

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 has notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024 (July 16, 2024):**

The Ministry of Corporate Affairs (“MCA”) notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024. The said rules have mandated the companies to remit the amount to be transferred to the Investor Education and Protection Fund within 30 (thirty) days of it becoming due. Further, the rules mandate that the Form No. IEPF-7 shall be furnished to the Authority within 30 (thirty) days from the amount becoming due to be credited as against the earlier timeline of 30 (thirty) days from the date of remittance of the amount.

(The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024 issued by the Ministry of Corporate Affairs is accessible [here](#).)

2. **The Ministry of Corporate Affairs has issued merging Forms IEPF-3 with IEPF-4 and IEPF-7 with IEPF-1 (July 17, 2024):**

The MCA issued a circular merging Forms IEPF-3 with IEPF-4 and IEPF-7 with IEPF-1. Under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any amount remitted to the Authority shall be furnished in Form IEPF-7, and similarly any shares/dividend not transferred to the Authority are required to be furnished in Form IEPF-3. For the ease of compliance, the MCA has merged Form IEPF-7 with IEPF-1, and Form IEPF-3 with IEPF-4.

(The circular bearing number 07/2024 issued by the Ministry of Corporate Affairs is accessible [here](#).)

3. **The Ministry of Corporate Affairs has notified the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024 (July 16, 2024):**

The MCA has notified the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024. The said ruled provide that in the event a director intends to update his personal mobile number or email address during the financial year, the same shall

be done by submitting e-form DIR-3 KYC along with a fee of INR 500 (Indian Rupees Five Hundred).

(The Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024 issued by the Ministry of Corporate Affairs is accessible [here](#).)

4. The Ministry of Corporate Affairs has notified the Specified Companies (Furnishing of Information about Payment to Micro and Small Enterprises) Amendment Order, 2024 (July 15, 2024):

The MCA has notified the Companies (Furnishing of Information about Payment to Micro and Small Enterprises) Amendment Order, 2024. The said order states that only those specified companies with payments pending to any micro or small enterprises for more than 45 days from the date of acceptance/ date of deemed acceptance of goods or services under Section 9 of MSME Development Act, 2006 must furnish information in MSME Form-1. Further, the order amends the MSME Form-1.

(The Specified Companies (Furnishing of Information about Payment to Micro and Small Enterprises) Amendment Order, 2024 issued by the Ministry of Corporate Affairs is accessible [here](#).)

5. The Ministry of Corporate Affairs has notified the Companies (Management and Administration) Amendment Rules, 2024 (July 15, 2024):

The MCA has notified the Companies (Management and Administration) Amendment Rules, 2024. The said rules substitute Form MGT-6 required to be filed by companies with the Registrar of Companies to declare the beneficial ownership in shares. The new Form MGT-6 has been enhanced to seek more detailed information thereby, ensuring higher transparency.

(The Companies (Management and Administration) Amendment Rules, 2024 issued by the Ministry of Corporate Affairs is accessible [here](#).)

6. The Ministry of Corporate Affairs has notified the Companies (Significant Beneficial Owners) Amendment Rules, 2024 (July 15, 2024):

The MCA has notified the Companies (Significant Beneficial Owners) Amendment Rules, 2024. Under Section 90 of the Companies Act, 2013 read with the Companies (Significant Beneficial Owners) Amendment Rules, 2024, declaration of the significant beneficial ownership and the changes to the same were required to be furnished to the Registrar of Companies under Form BEN-2. The amendment issues a new format of Form BEN-2 to enhance the transparency and accountability of beneficial owners.

(The Companies (Significant Beneficial Ownership) Amendment Rules, 2024 issued by the Ministry of Corporate Affairs is accessible [here](#).)

SECURITIES LAWS

7. The Securities and Exchange Board of India (SEBI) issued a circular enabling Credit Rating Agencies to undertake rating activities under IFSCA (July 19, 2024):

The SEBI has issued a circular enabling credit rating agencies (CRAs) to undertake rating activities in the International Financial Services Centre – Gujarat International Finance Tech-City (IFSC-GIFT City). Paragraph 25 of the Master Circular for CRAs dated May 16, 2024 provides that CRAs may undertake the rating of financial instruments under the respective guidelines of the financial sector regulators/authorities. The SEBI has, vide the said circular, added International Financial Services Centre Authority (IFSCA) to the list of financial sector regulators/authorities to the Annexure 19 of the said master circular, thereby, permitting CRAs to undertake rating activities in IFSC-GIFT City.

(The circular bearing number SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/102 issued by the Securities and Exchange Board of India is accessible [here](#).)

