

JULY 2023

NEWSLETTER

REGULATORY

- RBI
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- MCA



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RBI

There are no new relevant RBI updates in the month of July 2023.

SEBI

1. Master Circular for Credit Rating Agencies

Circular No: SEBI/HO/DDHS/DDHSPD2/P/CIR/2023/111

Dated: 3rd July, 2023

Reference to existing Circulars: SEBI (Credit Rating Agencies) Regulations, 1999 (“CRA Regulations”) prescribes guidelines for registration of Credit Rating Agencies (CRAs), general obligations of CRAs, manner of inspection and investigation and code of conduct applicable on CRAs. Multiple circulars have been issued, over the years, covering the operational and procedural aspects thereof.

In order to enable the industry and other users to have access to all applicable circulars/ directions at one place, Master Circular for CRAs has been released.

This Master Circular is a compilation of the existing circulars as on July 03, 2023, with consequent changes. All the existing circulars as mentioned in Annexure-A of this Master Circular shall stand rescinded.

Notwithstanding such rescission:

- anything done or any action taken or purported to have been done or taken under the rescinded circulars, prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular
- any application made to the Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations

[Master Circular](#)

2. Securities and Exchange Board of India (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023

SEBI/LAD–NRO/GN/2023/137

Dated 4th July, 2023

Vide this notification, SEBI has issued the Securities and Exchange Board of India (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 to amend following Regulations in order to insert the new clause pertaining to “**Dispute Resolution**” in each of these regulations:

S. No.	Regulation	Regulation No.
1	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992,	28B
2	Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993,	15B
3	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993,	14A
4	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996,	59B
5	Securities and Exchange Board of India (Custodian) Regulations, 1996,	17A
6	Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999,	14A
7	Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999,	14A
8	Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011,	16B
9	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012,	25 (Substitution)
10	Securities and Exchange Board of India (Investment Advisers) Regulations, 2013,	21

		(Substitution)
11	Securities and Exchange Board of India (Research Analysts) Regulations, 2014,	26A
12	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014,	22A
13	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014,	22A
14	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,	67(5) (Substitution)
15	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019,	24A
16	Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020,	22A
17	Securities and Exchange Board of India (Vault Managers) Regulations, 2021	16A

Regulation

3. Appointment of Director nominated by the Debenture Trustee on Boards of Issuers

Circular No.: SEBI/HO/DDHS/POD1/P/CIR/2023/112
Dated 4th July, 2023

Reference to existing regulation: SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (NCS Regulations) obligates a Company to ensure that its Articles of Association requires its Board of Directors to appoint as director, the person nominated by the debenture trustee.

SEBI received representations for obligations for those issuers that are not companies. Gist of representations are as follows:

1. Issuers that are incorporated under different statutes have expressed inability to execute such amendments as the composition of their boards is governed by certain statutes which do not provide for appointment of nominee directors by Trustees.
2. Appointment of any director on the boards of certain issuers which are governed by certain statutes requires prior approval of the President of India.
3. Certain issuers are unable to appoint Nominee Directors on their boards as their principal document/charter does not provide for the same.

Vide this circular, SEBI had clarified on the appointment of nominee for issuers that are not companies. The issuers that fall in any of the categories mentioned above shall submit an undertaking to their Debenture Trustees that a non-executive/independent director/trustee/member of its governing body shall be designated as nominee director for the purposes of NCS Regulations, in consultation with the DTs, or, in case of multiple DTs, in consultation with all the DTs

Further, Debenture Trustees shall:

1. ensure compliance with the provisions of this circular; and
2. monitor and ensure compliance by issuers, with the provisions of this circular.

Circular

4. Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT

Circular No.: SEBI/HO/DDHS-PoD-2/P/CIR/2023/113
Dated 5th July 2023

SEBI vide its circular dated November 27, 2019 had issued guidelines for preferential issue and institutional placement of units by listed InvITs ("Guidelines"). The guidelines were subsequently revised from time to time vide various other Circulars of SEBI.

