

SEBI UPDATES

1. Investor Grievance Redressal Mechanism

On **June 03, 2022**, SEBI vide its **Circular No. SEBI/HO/MIRSD/DOS3/P/CIR/2022/78**, in order to further strengthen the Investor Grievance Redressal Mechanism, made amendments to Clause 4 viz. Arbitration clause of its earlier Circular No. **SEBI/HO/MIRSD/DOC/CIR/P/2020/226** dated **November 06, 2020**, to provide that a complainant/member of the stock exchange, who has referred their complaint to Investor Grievance Redressal Committee (“IGRC”) and not satisfied with the recommendation of the IGRC shall avail arbitration mechanism of the Stock Exchange for settlement of complaint within 3 months from the date of the IGRC recommendation.

Further, the time period of 3 months for filing arbitration shall be applicable where IGRC mechanism has been availed and in other cases the limitation period for filing arbitration shall be governed by the law of limitation, i.e. The Limitation Act, 1963. The amendment reads as follows:

“4. Arbitration

(a) For any dispute between the member and the client relating to or arising out of the transactions in Stock Exchange, which is of civil nature, the complainant/ member shall first refer the complaint to the IGRC and/ or to arbitration mechanism provided by the Stock Exchange before resorting to other remedies available under any other law. For the removal of doubts, it is clarified that the sole arbitrator or the panel of arbitrators, as the case may be, appointed under the Stock Exchange arbitration mechanism may consider any claim relating to any dispute between a stock broker and client arising out of the transactions in stock exchange, as per law, and shall always be deemed to have the competence to rule on its jurisdiction. A complainant/member, who is not satisfied with the recommendation of the IGRC shall avail the arbitration mechanism of the Stock Exchange for settlement of complaints within three months from the date of IGRC recommendation”

(b) The time period of three months mentioned in the previous sub-clause for filing arbitration shall be applicable only for the cases where the IGRC recommendation is being challenged. For any arbitration application received without going through IGRC mechanism, the above time period of three months shall not apply, and for such cases the limitation period for filing arbitration shall be governed by the law of limitation, i.e., The Limitation Act, 1963.”

The link for the aforesaid Circular is as below:

https://www.sebi.gov.in/legal/circulars/jun-2022/investor-redressal-grievance_mechanism_59521.html

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2. Extension of facility for conducting annual meeting and other meetings of unitholders of REITs and InvITs through Video Conferencing (VC) or through Other Audio-Visual means (OAVM)

On **June 03, 2022** SEBI vide its Circular No. **SEBI/HO/DDHS/DDHS Div2/P/CIR/2022/079** issued an extension facility for conducting annual meeting and other meetings of unitholders of REITs and InvITs through Video Conferencing (VC) or through Other Audio-Visual means (OAVM).

Earlier SEBI vide Circular no. **SEBI/HO/DDHS/DDHS_Div2/P/CIR/2021/697** dated **December 22, 2021** permitted REITs/InvITs to conduct annual and other meetings of unitholders through VC/OAVM till **June 30, 2022**.

However, representations were received from stakeholders of REITs/ InvITs to further extend this facility to conduct meetings of unitholders through VC/OAVM. MCA had also vide its circular dated **May 05, 2022** has extended the facility of holding AGMs and EGMs through VC/OAVM till **December 31, 2022**.

Accordingly, it has been decided to extend the time till **December 31, 2022** subject to procedure mentioned in earlier Circular.

The link for the aforesaid Circular is as below:

<https://www.sebi.gov.in/legal/circulars/jun-2022/extension-of-facility-for-conducting-annual-meeting-and-other-meetings-of-unitholders-of-reits-and-invits-through-video-conferencing-vc-or-through-other-audio-visual-means-oavm-59534.html>

3. Caution to Investors against dealing with unregulated platforms offering Algorithmic Trading

On **June 10, 2022**, SEBI vide its **Press Release No. 20/2022** cautioned the investors against dealing with such **unregulated platforms** which offers investors, **Algorithmic Trading services/facilities** to automate their trades.

Further, Strategies are being marketed by such unregulated platforms with “claims” of huge return on investment along with “ratings” assigned to the strategies and claims that similar returns would be earned in the future.

