

**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:

**SECURITIES LAWS**

1. **The Securities and Exchange Board of India has published a consultation paper on 'Framework for Price Discovery of Shares of listed Investment Companies and listed Investment Holding Companies.'** (April 19, 2024):

The Securities and Exchange Board of India has issued a consultation paper on 'Framework for Price Discovery of Shares of listed Investment Companies and listed Investment Holding Companies.' The objective of the consultation paper is to seek comments from public on the proposal to lay down a framework for price discovery of shares of listed Investment Companies and listed Investment Holding Companies whose market price is at significant discount to book value.

*(The consultation paper on 'Framework for Price Discovery of Shares of listed Investment Companies and listed Investment Holding Companies' issued by the Securities and Exchange Board of India is accessible [here](#).)*

2. **The Securities and Exchange Board of India issued a circular on Standardization of the Private Placement Memorandum (PPM) Audit Report** (April 18, 2024):

It is mandatory for the AIFs to carry out an annual audit of compliance with the terms of Private Placement Memorandum (PPM) and submit the annual PPM audit report to the Trustee or Board of Directors or Designated Partners of the AIF, within the 6 (six) months from the end of the financial year. In order to have a uniform compliance standard, the SEBI has issued a standard reporting format for PPM annual report applicable to various categories of AIF.

*(The circular on 'Standardization of the Private Placement Memorandum Audit Report' bearing number SEBI/HO/AFD/SEC-1/P/CIR/2024/22 issued by the Securities and Exchange Board of India is accessible [here](#).)*

FINTECH/ BANKING

**3. The Reserve Bank of India issued draft directions for Payment Aggregators (April 16, 2024):**

The Reserve Bank of India has issued a press release placing the following directions for public comments (a) draft regulation for the Payment Aggregators operating physical point of sale (PA-P); and (b) draft amendment to the regulations of Payment Aggregators. Under the draft regulations for PA-P, the RBI mandated the non-banking entities (PA-P) providing physical point of sale services to intimate the RBI within 60 (sixty days) of the final circular. Further, the non-banking entities (currently providing only online services) are required to seek an approval for providing physical point of sale services. The RBI also mandated certain net-criterion for operation PA-P services.

Under the amendments proposed to the regulations applicable to Payment Aggregator, the RBI revised the definition of 'Payment Aggregators' to classify them into online payment aggregators and physical point of sale payment aggregators. In addition, the draft amendment imposes a KYC and customer due diligence requirement on the payment aggregators.

*(The press release bearing number 2024-2025/116 issued by the Reserve Bank of India is accessible [here](#).)*

**4. The Reserve Bank of India issued a press release cautioning public against Prepaid Payment Instrument issued by unauthorized entities (April 25, 2024):**

The Reserve Bank of India has issued a press release cautioning public against Prepaid Payment Instrument issued by unauthorized entities. The caution has been issued pursuant to an order by the RBI against TalkCharge Technologies Private Limited, a company issuing PPIs without obtaining authorization from the RBI. The RBI has urged the public to exercise utmost caution and has also released a database of the authorized payment systems providers and operators accessible here: <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=12043>.

*(The press release bearing number 2024-2025/186 issued by the Reserve Bank of India is accessible [here](#).)*

**5. The Reserve Bank of India issued directions against unauthorized foreign exchange transactions (April 25, 2024):**

The Reserve Bank of India has issued a notification to the Authorized Dealer Category-I Banks against unauthorized foreign exchange transactions. The AD Cat-I Banks are required to be more vigilant and exercise greater caution in relation to dealing with any person not being an

'Authorized Person' for the exchange of foreign currency. Further, the AD Bank Cat-I may bring the content of the circular to the notice of their constituents and customers concerned.

*(The notification bearing number RBI/2024-25/25 issued by the Reserve Bank of India is accessible [here](#).)*

**6. The Reserve Bank of India issued Master Directions - Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024 (April 26, 2024):**

The Reserve Bank of India has issued Master Directions - Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024. The Master Directions consolidates the existing regulatory guidelines issued to ARCs vide Master Circular - Asset Reconstruction Companies (bearing number D.O.R. SIG. FIN. REC 8/26.03.001/2023-24) and Master Direction - Fit and Proper Criteria for Sponsors - Asset Reconstruction Companies (Reserve Bank) Directions, 2018 (bearing number Master Direction DNBR. PD (ARC) CC. No. 06/26.03.001/2018-19.