Vide this Circular, SEBI has modified the said guidelines as under:

Clause 2 of Annexure II of the SEBI circular dated November 27, 2019 (as amended), is modified as under:

Pricing of Units: *The institutional placement shall be made at a price not less than the average of the weekly high and low of the closing prices of the units of the same class quoted on the stock exchange during the two weeks preceding*

the relevant date:

Provided that the InvITs may offer a discount of not more than five percent on the price so calculated, subject to approval of unitholders through a resolution as specified in the guidelines (Guideline 2.1).

Explanation: “relevant date” for the purpose of clauses related to institutional placement shall be the date of the meeting in which the board of directors of the manager decides to open the issue.

[Circular](#)

5. Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT

Circular No.: SEBI/HO/DDHS-PoD-2/P/CIR/2023/114

Dated 5th July 2023

SEBI vide its circular dated November 27, 2019 had issued guidelines for preferential issue and institutional placement of units by listed REITs (“Guidelines”). The guidelines were subsequently revised from time to time vide various other Circulars of SEBI.

Vide this Circular, SEBI has modified the said guidelines as under:

Clause 2 of Annexure II of the SEBI circular dated November 27, 2019 (as amended), is modified as under:

Pricing of Units: *The institutional placement shall be made at a price not less than the average of the weekly high and low of the closing prices of the units of the same class quoted on the stock exchange during the two weeks preceding the relevant date:*

Provided that the REIT may offer a discount of not more than five percent on the price so calculated, subject to approval of unitholders through a resolution as specified in the guidelines (Guideline 2.1).

Explanation: “relevant date” for the purpose of clauses related to institutional placement shall be the date of the meeting in which the board of directors of the manager decides to open the issue.”

[Circular](#)

6. Master Circular for Debenture Trustees

Circular No.: SEBI/HO/DDHS-PoD1/P/CIR/2023/109

Dated 6th July, 2023

Applicability: 1st April, 2023.

Reference to existing circulars: SEBI had issued the SEBI (Debenture Trustees) Regulations, 1993 (‘DT Regulations’) to lay down the broad framework of procedural/ disclosure requirements and obligations for Debenture Trustees.

To enable Debenture Trustees and other market stakeholders to get access to all the applicable circulars at one place, this Master Circular has been released.

This Master Circular is a compilation of the relevant existing circulars, with consequent changes.

The circulars listed in Part-A of Annex-1 stand superseded by this Master Circular. Further, the applicability of provisions of the circulars listed in **Part-B of Annex-1** has been rescinded to the extent they pertain to Debenture Trustees.

Notwithstanding such rescission:

- anything done or any action taken or purported to have been done or taken under the rescinded circulars, prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular.
- any application made to the Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations.

[Master Circular](#)

7. Master Circular for Real Estate Investment Trusts (REITs)	
Circular No.: SEBI/HO/DDHS-PoD-2/P/CIR/2023/116 Dated 6 th July, 2023	
<p>For effective regulation of Real Estate Investment Trusts, SEBI has been issuing various circulars from time to time. In order to enable users to have access to all applicable circulars at one place, provisions of the circulars issued till July 06, 2023 are incorporated in this Master Circular for Real Estate Investment Trusts.</p> <p>This Master Circular is a compilation of all the existing/ applicable circulars issued by SEBI pertaining to REITs.</p> <p>From the date of issuance of this Master Circular, the circulars mentioned in Appendix shall stand rescinded to the extent applicable to REITs.</p> <p>Notwithstanding such rescission,</p> <ol style="list-style-type: none"> anything done or any action taken or purported to have been done or taken under the rescinded circulars shall be deemed to have been done or taken under the corresponding provisions of this Master Circular any application made to SEBI under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular the previous operation of the rescinded circulars or anything duly done or suffered thereunder shall remain unaffected as if the rescinded circulars have never been rescinded. <p>Master Circular</p>	
8. Master Circular for Infrastructure Investment Trusts (InvITs)	
Circular No.: SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 Dated 6 th July, 2023	
<p>For effective regulation of Infrastructure Investment Trusts, SEBI has been issuing various circulars from time to time. In order to enable the stakeholders to have an access to applicable circulars at one place, provisions of the circulars issued till July 06, 2023 are incorporated in this Master Circular for Infrastructure Investment Trusts.</p> <p>This Master Circular is a compilation of all the existing/ applicable circulars issued by SEBI pertaining to InvITs.</p> <p>The circulars mentioned in Appendix to this Master Circular shall stand superseded with the issuance of the Master Circular.</p> <p>Notwithstanding such rescission,</p> <ol style="list-style-type: none"> anything done or any action taken or purported to have been done or taken under the rescinded circulars shall be deemed to have been done or taken under the corresponding provisions of this Master Circular. any application made to SEBI under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular. the previous operation of the rescinded circulars or anything duly done or suffered thereunder shall remain unaffected as if the rescinded circulars have never been rescinded. <p>Master Circular</p>	
9. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Second Amendment) Regulations, 2023	
No. SEBI/LAD-NRO/GN/2023/135 Dated 6 th July, 2023	
<p>Vide this notification, SEBI has amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.</p>	

