

SEBI Updates

A. Relaxation in adherence to prescribed timelines issued by SEBI due to Covid-19

- In wake of the current nationwide lock down of 21 days as directed by Government of India due to Covid-19, SEBI vide its Circular dated **April 13, 2020** has issued directions to extend the timelines for processing investor requests pertaining to physical securities and Compliance and disclosures to be made under SEBI Regulations and various SEBI circulars.
- Directions are issued for Registrar to an Issue and Share Transfer Agent / Issuer Companies holding SEBI Registration under Category 1 or Category 2 of RTA/STA.
- Relaxation is hereby being given to intermediaries / market participants for 21 days over and above the prescribed time limits, respectively, for activities / investor requests / compliance.

The Link for aforesaid circular is as mentioned below:

https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-adherence-to-prescribed-timelines-issued-by-sebi-due-to-covid-19_46511.html

B. The Ministry of Home Affairs (MHA) revised guidelines on measures for containment of COVID-19

- MHA vide Order No. 40-3/2020- DM-I (A) dated **April 15, 2020** has issued revised guidelines on the measures to be taken for containment of COVID-19 and directed that these will remain in force upto May 03, 2020.
- These guidelines permit continuation of certain services which includes the Securities and Exchange Board of India and Capital and Debt Market Services as notified by SEBI.

The Link for aforesaid notification is as mentioned below:

<https://www.mha.gov.in/sites/default/files/MHAorder%20copy.pdf>

C. Relaxation in time period for certain activities carried out by depository participants, RTAs / issuers, KRAs, stock brokers

- SEBI vide its Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated **April 16, 2020**, stated that due to COVID-19 pandemic the time period for the following activities carried out by the depository participants, stock brokers, share transfer agent / issuer are provided relaxations:
 1. Processing of the Demat request form by Issuer / RTA and by the Participants.
 2. KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days.
- The period beginning from March 23, 2020 till May 17, 2020 shall be excluded for computing the existing timelines specified.
- A 15-day time period after May 17, 2020 is allowed to the SEBI registered intermediary, to clear the back log.

The Link for aforesaid relaxation is as mentioned below:

https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-time-period-for-certain-activities-carried-out-by-depository-participants-rtas-issuers-kras-stock-brokers_46524.html.

D. Additional relaxations / clarifications in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') due to the COVID – 19 pandemic

- SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/63 dated **April 17, 2020** has further issued clarifications regarding provisions of the LODR in the face of challenges faced by listed entities due to the COVID-19 pandemic.
- Requirement under Regulation 29 (2) of LODR of prior intimation to Stock Exchange about meeting of Board before 5 days / 2 working days shall be reduced to 2 days, for board meetings held till July 31, 2020.
- Regulation 39 (3) of LODR requires listed entities to submit information regarding loss of share certificates and issue of the duplicate certificates to stock exchange within 2 days of its getting information. However, it has been decided that any delay beyond the stipulated time will not attract penal provisions for intimations to be made between March 1, 2020 to May 31, 2020.
- Any authentication / certification of any filing / submission made to stock exchanges under LODR may be done using digital signature certifications until June 30, 2020.

The Link for aforesaid relaxation is as mentioned below:

<https://www.sebi.gov.in/legal/circulars/apr-2020/additional-relaxations-clarifications-in-relation-to-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-due-to-the-covid-19-46525.html>

E. One Time Relaxation with respect to validity of SEBI Observations

- SEBI vide Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/66 dated **April 21, 2020** has granted One Time Relaxation in view of impact of COVID-19 in compliance of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred as 'ICDR Regulations, 2018'). This circular has come into force with immediate effect.
- Regulation 44(1), 85 and 140 of ICDR Regulations, 2018 requires an opening of Public issue/ Right issue within 12 months from date of issuance of observations by SEBI. However, if the same have expired/ will expire between March 1, 2020 and September 30, 2020 it has been extended by 6 months, from the date of expiry of such observation, provided an undertaking from lead manager of the issue confirming compliance is submitted with the updated offer document to the Board.
- Any increase or decrease in estimated fresh issue size by more than 20% of the estimated fresh issue size shall require fresh filing of the draft offer document along with fees. An issuer shall be permitted to increase or decrease the fresh issue size by up to 50% of the estimated issue size without requiring to file fresh draft offer document with the Board subject to conditions. This relaxation is applicable for issues (IPO/ Rights Issues/ FPO) opening before December 31, 2020.

The Link for aforesaid circular is as mentioned below:

<https://www.sebi.gov.in/legal/circulars/apr-2020/one-time-relaxation-with-respect-to-validity-of-sebi-observations-46536.html>

F. Relaxation from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Rights Issue

- Due to COVID-19, SEBI vide its Circular No. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated **April 21, 2020** has provided temporary relaxations in the provisions related to Rights Issues as contained in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations).
- These temporary relaxations are applicable for Right Issues that open on or before March 31, 2021 and not applicable for issue of warrants.
- Temporary Relaxations are provided for the following:
 - a) Relaxations with respect to the eligibility conditions related to Fast Track Rights Issues.
 - b) Relaxation with respect to Minimum Subscription
 - c) Relaxation with respect to the minimum threshold required for not filing draft letter of offer with SEBI.

The Link for aforesaid circular is as mentioned below:

https://www.sebi.gov.in/legal/circulars/apr-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-rights-issue_46537.html

G. Relaxation in Regulation 24(i)(f) of the SEBI (Buy-back of Securities) Regulations, 2018 due to the COVID 19 pandemic

- Due to COVID-19, SEBI has issued relaxation in SEBI (Buy-Back of Securities) Regulation, 2018 vide Circular No. SEBI/HO/CFD/DCR2/CIR/P/2020/69 dated **April 23, 2020** and shall come in force with immediate effect. This relaxation will be applicable till December 31, 2020.
- As per this circular, for Regulation 24(i)(f) of SEBI (Buy-Back of Securities) Regulation, 2018 provides that the Companies shall not raise further capital for a period of 'six months' (earlier it was 'one year') from the expiry of buyback period, except in discharge of their subsisting obligations.

The Link for aforesaid circular is as mentioned below:

https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-regulation-24-i-f-of-the-sebi-buy-back-of-securities-regulations-2018-due-to-the-covid-19-pandemic_46547.html

H. Relaxation in holding AGM by top 100 listed entities by market capitalization, due to the COVID –19 pandemic

- SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/71 vide dated **April 23, 2020** deals with Relaxation in relation to Regulation 44(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') on holding of Annual General Meeting (AGM) by top 100 listed entities by market capitalization. This Circular has come into force with immediate effect.

- Top 100 listed entities by market capitalization whose financial year ended on December 31, 2019 may hold their AGM within a period of nine months from the closure of the financial year (i.e., by September 30, 2020).

The Link for aforesaid circular is as mentioned below:

<https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-relation-to-regulation-44-5-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-on-holding-of-annual-general-meeting-agm-by-top-100-listed-entitie- 46552.html>

I. CLARIFICATION ON KNOW YOUR CLIENT (KYC) PROCESS AND USE OF TECHNOLOGY FOR KYC.

- SEBI has issued guidelines vide its Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated **April 24, 2020** in relation to Know Your Customer (KYC) and Customer Due Diligence (CDD) policies as part of KYC are the foundation of an effective Anti-Money Laundering process.

The Link for aforesaid clarification is as mentioned below:

<https://www.sebi.gov.in/legal/circulars/apr-2020/clarification-on-know-your-client-kyc-process-and-use-of-technology-for-kyc 46565.html>