

March 2024

NEWSLETTER

REGULATORY

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1. Money Transfer Service Scheme - Submission of Statement on CIMS

Circular No 15: RBI/2023-24/130

Dated: 5th March, 2024**Reference:** Money Transfer Service Scheme (MTSS) - Submission of statement/returns under XBRL

All Authorised persons acting as Indian Agents under MTSS need to submit a quarterly statement (within 15 days from end of quarter) on the quantum of remittances received through MTSS using the eXtensible Business Reporting Language (XBRL) platform.

Vide this notification, RBI has decided that the reporting of the aforesaid statement will be done on the Centralised Information Management System (CIMS) Portal (URL: <https://sankalan.rbi.org.in/>) w.e.f. quarter-ending March 2024. The statement has been assigned return code - 'R130' on CIMS. In case no remittance was received during a quarter, a 'NIL' report shall be submitted.

Further, the Master Direction on 'Reporting under Foreign Exchange Management Act, 1999' is being updated to reflect the changes.

[Notification](#)**2. Omnibus Framework for recognising Self-Regulatory Organisations (SROs) for Regulated Entities (REs) of the Reserve Bank of India**

Circular No: _____

Dated: 21st March, 2024

Vide this Notification, RBI has prescribed necessary regulatory framework for recognising Self-Regulatory Organisations for its Regulated Entities (REs), to develop better industry standards for self-regulation.

With the growth of the REs in terms of number as well as scale of operations, increase in adoption of innovative technologies and enhanced customer outreach, a need is felt to develop better industry standards for self-regulation. This is where the RBI believes that the SROs can play an important role. SROs can help in fostering innovation, transparency, fair competition, and consumer protection. RBI believes that with the help of SROs self-regulation shall complement the extant regulatory/ statutory framework for better compliance, in letter and spirit.

Further, Self-Regulatory Organisations (SROs) shall complement the regulatory framework for better compliance, in letter and spirit and shall frame best practices/codes/standards within the prescribed framework for voluntary adoption by its members and these shall not be a substitute to the prescribed regulatory framework for REs.

RBI has decided to issue an omnibus framework for recognizing SROs for the REs of the Reserve Bank. In order to fulfil this objective, the omnibus SRO framework has prescribed the broad objectives, functions, eligibility criteria and governance standards, which will be common for all SROs, irrespective of the sector. The guidelines contained in the framework are the minimum requirement and the recognised SROs are encouraged to develop their best practices.

Existing SROs already recognized by the RBI shall continue to be governed by the terms and conditions under which they were recognized, unless this framework is specifically extended to such SROs.

Detailed framework dealing with eligibility criteria, responsibility of SRO towards RBI and towards its members, governance framework, conditions for grant of registration etc forms part of the Notification.

[Notification](#)

SEBI

1. Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2024

No.: SEBI/LAD-NRO/GN/2024/166

Dated: 8th March, 2024

Vide this notification, SEBI has amended the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014.

Following is a gist of the amendments:

1. In Clause 2(1), sub-clause (zm) pertaining to definition of "REIT" has been modified to include the **Small and Medium REITS (SM REITS)**.

2. After Chapter VIA, a new Chapter VIB pertaining to **Small and Medium REITS** has been inserted.

Applicability: The provisions of these regulations, except chapters II, IV, V and regulation 22 under chapter VI, shall mutatis mutandis be applicable to SM REITs, unless otherwise provided for in this chapter.

Registration of SM REIT: An application for grant of certificate of registration as SM REIT shall be made, by the investment manager on behalf of the Trust in Form-A as specified in the Schedule IA to these regulations and shall be accompanied by a non-refundable application fee of such amount and shall be payable in the manner as specified in Schedule IIA to these regulations.

Eligibility criteria: For the purpose of the grant of certificate to the trust, the Board shall consider all matters relevant to the activities of the trust as an SM REIT.

Detailed amendments forms part of the Regulation.

[Regulation](#)

2. Measures to instill trust in securities market –Expanding the framework of Qualified Stock Brokers (QSBs) to more stock brokers

Circular No.: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/14

Dated 11th March, 2024

Reference to Existing Circular: SEBI vide its circular dated February 06, 2023 and May 17, 2023.had provided certain parameters to strengthen the compliance and monitoring for stock brokers, with a specific emphasis on Qualified Stock Brokers (QSBs).

The Following parameters shall be considered for designating a stockbroker as QSB, on an annual basis:

1. The total number of active clients of the stock broker,
2. The available total assets of clients with the stock broker,
3. The trading volumes of the stock broker (excluding the proprietary trading volume of the stock broker),
4. The end of day margin obligations of all clients of a stock broker (excluding the proprietary margin obligation of the stock broker in all segments).

Based on the aforementioned parameters, the first list of QSBs was issued by stock exchanges on March 03, 2023.