Following is the gist of the amendments:

1. **Regulation 47** pertaining to filing of shelf placement memorandum has been omitted.
2. After Chapter V, a new **Chapter VA** pertaining to issuance and listing of non-convertible securities issued on a private placement basis and **Chapter VB** pertaining to requirements for large corporates have been inserted.
3. In **Regulation 51** pertaining to listing of Commercial Papers, the following sub-regulations 1A and 1B have been inserted as a compliance condition for issuers desirous of listing of commercial paper:

“(1A) An issuer that has filed a general information document under these regulations and subsequently intends to issue commercial paper and seeks listing thereof, during the validity period of such general information document, shall file a key information document with the disclosures as may be specified by the Board.

“(1B) An issuer that has filed a shelf prospectus in case of public issue under these regulations and subsequently intends to issue Commercial Paper and seeks listing thereof, during the validity period of such shelf prospectus, shall not be required to file a general information document so long as the key information document is filed in accordance with these regulations.”

4. **Schedule I** pertaining to disclosures for issue of securities has been substituted with the new Schedule I.
5. **Schedule II** pertaining to disclosures for private placement of non-convertible securities has been omitted.

[Regulation](#)

10. Roles and responsibilities of Trustees and Board of Directors of Asset Management Companies (AMCs) of Mutual Funds

Circular No.: SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/117
Dated 7th July, 2023

Effective Date: 1st January, 2024

As the Trustees hold the property of the Mutual Fund in trust for the benefit of the unit holders and their primary role is to ensure that AMCs appointed by them act in the best interests of the unitholders, any conflict between interests of unitholder and that of Asset Management Companies (AMCs) stakeholders needs to be addressed by the Trustees.

As an AMC is responsible for managing the funds of the schemes, the board of directors of the AMC is also accountable to ensure that the interests of the unitholders are protected.

Earlier, SEBI had specified the “**core**” responsibilities for the Trustees of a Mutual Fund vide amendments in MF Regulations notified on June 27, 2023.

Consequent to the amendment SEBI has decided the following, provisions of which form part of this circular:

1. Core responsibilities of the Trustees

- Trustees shall exercise independent due diligence on certain “core responsibilities” as specified by the SEBI from time to time
- Trustees shall take steps to ensure that there are system level checks in place at AMCs’ end
- Trustees shall Independently evaluate the extent of compliance by AMCs
- Trustees shall ensure that suitable mechanisms/systems are put in place by the AMCs to generate system-based information/data/reports for evaluation and effective due diligence.

2. Third Party Assurances: In order to enable the Trustees to focus on Core responsibilities, addition to the Core responsibilities specified, for other than Core responsibilities, Trustees may also rely on professional firms such as Audit Firms, Legal Firms, Merchant Bankers, etc. (collectively referred to as “third party fiduciaries”) for carrying out due diligence on behalf of the Trustees.

3. Unit Holder Protection Committee: AMC is required to constitute a Unit Holder Protection Committee (“UHPC”) in the form and manner and with a mandate, as may be specified by SEBI.

4. Appointment of the Trustee Company: In case a company is appointed as the Trustee of a Mutual Fund, the Chairperson of the board of directors of that Trustee company shall be an independent director.