8. The Securities and Exchange Board of India (SEBI) issued a circular enabling ESG Rating Providers to undertake rating activities under IFSCA (July 19, 2024):

The SEBI has issued a circular enabling ESG Rating Providers (ERPs) to undertake rating activities in the International Financial Services Centre – Gujarat International Finance Tech-City (IFSC-GIFT City). Paragraph 7.1 of the Master Circular for ERPs dated May 16, 2024 provides that ERPs may undertake the rating of financial instruments under the respective guidelines of the financial sector regulators/authorities. The SEBI has, vide the said circular, added International Financial Services Centre Authority (IFSCA) to the list of financial sector regulators/authorities to the Annexure 4 of the said master circular, thereby, permitting ERPs to undertake rating activities in IFSC-GIFT City.

(The circular bearing number SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/103 issued by the Securities and Exchange Board of India is accessible [here](#).)

9. The Securities and Exchange Board of India (SEBI) notified the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024 (July 09, 2024):

The SEBI had notified the Securities and Exchange Board of India (Real Estate Investment Trust) (Second Amendment) Regulations, 2024. The regulations define “employee unit option scheme” and “liquid assets”. Further, the regulations mandate the creation of a separate employee benefit trusts and provide for framework regulating the same. The amendment has been introduced to promote transparency and enhance governance of the REIT structures.

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

10. The Securities and Exchange Board of India (SEBI) notified the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2024 (July 09, 2024):

The SEBI had notified the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2024. The regulations define “employee unit option scheme” and “liquid assets”. Further, the regulations mandate the creation of a separate employee benefit trusts and provide for framework regulating the same. The amendment has been introduced to promote transparency and enhance governance of the Infrastructure Investment Trust structures.

(The Securities and Exchange Board of India (Infrastructure Investment Trust) (Second Amendment) Regulations, 2024 is accessible [here](#).)

11. The Securities and Exchange Board of India (SEBI) issued a consultation paper on the introduction of new asset class/product category (July 16, 2024):

The SEBI has issued a consultation paper with an objective to solicit comments on the proposed introduction of new asset class/product category (**New Asset Class**) aimed at bridging the gap between mutual funds and portfolio management services in terms of flexibility in portfolio construction. The proposed New Asset class seeks to provide investors with a regulated investment product featuring higher risk-taking capabilities and a higher ticket size, aimed at curbing the proliferation of unregistered and unauthorized investment products.

(The consultation paper on introduction of new asset class/product category issued by the Securities and Exchange Board of India is accessible [here](#).)

12. The Securities and Exchange Board of India (SEBI) issued a consultation paper on proposed legal provisions for summary proceedings (July 16, 2024):

The SEBI has issued a consultation paper with an objective to seek comments from public on proposed legal changes in the SEBI (Intermediaries) Regulations, 2008 for inclusion of the provisions for the summary proceedings to handle the cases of certain violations of the securities laws by the Intermediaries, in a faster and more efficient manner and thereby, protecting the interest of the investors.

(The consultation paper on proposed legal provisions for summary proceedings issued by the Securities and Exchange Board of India is accessible [here](#).)

13. The Securities and Exchange Board of India (SEBI) notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2024 (July 08, 2024):

The SEBI has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2024. The said amendment regulations, includes a proviso to Regulation 52(8) in relation to publishing of financial results by listed entities in at least one national daily newspaper. The proviso states that the listed entities may publish only a window advertisement referring to a QR code along with the link on the website of the listed entity and stock exchange.

(The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2024 is accessible [here](#).)

14. The Securities and Exchange Board of India (SEBI) notified the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2024 (July 08, 2024):

The SEBI has notified the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2024. The said regulations amend Regulation 23 by inserting a provision requiring the issuer of the non-convertible securities to fix a record date for payment of interest, dividend and payment of redemption amount. The regulations also provide for formats for 'due diligence certificate by debenture trustee' to be used in cases of secured and unsecured debt securities at the time of filing the draft offer documents. Schedule I of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 has been amended to allow the issuers whose non-convertible securities are listed on the date of filing of the offer document may provide a web link and a static QR code of the audited financial statements.

(The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2024 is accessible [here](#).)

FINTECH/BANKING

15. The Reserve Bank of India (RBI) issued a press release revising Master Directions on Fraud Risk Management in Regulated Entities (July 15, 2024):

The RBI has issued revised three Master Directions on Fraud Risk Management for the Regulated Entities viz. (i) Commercial Banks (including Regional Rural Banks) and All India Financial Institutions; (ii) Cooperative Banks (Urban Cooperative Banks/ State Cooperative

Banks/ Central Cooperative Banks); and (iii) Non-Banking Financial Companies (including Housing Finance Companies). The press release states that the Master Directions are principle-based and strengthen the role of the Board in overall governance and oversight of fraud risk management in the Regulated Entities.

(The press release bearing number 2024-2025/698 issued by the Reserve Bank of India is accessible [here](#).)

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THE RECITALS