

LEGAL BRIEFS: BI-WEEKLY LEGAL UPDATES

(Volume 1, Issue 5 | March 16, 2024)

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 released the Report of the Committee on Digital Competition Law:

The Ministry of Corporate Affairs released the Report of the Committee on Digital Competition Law dated February 27, 2024. The 'Committee on Digital Competition Law' ("**Committee**") was set up February 06, 2023 to examine the need for an *ex-ante* regulatory mechanism for digital markets in India.

The key recommendations of the Committee include (a) introduction of a 'Digital Competition Act' ("**Draft DCB**") supplementing the Competition Act, 2002. The Draft DCB shall apply to pre-identified list of core digital services which may easily be concentrated; (b) designating certain digital enterprises with a 'significant presence' in India as 'Systemically Significant Digital Enterprises' ("**SSDE**"). The Committee recommended that an enterprise shall be deemed to be SSDE if it passes a twin test demonstrating 'significant financial strength' and 'significant spread'; (c) setting out an agile and principle based framework of obligations under the Draft DCB, by way of a consultative process; and (d) setting up of a different bench of the National Company Law Appellate Tribunal to ensure timely disposal of appeals filed against CCI's orders.

(The Report of the Committee on Digital Competition Law is accessible [here](#).)

SECURITIES LAWS

2. The Securities and Exchange Board of India notified the Securities and Exchange Board of India (Index Providers) Regulations, 2024 (March 11, 2024):

The Securities and Exchange Board of India notified the Securities and Exchange Board of India (Index Providers) Regulations, 2024 in exercise of powers conferred under Section 30 (1) read with Section 11(2) and Section 12 of the Securities and Exchange Board of India Act,

1992. The regulations have been issued to provide a regulatory framework for index providers in the securities market with the objective of fostering transparency and accountability in governance and administration of indices.

(The Securities and Exchange Board of India (Index Providers) Regulations, 2024 are accessible [here](#).)

3. The Securities and Exchange Board of India notified the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2024 (March 08, 2024):

The Securities and Exchange Board of India notified the Securities and Exchange Board of India (Real Estate Investment Trust) (Amendment) Regulations, 2024 in exercise of powers conferred under Section 30 (1) read with Section 11(2) and Section 12 of the Securities and Exchange Board of India Act, 1992. The amendment introduced regulations in relation to the small and medium real estate investment trusts including their eligibility criteria, conditions for registrations, disclosure requirements and management. The regulations are believed to accelerate the growth of real estate fractional ownership markets.

(The Securities and Exchange Board of India (Real Estate Investment Trust) (Amendment) Regulations, 2024 are accessible [here](#).)

FINTECH / BANKING

THE RECITALS

4. The Reserve Bank of India has taken action against IIFL Finance Limited under Section 45(1)(b) of the Reserve Bank of India Act, 1934 (March 04, 2024):

The Reserve Bank of India had, in exercise of powers under Section 45(1)(b) of the Reserve Bank of India Act, 1934, directed IIFL Finance Limited to immediately cease and desist from sanctioning any gold loans or assigning/securing/selling any of its gold loans.

(The order of the Reserve Bank of India is accessible [here](#).)

5. The Reserve Bank of India issued a notification in relation to the arrangement between card networks and credit card issuers (March 06, 2024):

The Reserve Bank of India had issued a notification addressing to the authorized payment system providers and participants (banks and non-banks) in relation the arrangements between the authorized card networks and banks/non-banks for the issuance of credit cards. The notification restricts the card networks to enter into any exclusive arrangement with the banks/non-banks for the issuance of credit cards. While the timeline for compliance has not been provided in the notification, the card issuers and card networks are required to make an amendment to this effect in their existing agreements at the time of renewal.

(The Reserve Bank of India notification bearing number Co. DPSS. POLC. No. S1133/02-14-003/2023-24 is accessible [here](#).)

6. The Reserve Bank of India signed a Memorandum of Understanding with the Bank of Indonesia (March 07, 2024):

The Reserve Bank of India signed a Memorandum of Understanding with the Bank of Indonesia to establish a framework to promote the use of local currencies viz., the Indian Rupee and the Indonesian Rupiah for cross border transactions.

(The press release bearing number 2023-2024/2017 issued by the RBI in relation to the memorandum of understanding executed between the Reserve Bank of India and the Bank of Indonesia is accessible [here](#).)

7. The Reserve Bank of India notifies amendment to the Master Directions - Credit Card and Debit Card - Issuance and Conduct Directions, 2022 (March 07, 2024):

The Reserve Bank of India had issued a notification amending the Master Directions - Credit Card and Debit Card - Issuance and Conduct Directions, 2022. The amendment requires the card issuers to monitor the end use of the funds from the credit cards issued to entities/individuals. Further, amongst other changes, the amendment provides the cardholder with an option to choose a starting and closing date of the billing cycle.

(The Reserve Bank of India notification bearing number DOR.RAUG.AUT.REC.No.81/24.01.041/2023-24 is accessible [here](#).)

OTHERS

8. The Competition Commission of India notified the Competition Commission of India (Determination of Turnover or Income) Regulations, 2024 (March 06, 2024):

The Competition Commission of India notified the Competition Commission of India (Determination of Turnover or Income) Regulations, 2024. The regulations were issued pursuant to the comments received by the CCI on the draft Competition Commission of India (Determination of Turnover or Income) Regulations, 2023 (“**Turnover or Income Regulations, 2023**”). The Turnover or Income Regulations, 2023 were issued to revise the process of determination of turnover for an enterprise under Section 27 of the Competition Act, 2002 and determination of income for individual for the purposes of Section 48 of the Competition Act, 2002.