5. Meetings between the Trustee Company and the AMC: The board of directors of the AMCs and the board of directors of the Trustee Company shall meet at least once a year to discuss issues concerning the Mutual Fund, if any, and future course of action, wherever required.

(Detailed guidelines form part of this circular)

[Circular](#)

11. Regulatory Framework for Sponsors of a Mutual Fund

Circular No.: SEBI/HO/IMD/IMD-PoD-2/P/CIR/2023/118

Dated 7th July, 2023

With the objective of facilitating fresh flow of capital into the industry, fostering innovation, encouraging competition, providing ease of consolidation and easing exit for existing sponsors, an alternative set of eligibility criteria for Mutual Funds is introduced.

SEBI had amended the SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations") vide notification No. SEBI/LAD-NRO/GN/2023/134 dated June 26, 2023.

In furtherance to the same, vide this circular, SEBI has decided on the following issues (details form part of the Circular):

1. Deployment of liquid net worth by Asset Management Company (AMC)
2. Acquisition of an AMC
3. Pooled Investment Vehicle as sponsor of Mutual Funds
4. Reduction of stake and disassociation of sponsor
5. Re-Association of the Sponsor(s)

Applicability:

Point No. 2 to 4 above: August 01, 2023

Point No. 1 above: August 01, 2024.

[Circular](#)

12. Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt securities and Commercial Paper

Circular No.: SEBI/HO/DDHS/PoD1/P/CIR/2023/119

Dated 07th July 2023

Reference to existing circulars: SEBI has issued multiple circulars covering procedural and operational aspects of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (SEBI ILDS Regulations) and SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (SEBI NCRPS Regulations) and subsequent notification of SEBI NCS Regulations, 2021.

For effective regulation of the corporate bond market and to enable the issuers and other market stakeholders to get access to all the applicable circulars at one place, this Master Circular has been released.

This Master Circular is a compilation of all the existing/ applicable circulars issued by SEBI from time to time as listed in Annex-1. Accordingly, the circulars listed at Annex -1 of this Master Circular stand superseded by this Master Circular.

Notwithstanding such rescission:

1. anything done or any action taken or purported to have been done or taken under the rescinded circulars, prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;

2. any application made to the Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations.

[Master Circular](#)

13. Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities

Circular No.: SEBI/HO/CFD/PoD2/CIR/P/2023/120

Dated 11th July, 2023

SEBI had notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) which came into effect from December 1, 2015 replacing the erstwhile listing agreement regime.

This Master Circular has been released in order to enable the users to have access to the provisions of the applicable circulars, issued till June 30, 2023, at one place. The Master Circular provides a chapter-wise framework for compliance with various obligations under the LODR Regulations.

The circulars issued by SEBI listed out in the Appendix shall stand rescinded with the issuance of this Master Circular.

Notwithstanding such rescission-

- a. anything done or any action taken or purported to have been done or taken under the rescinded circulars shall be deemed to have been done or taken under the corresponding provisions of this Master Circular
- b. any application made to SEBI under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular
- c. the previous operation of the rescinded circulars or anything duly done or suffered thereunder shall remain unaffected as if the rescinded circulars have never been rescinded.

[Master Circular](#)

14. Master Circular for Environmental, Social and Governance (ESG) Rating Providers (ERPs)

Circular No.: SEBI/HO/DDHS/POD2/P/CIR/2023/121

Dated 12th July, 2023

SEBI (Credit Rating Agencies) Regulations, 1999 (CRA Regulations as amended from July 4, 2023) prescribe guidelines for registration of ESG Rating Providers (ERPs), general obligations of ERPs, manner of inspection and code of conduct applicable to ERPs.

This Master Circular is a compilation of the specified procedural / disclosure requirements and obligations which will enable the industry and other users to have access to all the applicable directions to ERPs at one place.

The Board of Directors of the ERP shall be responsible for ensuring compliance with these provisions.

Monitoring: Monitoring of provisions of this circular shall be done in terms of the yearly internal audit for ERPs, mandated under Regulation 28S of the CRA Regulations and this master circular issued thereunder.