Therefore, SEBI also advised the investors that such are unregulated and there is no investor grievance redressal mechanism covering their activities and hence investors should refrain from dealing with such platforms and sharing any sensitive personal details with them.

The link for the aforesaid Press Release is as below:

<https://www.sebi.gov.in/media/press-releases/jun-2022/caution-to-investors-against-dealing-with-unregulated-platforms-offering-algorithmic-trading-59672.html>

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4. Modification in Cyber Security and Cyber Resilience Framework of Mutual Funds/ Asset Management Companies (AMCs)

On **June 09, 2022**, SEBI vide Circular No. **SEBI/HO/IMD/IMD-I/DOF2/P/CIR/2022/81**, partially modified **Annexure 1** of its earlier Circular No. **SEBI/HO/IMD/DF2/CIR/P/2019/12** (hereinafter referred to as “the circular”) dated **January 10, 2019**, through which SEBI prescribed the Cyber Security and Cyber Resilience framework for Mutual Funds / Asset Management Companies (AMCs).

This Circular will be effective from **July 15, 2022**.

The modifications made to the circular are as follows:

1. To have **uniformity for identifying and classifying Critical Assets**, Mutual Funds/ AMCs shall identify and classify Critical Assets based on their sensitivity and criticality for business operations, services and data management. The Board of the AMCs and Trustees shall approve the list of critical assets.
2. Based on the recommendation of IT-Projects Advisory Committee (IT-PAC) of SEBI and also to adopt “**audit the auditor approach**” for conducting the **Vulnerability Assessment and Penetration Testing (VAPT)** of the intermediaries, Mutual Funds/ AMCs shall carry out periodic VAPT of critical assets and infrastructure components like servers, networking systems, security devices, load balancers, other IT systems to detect security vulnerabilities in the IT environment through simulations of actual attacks on its systems and networks.
3. For receipt of information **on cyber-attacks and threats** experienced by Mutual Funds/ AMCs in a time bound manner, all cyber-attacks, threats, cyber-incidents, and breaches experienced by Mutual Funds/ AMCs shall be **reported to SEBI within 6 hours of noticing/ detecting** such incidents or being brought to their notice about such incidents.
4. Mutual Funds/ AMCs are mandated to **conduct comprehensive cyber audit at least 2 times** in a financial year. Along with the cyber audit reports, henceforth, all Mutual Funds/ AMCs are also required to submit a declaration from the Managing Director (MD)/ Chief Executive Officer (CEO) **certifying compliance with all SEBI Circulars and advisories related to cyber security from time to time**.
5. Mutual Funds/ AMCs are required to take necessary **steps to put in place systems for implementation** of the circular, including modification of internal policies, if any.

The link for the aforesaid Circular is as below:

<https://www.sebi.gov.in/legal/circulars/jun-2022/circular-on-modification-in-cyber-security-and-cyber-resilience-framework-of-mutual-funds-asset-management-companies-amcs-59611.html>

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5. Nomination for Mutual Fund Unit Holders

On **June 15, 2022**, SEBI, in order to bring uniformity in practices across all constituents in securities market, had issued Circular No. **SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/82** (hereinafter referred to as “the circular”), for the matter related to nomination for eligible Mutual Fund Unit Holders and decided as follows:

1. Investors subscribing to Mutual Fund Units **on or after August 1, 2022**, shall have the choice of:
 - a. Providing **Nomination** in the format specified in SEBI (Mutual Funds) Regulations, 1996 (or)
 - b. Opting out of Nomination through a signed **Declaration Form** as provided in the circular.
2. AMC shall provide the **option to the unit holder(s)** to submit either the Nomination Form or the Declaration Form for opting out of Nomination, in physical or online as per the choice of the unit holder(s). In case of physical option, the forms shall carry the **wet signature** and in case of online option, the forms shall be using **e-Sign facility** recognized under Information Technology Act, 2000, instead of wet signature(s) of all the unit holder(s).
3. AMCs shall **set the deadline as March 31, 2023** for Nomination / opting out of Nomination for all the existing individual Unit Holder(s) holding mutual fund units either solely or jointly, failing which the folios shall be frozen for debits.