(The Competition Commission of India (Determination of Turnover or Income) Regulations, 2024 are accessible [here](#).)

9. The Competition Commission of India notified the Competition Commission of India (Settlement) Regulations, 2024 (March 06, 2024):

The Competition Commission of India notified the Competition Commission of India (Settlement) Regulations, 2024. The regulations were issued pursuant to the comments received by the CCI on the draft Competition Commission of India (Settlement) Regulations, 2023. The Competition Commission of India (Settlement) Regulations, 2024 provide for (a) form and contents of the application for settlement along with the fees payable; (b) circumstances in which the settlement application can be rejected by the CCI; (c) period during which the settlement may be offered; (d) manner in which the CCI will invite objections and suggestions to the settlement terms; (e) manner of determining the settlement amount; and (f) implementation or revocation of settlement order by the CCI.

(The Competition Commission of India (Settlement) Regulations, 2024 are accessible [here](#).)

10. The Competition Commission of India notified the Competition Commission of India (Commitment) Regulations, 2024 (March 06, 2024):

The Competition Commission of India notified the Competition Commission of India (Commitment) Regulations, 2024. The regulations were issued pursuant to the comments received by the CCI on the draft Competition Commission of India (Commitment) Regulations, 2023. The Competition Commission of India (Commitment) Regulations, 2024 provide for (a) form and contents of the application for commitment along with the fees payable; (b) circumstances in which the commitment application can be rejected by the CCI; (c) period during which the commitment may be offered; (d) manner in which the CCI will invite objections and suggestions to the commitment terms; (e) manner of determining the commitment amount; and (f) implementation or revocation of commitment order by the CCI.

(The Competition Commission of India (Commitment) Regulations, 2024 are accessible [here](#).)

11. The Competition Commission of India notified revision of (a) de minimis exemption; (b) relevant assets and turnover in case a portion of an enterprise or division or business is being acquired, taken control of, merged or amalgamated with another enterprise (March 07, 2024):

The Competition Commission of India has issued a notification in exercise of powers conferred under Section 54(a) of the Competition Act, 2002, whereby the CCI exempted the enterprises being parties to any (a) acquisitions; (b) acquiring of control; and (c) merger or amalgamation with another enterprise, where the value of assets acquired, taken control or amalgamated is not more than Indian Rupees Four Thousand Five Hundred Crore in India

or turnover of not more than Indian Rupees One Thousand Two Hundred and Fifty Crore in India.

(The CCI notification bearing number S.O.1131(E) is accessible [here](#).)

12. The Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry has issued a press note on the review of foreign direct investment policy in the space sector (March 04, 2024):

The DPIIT issued a press note number 1 (2024 series) to review the foreign direct investment policy in the space sector under Paragraph 5.2.12 of the Consolidated FDI Policy Circular of 2020. The press note permits 100% sectoral cap (with up to 74% under automatic route, and beyond 74% under government route) for (a) satellite manufacturing and operations; (b) satellite data products; and (c) ground segment and user segment. The press note permits 100% sectoral cap (with up to 49% under automatic route, and beyond 49% under government route) for (a) launch vehicles and associated system; and (b) creation of spaceports. Further, for the manufacturing of the components and systems for satellite ground segment and user segment, 100% sectoral cap (automatic route) has been permitted.

(The Press Note number 1 (2024 Series) issued by DPIIT bearing file number P-15019/2/2023-FDI Policy is accessible [here](#).)

13. The Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers has issued uniform code for pharmaceutical marketing practices, 2024 (March 12, 2024):

The Department of Pharmaceuticals has issued a uniform code for pharmaceuticals marketing practices, 2024. The updated guidelines cover provisions pertaining to drug endorsement, ethical conduct of medical representatives, relationships with healthcare professionals, establishment of ethics committee for pharma marketing practices, lodging of complaints and penalties.

(The Uniform Code for Pharmaceutical Marketing Practices, 2024 is accessible [here](#).)

14. The European Union Parliament passes the Artificial Intelligence Act (March 13, 2024):

The EU Parliament approved the Artificial Intelligence Act. The one of a kind legislation is aimed to protect fundamental rights, democracy, the rule of law and environmental sustainability from high-risk AI, while boosting innovation. Amongst other provisions, the legislation (a) bans the AI applications threatening the rights of the citizens; (b) exempts the law enforcement agencies from use of biometric identification system in certain defined situations; (c) provides for higher obligations for high-risk AI systems; and (d) mandates transparency requirements for general purpose AI systems, including compliance with copyrights law.

(The Artificial Intelligence Act passed by the European Union Parliament is accessible [here](#).)

15. The Ministry of Commerce and Industry has notified the Patent (Amendment) Rules, 2024 (March 15, 2024):

The Ministry of Commerce and Industry has notified the Patent (Amendment) Rules, 2024 (“**Patent Rules, 2024**”). The Patent Rules, 2024 reduced the timeline within which the applicant for a patent is required to inform the Controller General of the details with respect to other applications filed in other countries to 3 (three) months. Further, the Patent Rules, 2024 revised provisions in relation to the statement and undertaking regarding foreign applications.

(The Patent (Amendment) Rules, 2024 is accessible [here](#).)

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THE RECITALS