[Master Circular](#)

15. Disclosure of material events / information by listed entities under Regulations 30 and 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123

Dated 13th July, 2023

Effective Date: July 15, 2023

Reference to existing circulars: SEBI vide circular dated September 9, 2015 specified the details to be provided while disclosing events mentioned in Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

The aforesaid circular has now become part of Section V-A of Chapter V of Master Circular issued dated July 11, 2023.

Vide this circular, SEBI has amended the LODR Regulations, 2015.

The circular consists of four annexures with respect to disclosure requirements under regulations 30 and 30A (inserted by the aforesaid amendment) of the LODR Regulations which are given below:

- i. **Annexure I** specifies the details that need to be provided while disclosing events given in Part A of Schedule III (Annexure 18 to the Master Circular).
- ii. **Annexure II** specifies the timeline for disclosing events given in Part A of Schedule III.
- iii. **Annexure III** provides guidance on when an event / information can be said to have occurred (Annexure 19 to the Master Circular).
- iv. **Annexure IV** provides guidance on the criteria for determination of materiality of events / information.

[Master Circular](#)

16. Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) – Extending framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level to all listed companies in a phased manner

Circular No.: SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124

Dated 19th July, 2023

Reference to existing Regulations: In order to rationalize the compliance requirement under Clause 4 of Schedule B read with Regulation 9 of PIT Regulations, SEBI had issued Circular dated August 05, 2022, laying down a framework for developing a system to restrict the trading by Designated Persons (DPs) by way of freezing the PAN at security level during Trading Window closure period.

Accordingly, a system has been developed and framework put in place by the Depositories and the Stock Exchanges. The framework was initially made applicable for those listed companies that were part of benchmark indices i.e. NIFTY 50 and SENSEX.

The aforesaid Circular dated August 05, 2022 was rescinded and superseded vide section 3.4.2 of Master Circular on Surveillance of Securities Market dated March 23, 2023.

Considering the satisfactory implementation of the framework for the listed companies forming part of benchmark indices, vide this circular, SEBI has extended the above framework to all listed companies.

To ensure smooth implementation of the framework, glide path is being prescribed as under:

Table 1: Timelines for phase wise implementation of the framework

S. No.	Companies to be covered	PAN freeze start date
1	Listed companies that are part of benchmark indices i.e. NIFTY 50 and SENSEX	Already applicable as on date
2	Top 1,000 companies in terms of BSE Market Capitalization as of June 30, 2023 (excluding companies' part of benchmark indices)	October 1, 2023
3	Next 1,000 companies in terms of BSE Market Capitalization as of June 30, 2023	January 1, 2024
4	Remaining companies listed on BSE, NSE & MSEI	April 1, 2024
5	Companies getting listed on Stock Exchanges post issuance of this circular	1st day of the second quarter from the quarter in which the company gets listed#

Illustration: For a company getting listed during January 01 to March 31, 2023, PAN of DPs should be frozen at security level as per prescribed framework latest from July 01, 2023.

The procedure for implementation of the system is enclosed at Annexure-A to the circular. The flowchart for the same is enclosed at Annexure-B. The Depositories shall submit quarterly report to SEBI in the format placed at Annexure-C.

17. New category of Mutual Fund schemes for Environmental, Social and Governance (“ESG”) Investing and related disclosures by Mutual Funds.

Circular No.: SEBI/HO/IMD/IMD-I –PoD1/P/CIR/2023/125

Dated: 20th July, 2023

SEBI had introduced a new category of Mutual Fund schemes for Environmental, Social, and Governance (ESG) investing. The circular allows Mutual Funds to launch multiple ESG schemes with different strategies, aiming to facilitate green financing and enhance transparency in the investment process.

Subsequently, SEBI had prescribed disclosure norms for ESG schemes of Mutual Funds, vide its letters dated February 08, 2022 and June 21, 2022 to Association of Mutual Funds in India (AMFI).

Provisions of the SEBI (Mutual Funds) Regulations, 1996 were amended on June 27, 2023 to inter-alia specify that the funds under ESG schemes shall be invested in the manner as may be specified by SEBI from time to time.

