 9th January, 2023

SEBI has amended the SEBI (Alternative Investment Funds) Regulations, 2012.

Following is the gist of amendments:

1. Insertion of definition of credit default swaps – ‘**Credit Default Swap (CDS)**’ means a credit derivative contract in which one counterparty (protection seller) commits to pay to the other counterparty (protection buyer) in the case of a credit event with respect to a reference entity and in return, the protection buyer makes periodic payments (premium) to the protection seller until the maturity of the contract or the credit event, whichever is earlier.
2. Category I Alternative Investment Funds are now allowed to engage in hedging, including credit default swaps in terms of the conditions as may be specified by the Board from time to time.
3. Category II Alternative Investment Funds are now allowed to buy or sell credit default swaps in terms of the conditions as may be specified by the Board from time to time.
4. Category III Alternative Investment Funds are now allowed to buy or sell credit default swaps in terms of the conditions as may be specified by the Board from time to time.

[Regulation](#)

7. Change in control of Portfolio Managers providing Co-investment services

Circular No.: SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/8
Dated 10th January, 2023

SEBI vide Circular No. SEBI/HO/IMD-1/ DOF1/P/CIR/2022/77 dated June 02, 2022 had specified the procedure for seeking prior approval in case of change in control of Portfolio Manager.

Vide this circular, SEBI has partially modified para 2(iv) of the above circular as under:

Pursuant to grant of prior approval by SEBI, in order to enable existing investors/ clients to take well informed decision regarding their continuance or otherwise with the changed management, the portfolio manager shall inform its existing investors/ clients about the proposed change prior to effecting the same and give an option to exit without any exit load, within a period of not less than 30 calendar days, from the date of such communication. However, for the clients under co-investment portfolio management services, the Portfolio Manager shall ensure compliance with the second proviso of Regulation 22 (2) of PMS Regulations.

All other requirements, terms and conditions specified in the Circular shall remain unchanged.

[Circular](#)

8. Participation of AIFs in Credit Default Swaps

Circular No.: SEBI/HO/AFD/PoD/CIR/2023/15
Dated 12th January, 2023

SEBI (Alternative Investment Funds) Regulations, 2012 (‘AIF Regulations’), were amended and notified on January 09, 2023 to allow AIFs to participate in Credit Default Swaps (‘CDS’) as **protection buyers and sellers** in terms of the conditions as may be specified by the Board from time to time.

In this regard, SEBI has specified the following conditions:

A. Conditions applicable to Category I, II and III AIFs for buying CDS:

- a. Category I AIFs and Category II AIFs may buy CDS on underlying investment in debt securities, only for the purpose of hedging.
- b. Category III AIFs may buy CDS for the purpose of hedging or otherwise, within permissible leverage as specified in SEBI circular no. CIR/IMD/DF/10/2013 dated July 29, 2013.

B. Conditions applicable to Category II and III AIFs for selling CDS:

- a. Category III AIFs may sell CDS, subject to the condition that effective leverage undertaken is within the permissible limits as specified in SEBI circular no. CIR/IMD/DF/10/2013 dated July 29, 2013.
- b. Further, Category II AIFs and Category III AIFs may sell CDS, by earmarking unencumbered Government bonds/Treasury bills equal to the amount of the said CDS exposure. Such earmarked securities may also be used for maintaining applicable margin requirements for the said CDS exposure. Exposure to CDS undertaken in the aforesaid manner shall not tantamount to leverage.

- c. Total exposure to an investee company, including exposure through CDS, shall be within the limit of applicable concentration norm as specified in AIF Regulations.

Other conditions applicable for transacting in CDS are also specified in the circular.

[Circular](#)

MCA

1. Release Plan of 45 company e-Forms in MCA 21 Version 3.0

General Circular No. 1/2023

Dated 9th January, 2023

Vide this circular, it is directed that since Ministry is in the process of introducing certain company e-Forms in MCA 21 Version 3.0 and thus these e-Forms will not be available in MCA 21 Version-2 from 07.01.2023 to 22.01.2023.

Therefore, it is decided to allow additional time of 15 days without levying additional fees to the stakeholders, in case where the due dates for filing of these 45 e-Forms fall during the period between 07.01.2023 and 22.01.2023.