*(The Master Circular - Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024 is accessible [here](#).)*

**7. The Reserve Bank of India issued a press release inviting comments on the Draft Circular on "Digital Lending- (April 26, 2024):**

The Reserve Bank of India issued Draft Guidelines on 'Digital Lending - Transparency in Aggregation of Loan Products from Multiple Lenders'. A reference is invited to the 'Guidelines on Digital Lending' issued vide Circular DOR.CRE.REC.66/21.07.001/2022-23 dated September 02, 2022, and the Statement on Developmental and Regulatory Policies dated December 08, 2023 wherein it was announced to issue a regulatory framework for aggregation of loan products by lending service providers. The comments can be provided to the RBI by May 31, 2024.

*(The press release bearing number 2024-2025/194 issued by the Reserve Bank of India is accessible [here](#).)*

**8. The Reserve Bank of India issued a list of Frequently Asked Questions in relation to the Guidelines on Default Loss Guarantee in Digital Lending (April 26, 2024):**

The Reserve Bank of India a list of frequently asked questions in relation to Guidelines on Default Loss Guarantee in Digital Lending which were issued vide Circular DOR.CRE>REC>21/21.01.001/2023-24 dated June 08, 2023.

*(The Frequently Asked Questions under the Guidelines on Default Loss Guarantee in Digital Lending issued by the Reserve Bank of India is accessible [here](#).)*

OTHERS

**9. The Central Drugs Standard Control Organization (CDSCO) released a draft Guidance for Industry, Version 1.2 for the comments of the stakeholders (April 10, 2024):**

The CDSCO has released a draft of the revised Guidance for Industry document, in consultation with the stakeholders to align it with the New Drugs and Clinical Trials Rules, 2019 and the SUGAM application process. Any suggestions/comments/objections may be sent within 15 (fifteen) days from the issuance by email over [vaccine-bio@cdsco.nic.in](mailto:vaccine-bio@cdsco.nic.in).

*(The notice dated April 10, 2024 issued by the CDSCO for the revision of CDSCO Guidance for Industry, Version 1.2 is accessible [here](#).)*

**10. The Ministry of Corporate Affairs issued a notice inviting comments on the review of the rules prescribed under the Insolvency and Bankruptcy Code, 2016 (April 18, 2024):**

The Ministry of Corporate Affairs has issued a notice inviting comments on the review of rules prescribed under the Insolvency and Bankruptcy Code, 2016. The notice invites comments/suggestions on the following rules from all the stakeholders: (a) The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016; (b) The IBBI (Form of Annual Statement of Accounts) Rules, 2018; (c) The IBBI (Annual Report) Rules, 2018; (d) The Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019; (e) The Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantee to Corporate Debtors) Rules, 2019; (f) The Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantor to Corporate Debtor) Rules, 2019; and (g) The Insolvency and Bankruptcy (Pre-packaged Insolvency Resolution Process) Rules, 2021.

*(The notice from the Ministry of Corporate Affairs inviting comments on the review of the rules prescribed under the Insolvency and Bankruptcy Code, 2016 is accessible [here](#).)*

**11. The Insolvency and Bankruptcy Board of India issued a circular on Partial Modification to the circular number IBBI/LIQ/61/2023 (April 18, 2024):**

The Insolvency and Bankruptcy Board of India issued a circular withdrawing the para 2.1 and para 2.5 of the circular dated September 28, 2023 titled 'Clatification w.r.t. Liquidators' fee under clause (b) of sub-regulation (2) of Regulation 4 of IBBI (Liquidation Process) Regulations, 2016. The circular has been issued pursuant to the order of the Hon'ble High Court in the matter of Amit Gupta v. IBBI & UOI (Writ Petition (Lodging) No. 34701 of 2023), whereby the Paragraph 2.1 and 2.5 of the said circular were struck down.

*(The circular bearing number IBBI/LIQ/70/2024 dated April 18, 2024 issued by the IBBI is accessible [here](#).)*

**12. The Competition Commission of India issued a Request for Proposal to undertake a Market Study on “Artificial Intelligence and Competition” (RFP) (April 22, 2024):**

The Competition Commission of India intends to engage an agency/institution for conducting a Market Study on “Artificial Intelligence and Competition”. The RFP states that in view of the growing importance of Artificial Intelligence across sectors, the CCI proposes to conduct the said study to gather insights from all relevany stakeholders. The key objective of the study will be (a) to understand the key AI systems and markets; (b) to examine the emerging and potential competition issues; (c) to study the scope and nature of AI application and uses; (d) to understand the existing regulatory framework governing AI systems in India and other major jurisdictions; (e) to reach out to all relevant stakeholders; and (f) to understand trends and patterns of AI and to ascertain enforcement.

*(The Request for Proposal to undertake a Market Study on “Artificial Intelligence and Competition” dated April 22, 2024 is accessible [here](#).)*

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