The link for the aforesaid Circular is as below:

https://www.sebi.gov.in/legal/circulars/jun-2022/nomination-for-mutual-fund-unit-holders_59743.html

6. Modification in the Operational Guidelines for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors – Bank account details to which the payment is to be done electronically

On **June 21, 2022**, SEBI vide Circular No. **SEBI/HO/IMD/FPI&C/CIR/P/2022/84** (hereinafter referred to as “the circular”), in order to facilitate faster confirmation of remittances by the intermediaries to the Foreign Portfolio Investors, **changed the existing bank account details from Bank of India to ICICI bank Ltd.** in ‘Operational Guidelines for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors’ issued vide its earlier Circular No. **IMD/FPI&C/CIR/P/2019/124** dated **November 05, 2019**.

All other provisions of the Operational Guidelines shall remain unchanged. The provisions of the circular shall be applicable with effect from June 24, 2022.

The link for the aforesaid Circular is as below:

<https://www.sebi.gov.in/legal/circulars/jun-2022/modification-in-the-operational-guidelines-for-foreign-portfolio-investors-designated-depository-participants-and-eligible-foreign-investors-bank-account-details-to-which-the-payment-is-to-be-done-59884.html>

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7. Introduction of Unified Payments Interface (UPI) mechanism for Real Estate Investment Trusts

1. SEBI vide Circular No. **CIR/DDHS/CIR/P/2019/15** dated **January 15, 2019** had laid down the process for payment for applications in public issue of units of Real Estate Investment Trust (REIT) through the ASBA facility. Now, after consultation with stakeholders, SEBI on **June 24, 2022**, vide Circular No. **SEBI/HO/DDHS/DDHS_Div3/P/CIR/2022/086** (hereinafter referred to as “the circular”) has introduced **Unified Payments Interface (UPI) mechanism** to provide an additional option to individual investors to apply in public issues for **application value upto Rs. 5 lacs**.
2. The process flow for availing the UPI mechanism is placed in the Circular.
3. The following **New Entities/Mechanisms** shall form part of the public issue process using UPI:
 - i. **National Payments Corporation of India (NPCI)**: NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India.
 - ii. **Unified Payments Interface (UPI)**: UPI is an instant payment system developed by the NPCI.
 - iii. **Sponsor Bank**: Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI.
4. **Requirements to be fulfilled by Stock Exchanges and Depositories under UPI mechanism:**

Stock Exchanges and Depositories shall put in place necessary infrastructure for validation of details of investor viz. PAN, DP ID / Client ID, entered on the Stock Exchange platform at the time of bidding, on real time basis.
5. **Other requirements to be fulfilled under UPI mechanism:**
 - a) Stock Exchanges shall update all the UPI (accepted/pending) and ASBA bids on their websites;
 - b) The additional data fields required to be included in the Application-and-bidding-form relating to UPI and the roles of the Issuer, Registrar, Stock exchange, Intermediaries and Collecting Banks is given in the Circular.
 - c) The details of commission and processing fees payable to each intermediary and the timelines for payment shall be disclosed in the offer document.
 - d) The intermediaries shall provide necessary guidance to their investors to use UPI mechanism while making applications.
 - e) All entities involved in the process shall co-ordinate with one another to ensure completion of listing of securities and commencement of trading by sixth day of closure of issue.
 - f) The Merchant Banker shall ensure that the process of additional payment mechanism through UPI is disclosed in the offer document and in all the newspaper where issue advertisement is disclosed.
 - g) All entities involved in the process are advised to take necessary steps to ensure compliance with the circular.
6. **Applicability of the Circular:**

The provisions of the circular shall be applicable to a public issue of units of REIT under the SEBI (Real Estate Investment Trusts) Regulations, 2014 which opens on or after August 01, 2022. Stock Exchanges, Depositories, NPCI, Sponsor Banks and Self Certified Syndicate Banks shall make required changes to implement the same from August 01, 2022.