[Notification](#)

2. Filing of Form GNL-2 and Form MGT-14 due to migration from V2 version to V3 version in MCA 21 Portal from 7th January 2023 to 22nd January 2023

General Circular No. 2/2023

Dated 9th January, 2023

Vide this circular, MCA has issued clarification in respect of filing of Form GNL-2 (filing of prospectus and related documents) and Form MGT-14 (filing of resolutions relating to prospectus related documents) due to migration from V2 version to V3 version in MCA 21 Portal from 7th January 2023 to 22nd January 2023.

It is clarified that companies intending to file Form GNL-2 and Form MGT-14 during the aforesaid period, may file such form in physical mode duly signed by persons concerned, along with a copy thereof in electronic media, with the concerned Registrar without payment of fee and take acknowledgement thereof. Such filing will be accompanied by an undertaking from the company that once the filing of such Form is enabled on the portal, the company will file the relevant form in electronic form on MCA-21 Portal along with fees payable as per rules.

[Notification](#)

3. Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2023

G.S.R. 41 (E)

Dated 19th January, 2023

Vide this notification, MCA has amended the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Following forms are substituted with new versions which shall come into force with effect from 23rd January, 2023:

S. No.	Form No.	Form Name
1	MR-1	Return of appointment of managerial personnel
2	MR-2	Form of application to the Central Government for approval of appointment of managing director or whole-time director or manager

[Notification](#)

4. Companies (Authorised to Register) Amendment Rules, 2023

G.S.R. 39 (E)

Dated 19th January, 2023

Vide this notification, MCA has amended the Companies (Authorised to Register) Rules, 2014.

Following form is substituted with new version which shall come into force with effect from 23rd January, 2023:

S. No.		Form Name
1	URC-1	Application by a company for registration under section 366

[Notification](#)

5. Companies (Registration of Foreign Companies) Amendment Rules, 2023.

G.S.R. 36 (E)
Dated 20th January, 2023

Vide this notification, MCA has amended the Companies (Registration of Foreign Companies) Rules, 2014.

Following forms are substituted with new versions which shall come into force with effect from 23rd January, 2023:

S. No.	Form No.	Form Name
1	FC-1	Information to be filed by foreign company
2	FC-2	Return of alteration in the documents filed for registration by foreign company
3	FC-3	Annual accounts along with the list of all principal places of business in India established by foreign company
4	FC-4	Annual Return of a Foreign Company

[Notification](#)

6. Companies (Prospectus and Allotment of Securities) Amendment Rules, 2023

G.S.R. 37 (E)
Dated 20th January, 2023

Vide this notification, MCA has amended the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Following forms are substituted with new versions which shall come into force with effect from 23rd January, 2023:

S. No.	Form No.	Form Name
1	PAS-2	Information Memorandum
2	PAS-3	Return of Allotment
3	PAS-6	Reconciliation of Share Capital Audit Report (Half-yearly)

[Notification](#)

7. Companies (Registration Offices and Fees) Amendment Rules, 2023.

G.S.R. 45 (E)
Dated 20th January, 2023

Vide this notification, MCA has amended the Companies (Registration Offices and Fees) Rules, 2014.

Following forms are substituted with new versions which shall come into force with effect from 23rd January, 2023:

S. No.	Form No.	Form Name
1	GNL-2	Form for submission of documents with the Registrar
2	GNL-3	Particulars of person(s) charged for the purpose of sub clause (iii) or (iv) of clause 60 of section 2
3	GNL-4	Form for filing Addendum for rectification of defects or incompleteness

[Notification](#)

8. Companies (Accounts) Amendment Rules, 2023.

G.S.R. 40 (E)
Dated 20th January, 2023

Vide this notification, MCA has amended the Companies (Accounts) Rules, 2014.

Following form is substituted with new versions which shall come into force with effect from 23rd January, 2023:

S. No.	Form No.	Form Name
1	AOC-5	Notice of address at which books of account are to be maintained

[Notification](#)

9. Companies (Management and Administration) Amendment Rules, 2023.

G.S.R. 44 (E)
Dated 21st January, 2023

Vide this notification, MCA has amended the Companies (Management and Administration) Rules, 2014.

Following form is substituted with new versions which shall come into force with effect from 23rd January, 2023:

S. No.	Form No.	Form Name
1	MGT 3	Notice of situation or change of situation or discontinuation of situation, of place where foreign register shall be kept

[Notification](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead it is only a listing of some of the circulars/notifications that we considered important.



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