Vide this Circular, SEBI has now decided to implement the following measures to facilitate green financing with thrust on enhanced disclosures and mitigation of green washing risk.

- 1. Thematic schemes on ESG Strategies:** Different strategies such as exclusion, integration, best-in-class screening, impact investing, sustainable objectives, and transition-related investments are defined for ESG schemes. The circular specifies that a minimum of 80% of the assets under management (AUM) of ESG schemes should be invested in equity and equity-related instruments aligned with the chosen strategy.
- 2. Investment criteria for ESG Schemes:** It requires ESG schemes to invest at least 65% of their AUM in companies with comprehensive Business Responsibility and Sustainability Reporting (BRSR) disclosures, along with assurance on BRSR Core disclosures. The remaining portion of the investment can be made in companies with BRSR disclosures.
- 3. Disclosure requirements for ESG Schemes:** It outlines including reflecting the scheme strategy in the scheme name, disclosing ESG scores of securities, voting disclosures highlighting environmental, social, or governance reasons, and annual fund manager commentary with case studies

(Detailed scheme in this regard form part of the Circular)

18. Resources for Trustees of Mutual Funds

Circular No.: SEBI/HO/IMD/IMD-I –PoD1/P/CIR/2023/126

Dated: 26th July, 2023

SEBI, vide its Master Circular dated May 19, 2023, had specified that the Trustees shall have standing arrangements with independent firms for special purpose audit and/or to seek legal advice whenever required.

Since the aforesaid standing arrangement with independent firms has to be available on a continuous basis, a confirmation to this effect shall be provided by Trustees in the Half Yearly Trustee Reports submitted to SEBI.

Accordingly, vide this circular, the format for Half Yearly Trustee Report, as provided under Chapter 2 of Formats in the Master Circular, shall stand modified as under:

- “72. Compliance with the requirement of standing arrangements with independent firms for special purpose audit and/or to seek legal advice.
73. Any other matter the trustees would like to report to SEBI.”

19. Mandating Legal Entity Identifier (LEI) for all non – individual Foreign Portfolio Investors (FPIs)

Circular No.: SEBI/ HO/ AFD/ AFD-PoD-2/ CIR/ P/ 2023/0127

Dated: 27th July, 2023

Legal Entity Identifier (LEI), is a unique global identifier code for legal entities participating in financial transactions, is designed to create a global reference data system that uniquely identifies every legal entity, in any jurisdiction, that is party to a financial transaction. It is a unique 20-character code to identify legally distinct entities that engage in financial transactions.

Reserve Bank of India (RBI) directions mandate non-individual borrowers having aggregate exposure of above Rs 25 crore to obtain LEI code.

Currently, Foreign Portfolio Investors (FPIs) are required to provide their LEI details in the Common Application Form (“CAF”), used for registration, KYC and account opening of FPIs on a voluntary basis.

Vide this circular, SEBI has made it mandatory for all non-individual Foreign Portfolio Investors (FPIs) to provide their Legal Entity Identifier (LEI) details.

Further, all existing FPIs (including those applying for renewal) that have not already provided their LEIs to their DDPs shall do so within 180 days from the date of issuance of this circular, failing which their account shall be blocked for further purchases until LEI is provided to their DDPs.

All fresh registration, subsequent to issuance of this circular, shall be carried out upon receipt of the FPIs’ respective LEI details.

[Circular](#)

MCA	
1. Merger of Multiple User IDs in V-2 Portal with the new user IDs in V-3 portal or deactivation of old user IDs in V2 Portal	
General Circular No.: 07/2023 Dated: 12th July, 2023	
<p>It has been observed by the MCA that multiple used IDs are created by members of professional institutes (Institute of Chartered Accountant of India, Institute of Company Secretary of India, Institute of Cost Accountant of India) on the MCA21 V2 Portal.</p> <p>Vide this Circular, MCA has decided that all such members may approach their respective institutes for necessary recommendations for merging multiple existing user IDs with the ID created in V3 portal or deactivation of the old user IDs in V2.</p> <p>Circular</p>	

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.



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