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The link for the aforesaid Circular is as below:

<https://www.sebi.gov.in/legal/circulars/jun-2022/introduction-of-unified-payments-interface-upi-mechanism-for-real-estate-investment-trusts-reits-60070.html>

8. Introduction of Unified Payments Interface (UPI) mechanism for Infrastructure Investment Trusts

SEBI vide **Circular No. CIR/DDHS/CIR/P/2019/16** dated **January 15, 2019** had laid down the process for payment for applications in public issue of units of Infrastructure Investment Trust (InvIT) through the facility of ASBA. Now, after consultation with stakeholders SEBI on **June 24, 2022**, vide Circular No. **SEBI/HO/DDHS/DDHS_Div3/P/CIR/2022/085** (“hereinafter referred to as “the circular”) has introduced Unified Payments Interface (UPI) mechanism to provide an additional option to individual investors to apply in public issues of units of InvITs for application value upto Rs. 5 lacs.

1. The process flow for availing the option of UPI mechanism is given in the Circular.
2. **The following New Entities/Mechanisms shall form part of the public issue process using UPI:**
 - i. **National Payments Corporation of India (NPCI):** NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India.
 - ii. **Unified Payments Interface (UPI):** UPI is an instant payment system developed by the NPCI.
 - iii. **Sponsor Bank:** Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI.
3. **Requirements to be fulfilled by Stock Exchanges and Depositories under UPI mechanism:**

Stock Exchanges and Depositories shall put in place necessary infrastructure for validation of details of investor viz. PAN, DP ID / Client ID, entered on the Stock Exchange platform at the time of bidding, on real time basis.
4. **Other requirements to be fulfilled under UPI mechanism:**
 - a) Stock Exchanges shall update all the UPI (accepted/pending) and ASBA bids on their websites;
 - b) The additional data fields required to be included in the Application-and-bidding-form relating to UPI and the roles of the Issuer, Registrar, Stock exchange, Intermediaries and Collecting Banks is given in the Circular.
 - c) The details of commission and processing fees payable to each intermediary and the timelines for payment shall be disclosed in the offer document.
 - d) The intermediaries shall provide necessary guidance to their investors to use UPI mechanism while making applications.
 - e) All entities involved in the process shall co-ordinate with one another to ensure completion of listing of securities and commencement of trading by sixth day of closure of issue.
 - f) The Merchant Banker shall ensure that the process of additional payment mechanism through UPI is disclosed in the offer document and in all the newspaper where issue advertisement is disclosed.
 - g) All entities involved in the process are advised to take necessary steps to ensure compliance with the circular.

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5. **Applicability of the circular:**

The provisions of the circular shall be applicable to a public issue of units of InvIT under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 which opens on or after August 01, 2022. Stock Exchanges, Depositories, NPCI, Sponsor Banks and Self Certified Syndicate Banks shall make required changes to implement the same from August 01, 2022.

The link for the aforesaid Circular is as below:

<https://www.sebi.gov.in/legal/circulars/jun-2022/introduction-of-unified-payments-interface-upi-mechanism-for-infrastructure-investment-trusts-invits-60072.html>

9. **Reduction of timelines for listing of units of privately placed Infrastructure Investment Trust (InvIT)**

Regulation 16(8) (a) of SEBI (Infrastructure Investment Trusts) Regulations, 2015 (“InvIT Regulations) provides that the listing of privately placed units of InvIT (“units”) shall be done within 30 working days from the date of allotment.

Considering the time taken for listing of units in the recent past, SEBI decided to examine the reduction of timelines for listing of such units and the same was also discussed with market participants.

1. On **June 24, 2022**, SEBI vide Circular No. **SEBI/HO/DDHS/DDHS_Div3/P/CIR/2022/087** (hereinafter referred to as “the circular”), prescribed a table specifying details of activities after closure of issue and prescribed timelines within which such activities shall be completed, thereby **reducing the time taken for allotment and listing of units after the closure of issue to 6 working days** as against the **present requirement of 30 working days**.
2. The stock exchanges and depositories shall co-ordinate to ensure completion of listing and commencement of trading of units within 6 working days from the date of the closure of issue.
3. The provisions of this circular shall be applicable to listing of units of privately placed InvIT under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 which opens on or after August 01, 2022. Stock Exchanges shall make required changes to implement the same from **August 01, 2022**.

