

# **LOVI MEHROTRA & ASSOCIATES**

CHARTERED ACCOUNTANTS

## **MONTHLY UPDATE FOR THE MONTH OF JANUARY 2017**

(Circulars/ Notifications released during the  
month of January 2017)

[RBI](#)

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**30<sup>th</sup> January 2017**

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## I. RBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	Notification No.FEMA.377/20 16-RB <b>dated</b> <b>10.01.2017</b>	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fifteenth Amendment) Regulations, 2016	RBI has amended the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India), Regulation by inserting a new clause/regulation in respect of <b>Issue of Convertible Notes by startup companies.</b> <a href="#">Notification</a>
2.	Notification No.FEMA.383/20 17-RB <b>dated</b> <b>10.01.2017</b>	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Amendment) Regulations, 2017	RBI has amended Schedule 1 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, to include Foreign Direct Investment in <b>Infrastructure Company in the Securities Market</b> upto 49% under the automatic route, subject to conditions specified. <a href="#">Notification</a>
3.	RBI/2016- 17/216 <b>dated</b> <b>25.01.2017</b>	Prohibition on Indian Party from making direct investment in countries identified by the Financial Action Task Force (FATF) as “Non Co-operative countries and territories”	RBI has notified restrictions in respect of Overseas Direct Investment in an overseas entity located in the countries identified by the FATF as “non-co-operative countries and territories” . <a href="#">Notification</a>

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## II. SEBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	IMD/HO/FPIC/C IR/P/ 2017/ 001 dated 02.01.2017	Credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors.	<p>Pursuant to notification of SEBI (Investor Protection and Education Fund) Regulations, 2009, SEBI has established its own Investor Protection and Education Fund.</p> <p>In view of the above, SEBI has notified that proceeds will be credited to the said Fund in the following situations</p> <p><b><u>Disinvestment</u></b>- securities which the custodian is unable to deliver or where in respect of securities received subsequent to write off, the claimant cannot be ascertained</p> <p><b><u>Corporate Benefits</u></b>-received in the form of cash viz. dividend in respect of securities written off</p> <p>(proceeds to be credited within 7 days)</p> <p><a href="#">Circular</a></p>
2.	IMD/HO/FPIC/C IR/P/ 2017/ 003 dated 04.01.2017	Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in International Financial Services Centre (IFSC)	<p>Pursuant to announcement made in the Union Budget 2015-16 on Gujarat International Finance TecCity (GIFT), SEBI is in the process of laying down requisite regulatory framework for facilitating and regulating financial services relating to securities market in an International Financial Services Centre (IFSC).</p> <p>In consultation with the stakeholders on the proposed regulatory framework, SEBI has now issued guideline for the participation of Eligible Foreign Investors and FPI's in the said International Financial Service Centre.</p> <p><a href="#">Circular</a></p>
3.	SEBI/HO/CFD/C MD/CIR/P/201 7/004 dated 05.01.2017	Guidance Note on Board Evaluation	<p>With the objective of providing clarity , SEBI having studied the practices of Board evaluation prevalent among listed entities in India and abroad has issued a <b>Guidance Note</b> elaborating on various aspects of</p>

			the subject.  <a href="#">Circular</a>
4.	SEBI/HO/MRD/ DSA/CIR/P/201 7/5 <b>dated</b> <b>05.01.2017</b>	Exclusively listed companies of De-recognized/Non- operational/exited Stock Exchanges placed in the Dissemination Board	SEBI vide circular dated October 10, 2016 had provided a period of three months to the Exclusively listed companies (ELCs) on the Dissemination Board (DB) to submit an action plan to list or to provide exit to shareholders to the designated stock exchanges.  Based on representations received, this time period has been extended upto March 31,2017  <a href="#">Circular</a>  Previous Circular Reference  <a href="#">Circular</a>
5.	SEBI/HO/MRD/ DP/CIR/P/2017 /08 <b>dated</b> <b>20.01.2017</b>	Fair and transparent access to data feeds of the stock exchanges	SEBI in consultation with the Technical Advisory Committee (TAC) has directed the stock exchanges to formulate a comprehensive policy document for providing stock market related data to the market participants in a fair and transparent manner.  <a href="#">Circular</a>

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### **III.MCA**

S.NO	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	G.S.R. 250(E) <b>dated:</b> <b>25.01.2017</b>  Effective date: 30.01.2017	Amendment Companies (Incorporation) Amendment 2017  in Rules,	Ministry has notified that the Certificate of Incorporation shall be issued by the Registrar in Form No. INC-11 and the Certificate of Incorporation shall mention the Permanent Account Number of the company along with its CIN  <a href="#">Notification</a>

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**Disclaimer:**

This is not a complete listing of all circulars/notifications issued during the month.

Instead it is only a listing of some of the circulars/notifications that we considered important.

Ministry of Company Affairs  
Government of India