Vide this Circular, SEBI has decided to extend the framework of QSBs to more stock brokers to protect the interest of investors and for building trust in securities market. In addition to existing four parameters as above a revised list of OSBs shall be arrived at, considering the following additional parameter:

1. Compliance score of the stock broker;
2. Grievance redressal score of the stock broker; and
3. The proprietary trading volumes of the stock broker.

Procedure for identifying a stock broker as QSB with reference to the above seven parameters (four original and three new parameters added) forms part of the circular.

Once the revised list of QSBs is released, those QSBs which no longer belong to the list, shall continue to comply with the enhanced obligations and responsibilities, for an additional period of 3 financial years or such time, as may be specified by Market Infrastructure Institutions (MIIs), in consultation with SEBI.

Further Stock brokers who do not qualify as per the revised parameters laid out, shall be encouraged to get themselves voluntarily designated as QSB to follow enhanced obligations and responsibilities.

[Circular](#)

3. Simplification and streamlining of Offer Documents of Mutual Fund Schemes - Extension of timelines

Circular No.: SEBI/HO/IMD/IMD-RAC-2/P/CIR/2024/000015

Dated 12th March, 2024

Reference to Existing Circular: SEBI had prescribed a simplified format for Scheme Information Documents (SID) vide its circular dated November 1, 2023.

Vide this circular, SEBI has decided to revise the date of applicability of the provisions of the above circular as under:

1. The updated format for Scheme Information Document (SID)/ Key Information Memorandum (KIM) / Statement of Additional Information (SAI) to be implemented from June 01, 2024.
2. Draft SIDs to be filed with SEBI by May 31, 2024, or the SIDs already filed with SEBI (final observations have yet to be issued) or SIDs for which the final observations have already been received from SEBI (if launched on or before May 31, 2024) can use the old format of SID provided that the SIDs are updated as per timelines below.
3. For existing SIDs – by June 30, 2024 with data as on May 31, 2024.
4. Updating of SID and KIM for the half year ending March 31, 2024, can be done by June 30, 2024 instead of April 30, 2024 This extension is applicable only for the half year ending on March 31, 2024.

[Circular](#)

4. Entities allowed to use e-KYC Aadhaar Authentication services of UIDAI in Securities Market as sub-KUA

Circular No.: SEBI/HO/MIRSD/SECFATF/P/CIR/2024/17

Dated 19th March, 2024

Reference to Existing Circulars: The Master Circular on Know Your Client (KYC) norms for the securities market SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated Oct 12, 2023 provides detailed provision for ‘the adaptation of Aadhaar based e-KYC process and e-KYC Authentication facility for Resident Investors under Prevention of Money Laundering Act, 2002 (PMLA), entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market as sub-KUA and onboarding process by UIDAI.

A list of 194 entities is annexed to the above SEBI Master circular to undertake Aadhaar Authentication service of UIDAI.

Vide this Circular, SEBI has expanded the list of entities and added 4 new entities which are permitted to use e-KYC Aadhaar Authentication service. Copy of the list is attached at Annexure A of this circular.

Further, the new entities will follow the prescribed process outlined in previous circulars and UIDAI guidelines.

[Circular](#)

5. Safeguards to address the concerns of the investors on transfer of securities in dematerialized mode

Circular No.: SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/18

Dated 20th March, 2024

Effective Date: April 1, 2024

Reference to Existing Circulars: SEBI Master circular for Depositories dated October 06, 2023 prescribed guidelines to address concerns arising out of transfer of Securities from Beneficial Owner (BO) Accounts without proper authorization by the concerned investor.

To harmonize the classification of inactive/dormant accounts across Stock Exchanges & Depositories and to strengthen the measures to prevent fraud / misappropriation for inoperative demat accounts, SEBI, vide this Circular, has provided the following safeguards to address the concern of investors on transfer of securities in dematerialized mode:

1. The depositories shall give more emphasis on investor education particularly with regard to careful preservation of Delivery Instruction Slip (DIS) by the BOs.
2. The DPs shall not accept pre-signed DIS with blank columns from the BO(s).
3. If the DIS booklet is lost/stolen/not traceable by the BO, the same must be intimated to the DP immediately by the BO in writing.
4. The DPs shall not issue more than 10 loose DIS to one account holder in a financial year (April to March).
5. The DP shall also ensure that a new DIS booklet is issued only on the strength of the DIS instruction request slip (contained in the previous booklet) duly complete in all respects, unless the request for Fresh booklet is due to loss etc Further, in case the request for issuance of the DIS booklet is received in an inactive/dormant account, the DIS booklet shall be delivered at the registered address of the BO as per the DP records.

Detailed guidelines forms part of this Circular.

[Circular](#)

MCA
There is no new circular issued by MCA in the month of March, 2024.

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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