The link for the aforesaid Circular is as below:

<https://www.sebi.gov.in/legal/circulars/jun-2022/reduction-of-timelines-for-listing-of-units-of-privately-placed-infrastructure-investment-trust-invite-60089.html>

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10. Implementation of Circular on 'Guidelines in pursuance of amendment to SEBI KYC (Know Your client) Registration Agency (KRA) Regulations, 2011'

SEBI, vide Circular No. **SEBI/HO/MIRSD/DOP/P/CIR/2022/46** dated **April 06, 2022**, had issued guidelines in pursuance of amendment to SEBI KYC (Know Your Client) Registration Agency (KRA) Regulations, 2011. The provisions of this Circular under clause 9 & 13 were to come into effect from July 01, 2022 which are reproduced as below:

Clause 9: KYC records of all existing clients (who have used Aadhaar as an OVD) shall be validated within a period of 180 days from July 01, 2022.

Clause 13: The validation of all KYC records (new and existing) shall commence from July 01, 2022.

SEBI has received requests from the KRAs to extend the timelines for applicability of the clause 9 and clause 13. Hence, SEBI on **June 24, 2022** vide Circular No. **SEBI/HO/MIRSD/DoP/P/CIR/2022/89** has decided to extend the timelines of the above-mentioned clauses from **July 01, 2022 to August 01, 2022**

The link for the aforesaid Circular is as below:

<https://www.sebi.gov.in/legal/circulars/jun-2022/implementation-of-circular-on-guidelines-in-pursuance-of-amendment-to-sebi-kyc-know-your-client-registration-agency-kra-regulations-2011-60099.html>

11. Guidelines for Large Value Fund for Accredited Investors under SEBI (Alternative Investment Funds) Regulations, 2012 and Requirement of Compliance Officer for Managers of all AIFs

On June **24, 2022**, SEBI vide Circular No. **SEBI/HO/AFD/RAC/CIR/2022/088** (hereinafter referred to as "the circular") issued Guidelines for **Large Value Fund for Accredited Investors** ("LVF") under SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") and introduced requirement of **Compliance Officer for Managers of all Alternative Investment Funds** ("AIF").

1. Under the above-mentioned Guidelines, SEBI pursuant to introduction of framework for "Accredited Investors" in the securities market amended the AIF Regulations to provide certain relaxations from regulatory requirements to LVF :

i. Filing of LVF Schemes with SEBI:

LVFs were not required to file placement memorandum for LVF schemes through Merchant Banker and incorporate comments of SEBI, if any, in their placement memorandum i.e. **LVFs can launch their scheme under intimation to SEBI**. However, now while filing placement memorandum with SEBI, a duly signed and stamped undertaking by CEO of the Manager to the AIF (or person holding equivalent role or position depending on the legal structure of Manager) and **Compliance Officer of Manager to the AIF** shall be submitted in the format given in the circular.

In cases of LVF schemes already filed, similar duly signed and stamped undertaking shall be submitted on or before July 31, 2022.

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ii. Extension of tenure of Close Ended AIF beyond 2 years:

Under AIF Regulations, Close Ended AIFs are permitted to extend their tenure upto 2 years and LVFs are permitted to extend their tenure beyond 2 years subject to certain conditions. However, now with regards to extension of tenure of LVFs beyond 2 years, certain additional conditions have been specified in the circular.

2. Requirement of Compliance Officer for Managers of all AIFs:

Manager to AIF are required to designate an Employee or Director as Compliance Officer who shall be a person other than CEO of the Manager (or such equivalent role or position depending on the legal structure of Manager). The Compliance Officer shall be responsible for monitoring compliance with the provisions of the SEBI Act, AIF Regulations and circulars issued thereunder.

The link for the aforesaid Circular is as below:

https://www.sebi.gov.in/legal/circulars/jun-2022/guidelines-for-large-value-fund-for-accredited-investors-under-sebi-alternative-investment-funds-regulations-2012-and-requirement-of-compliance-officer-for-managers-of-all-aifs_60104.html

12. Adjustment in derivative contracts for dividend announcements

On receipt of suggestions and request of various stakeholders to review the framework for adjustment in derivative contracts for dividend announcements, laid vide earlier circulars issued by SEBI, **Secondary Market Advisory Committee ("SMAC")** of SEBI examined the suggestions.

