

LEGAL BRIEFS: BI-WEEKLY LEGAL UPDATES

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Synergia Legal is bringing it to you a fortnightly compilation of digestible summaries of key legal developments and case laws impacting the business, commercial and economic landscape in India:

CORPORATE LAWS

1. The Ministry of Corporate Affairs notified the Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 (November 09, 2023):

The Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 mandates limited liability partnerships to take necessary steps to identify individuals who are 'significant beneficial owners' and cause them to make a declaration in Form LLP BEN-1. Further, the limited liability partnerships are required to file a return of the disclosure of 'significant beneficial owner' in Form LLP BEN-2. Furthermore, the rules exhaustively define 'significant beneficial owners' in a limited liability partnership.

(The Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 are accessible [here](#).)

SECURITIES LAW

2. The Securities and Exchange Board of India issued a circular simplifying norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC and Nomination (November 17, 2023):

The Securities and Exchange Board of India issued a circular dated November 17, 2023 addressed to (i) all the registered registrars to an issue and the share transfer agents; (ii) all the listed companies; (iii) recognized stock exchanges; (iv) all recognized depositories; and (v) depository participants, modifying the provisions of Para 19.2 of the Master Circular for Registrars to an Issue and Share Transfer Agents dated May 17, 2023.

(The SEBI circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 is accessible [here](#).)

FINTECH/BANKING

3. The Reserve Bank of India issued a circular revising the regulatory measures towards credit and bank credit to NBFCs (November 16, 2023):

The Reserve Bank of India issued a circular dated November 16, 2023, addressed to the commercial banks and the non-banking financial companies, revising the risk weight in relation to the consumer credit exposure of commercial banks, NBFCs and credit card receivables. Further, the RBI has increased the risk weight associated with the bank credit extended to NBFCs, excluding the core-investment companies. This revision has been made pursuant to the statement made by the Governor dated October 06, 2023.

(The RBI circular bearing number DOR.STR.REC.57/21.06.001/2023-24 is accessible [here](#).)

4. The Reserve Bank of India issued Master Directions on Information Technology Governance, Risks, Control and Assurance Practices (November 07, 2023):

The Reserve Bank of India issued Master Direction on Information Technology Governance, Risk, Control and Assurance Practices, addressing to (i) commercial banks (excluding regional banks); (ii) small finance banks; (iii) non-banking financial companies; (iv) credit information companies; and (v) all India financial institutions. The master directions provide for corporate governance framework for ensuring higher data protection practices, infrastructure requirements for IT services management, information security risk management framework, disaster recovery management policy, and requirement to undertake information system audit.

(The RBI Master Directions on Information Technology Governance, Risks, Control and Assurance Practices bearing number DoS.CO.CSITEG/SEC.7/31/01/015/2023-23 is accessible [here](#).)

CASE LAWS

5. The High Court of Delhi has set 8 (eight) week deadline for the Central Government to frame policies in relation to online sales of drugs (November 17, 2023):

A public interest litigation was filed with the Delhi High Court in 2018 by Mr. Zaheer Ahmed requesting for a ban on online sales of drugs in India. Pursuant to the same, the Union of India had stated that the government is finalizing a policy for regulating online sales of drugs. Based on the representation, the Delhi High Court had imposed a stay on online sales of medicine without license, instead of imposing a blanket ban on online sales of drugs in India. In a hearing recently, the division bench of the Delhi High Court noted that even after the lapse of 5 (five) years, the Central Government has not formulated a policy in relation online sales of drugs, and further mandated the Central Government to formulate a policy within the set deadline of eight weeks.

6. The Supreme Court of India dismisses PIL requesting for regulating cryptocurrencies in India (November 11, 2023):

The Supreme Court of India turned down the public interest litigation filed by Mr. Manu Prashant Wig against the Union of India, to seek framing of guidelines for regulating the trading and mining of cryptocurrencies in India.

7. The High Court of Madras carves out the online gaming of 'Poker' and 'Rummy' from the restrictions imposed under the Tamil Nadu Prohibition of Online Gambling and Regulation of Online Games Act, 2022 (November 09, 2023):

The Government of Tamil Nadu had imposed a ban on online gaming of 'Rummy' and 'Poker' by explicitly classifying them as a 'game of chance' and not as a 'game of skill' under the Prohibition of Online Gambling and Regulation of Online Games Act, 2022. The provisions of the said act were challenged by the All India Gaming Federation vide writ petition in the Madras High Court, whereby, in a landmark judgment, it was held that the games of 'Rummy' and 'Poker' are to be considered as 'game of skill' and thereby, the prohibition under the act shall not be applicable.

(Judgment copy of *All India Gaming Federation v. the State of Tamil Nadu* (W.P. No. 13023 of 2023) is accessible [here](#).)

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