On **June 28, 2022**, SEBI vide Circular No. **SEBI/HO/MRD2/MRD2_DCAP/P/CIR/2022/90** (hereinafter referred to as "the circular"), on the recommendations of SMAC decided that the adjustment in derivative contracts shall be carried out in cases where dividends declared are **at or above 2%** of the market value of underlying stock. This circular shall come into effect from June 29, 2022 and the above-mentioned revised thresholds would be applicable for dividend announcements done on or after June 29, 2022.

The link for the aforesaid Circular is as below:

https://www.sebi.gov.in/legal/circulars/jun-2022/adjustment-in-derivative-contracts-for-dividend-announcements_60306.html

13. SEBI Board Meeting

On **June 29, 2022** SEBI vide Press Release **PR No. 21/2022** released the decisions approved in the Board Meeting of the SEBI held on June 29, 2022. The SEBI Board met in Mumbai. The Board took following decisions:

I. **Allowing Foreign Portfolio Investors ("FPIs") to participate in Exchange Traded Commodity Derivatives ("ETCDs") market"**

1. The Board after deliberations approved participation of FPIs in ETCDs. The salient features for **participation of FPIs in ETCDs** are as under:

- i. The existing Eligible Foreign Entity ("EFE") route, which required actual exposure to Indian physical commodities, has been discontinued. Any foreign investor desirous of participating

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in Indian ETCDs with or without actual exposure to Indian physical commodities, can do so through FPI route.

- ii. FPIs will be allowed to trade in all non-agricultural commodity derivatives and select non-agricultural benchmark indices. To begin with, FPIs will be allowed only in cash-settled contracts.
- iii. FPIs will be allowed to participate in Indian ETCDs, subject to certain risk management measures.
- iv. The position limits for participation of FPIs in ETCDs are as under:
 - a. The position limits for FPIs (other than individuals, family offices and corporate bodies) will be at par with those presently applicable for Mutual Fund schemes i.e. as a client.
 - b. FPIs belonging to categories viz. individuals, family offices and corporates will be allowed position limit of 20 per cent of the client level position limit in a particular commodity derivatives contract, similar to the position limits prescribed for currency derivatives.
 - c. A Working Group comprising of representatives from SEBI and market participants has also been constituted to review/examine whether any additional risk management measures, are required to be prescribed for FPIs.

2. The participation of FPIs in ETCDs is expected to enhance liquidity and market depth as well as promote efficient price discovery. SEBI has already allowed institutional investors such as Category III AIFs, Portfolio Management Services and Mutual Funds to participate in ETCDs.

II. Amendments to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) – provisions relating to Limited Purpose Clearing Corporation (LPCC) for clearing and settlement of Corporate Bond Repo Transactions

1. The Board considered and approved proposals for making amendments to provisions of SECC Regulations to align its provisions with those of RBI Central Counter Party Directions, 2018.
2. Further, in respect of requirements of the RBI's Directions for Central Counterparties and the Payment and Settlements Systems Act, 2007 (PSS Act) administered by RBI, the Board considered and approved the following proposals:
 - i. Over time, the LPCC shall put in place a mechanism for infusion of additional capital in a phased manner, in line with the risk management and increasing trading volumes in order to meet the net worth requirements under the PSS Act and;
 - ii. SEBI, in consultation with RBI, will review the outsourcing agreements of the LPCC in relation to its core and critical IT support infrastructure / activities for running the core activities (transaction process, clearing and settlement) after two or three years.

III. Amendment to SEBI (Mutual Funds) Regulations, 1996

The Board approved amendment to SEBI (Mutual Funds) Regulations, 1996 to remove applicability of the definition of “**associate**” as per the said regulations to such sponsors, which invest in various companies **on behalf of the beneficiaries of insurance policies or such other schemes** as may be specified by the Board from time to time.

IV. Amendment to SEBI (Portfolio Managers) Regulations, 2020

The Board considered the proposals and approved the amendments to the SEBI (Portfolio Managers) Regulations, 2020, **to enhance prudential norms for investments by portfolio managers** including investments in associates/ related parties.

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The link for the aforesaid Press Release is as below:

https://www.sebi.gov.in/media/press-releases/jun-2022/sebi-board-meeting_60354.html

14. Implementation of Circular on 'Execution of 'Demat Debit and Pledge Instruction' (DDPI) for transfer of securities towards deliveries / settlement obligations and pledging / re-pledging of securities' - Extension

On **June 30, 2022**, on account of representation received from Depositories and changes to the systems still being under process, SEBI vide Circular No. **SEBI/HO/MIRSD/DoP/P/CIR/2022/91**, extended the **implementation date of guidelines** regarding execution of **'Demat Debit and Pledge Instruction' (DDPI)** for transfer of securities towards deliveries / settlement obligations and pledging / re-pledging of securities, issued vide SEBI Circular No. **SEBI/HO/MIRSD/DoP/P/CIR/2022/44** dated **April 04, 2022** from July 01, 2022 to September 01, 2022.

The link for the aforesaid Circular is as below:

<https://www.sebi.gov.in/legal/circulars/jun-2022/implementation-of-circular-on-execution-of-demat-debit-and-pledge-instruction-ddpi-for-transfer-of-securities-towards-deliveries-settlement-obligations-and-pledging-re-pledging-of-securities-60403.html>

15. Modification in Cyber Security and Cyber resilience framework for Stock Broker / Depository Participants:

On **June 30, 2022**, SEBI vide Circular No. **SEBI/HO/MIRSD/TPD/P/CIR/2022/93**, partially modified the Paragraph 52 of Annexure 1 of the Circular dated December 03, 2018 which is last amended on June 01, 2022 relating to the **Cyber Security and Cyber resilience framework**. The Proviso of this circular shall come into force with immediate effect.

As per the Modification, all the cyber-attacks, threats, Cyber-incident shall be reported by Stock Broker / Depository Participants within 6 hours to Stock Exchanges/Depositories and SEBI. This information to be shared to SEBI through the dedicated e-mail id: **sbdp-cyberincidents@sebi.gov.in**

Such Incident shall also be reported to Indian Computer Emergency Response team (CERT-In) in accordance with the guidelines / directions issued by CERT-In from time to time. Additionally, the Stock Brokers / Depository Participants, whose systems have been identified as "Protected system" by National Critical Information Infrastructure Protection Centre (NCIIPC) shall also report the incident to NCIIPC

The Quarterly Reports containing information on cyber-attacks, threats, cyber-incidents and breaches experienced by Stock Brokers / Depository Participants and measures taken to mitigate vulnerabilities, threats and attacks including information on bugs / vulnerabilities, threats that may be useful for other Stock Brokers / Depository Participants / Exchanges / Depositories and SEBI, shall be submitted to Stock Exchanges / Depositories within 15 days from the quarter ended June, September, December and March of every year.

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Amita Desai & Co. Company Secretaries, Mumbai

The link for the aforesaid Circular is as below:

https://www.sebi.gov.in/legal/circulars/jun-2022/modification-in-cyber-security-and-cyber-resilience-framework-for-stock-brokers-depository-participants_60453.html

16. Modification in Disclosure of holding of Specified Securities and holding of Specified Securities in dematerialized form:

On **June 30, 2022**, SEBI vide Circular No. **SEBI/HO/CFD/PoD-1 /P/CIR/2022/92**, in order to provide further clarity and transparency in disclosure of shareholding pattern to the investors, the earlier Circular dated November 30, 2015 is partially modified.

The provisions of this circular relating to **Clause 2(d)** and **Clause 5** which are reproduced below came shall come into effect from September 30, 2022 :

In Clause 2 (d)

Now names of the shareholders holding **1% or more than 1% of shares** and Names of the shareholders who are **acting in concert** of listed entity needs to be disclosed. Disclosure under category "Institution", and All other Public Shareholding will not be required

In Clause 5

In Table III, new categories of shareholders have been added which includes **Asset Reconstruction Companies and Sovereign Wealth Funds** and a new column (XV) has been added regarding sub-categorization of shares.

And In **Table IV**, In Column I, Category and Name of Share holders under "Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)" has been changed to "**Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021**" after the amendment in Regulation.

The link for the aforesaid Circular is as below:

https://www.sebi.gov.in/legal/circulars/jun-2022/disclosure-of-holding-of-specified-securities-and-holding-of-specified-securities-in-dematerialized-form_60459.html

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