



**FORECORE
PROFESSIONALS LLP**

FCP WEEKLY UPDATE



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A. Update | Ministry of Corporate Affairs (MCA)

Sl. No.	Circular/Notification No.	Date	Details and reference web-link
1.	None during the period		

B. Update | Securities and Exchange Board of India (SEBI)

Sl. No.	Circular/Notification No.	Date	Details and reference web-link
1.	SEBI/HO/MIRSD/FCR/CIR/P /2021/01	06-Jan-21	<p>Refund of Security Deposit</p> <p>SEBI has issued the Circular regarding refund of security deposit with reference to the SEBI letter No. MRD/DSA/OW/14347/4/2019 dated June 10, 2019 (Page 3) related to NSE regarding refund of security deposit and arbitration mechanism after the surrender of membership of Trading Members.</p> <p>All exchanges are advised regarding refund of security deposit on surrender of membership by Trading Members –</p> <p>A. On approval of application for surrender of Trading Member’s registration by SEBI, the Exchange shall release Security Deposit of the Trading Member (engaged in trading on behalf of clients)</p> <p>(a) Three years from the date of receipt of surrender application by Exchange from the Trading Member (in order to meet any investor claims), or</p> <p>(b) Five years from the date of disablement of Trading Member’s trading terminals by the Exchange.</p> <p>B. On approval of application for surrender of Trading Member’s registration by SEBI, the Exchange shall release Security Deposit of the Trading Member engaged only in proprietary trading in last three years prior to the date of application</p> <p>(a) one year from the date of receipt of surrender application by exchange from the Trading Member, or</p>



Sl. No.	Circular/Notification No.	Date	Details and reference web-link
			<p>(b) three years from the date of disablement of Trading Member's trading terminals by the Exchange.</p> <p>Reference Document:Read More</p>
2.	SEBI/HO/MRD2/DCAP/CIR/P/2021/03	08-Jan-21	<p>Transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation</p> <p>SEBI has decided to allow transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation, in inter-operable scenario.</p> <p>However, Stock Exchanges and Clearing Corporations are advised to ensure that upon receipt of request from an Exchange in this regard, the Clearing Corporation which receives such request shall transfer directly such excess contribution of the Exchange, in its Core SGF to the core SGF of another Clearing Corporation, under intimation to that Exchange.</p> <p>Further, the Clearing Corporations shall ensure compliance with requirements of Minimum Required Corpus (MRC) of Core SGF as prescribed by SEBI.</p> <p>Reference Document:Read More</p>
3.	SEBI/HO/IMD/DF1/CIR/P/2021/02	08-Jan-21	<p>Monthly Reporting of Portfolio Managers</p> <p>SEBI) had mandated certain changes to the regulatory framework for Portfolio Managers vide circular no. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020. In terms of para no. D(11) of the said circular, Portfolio Managers are required to submit a monthly report regarding their portfolio management activity, on SEBI Intermediaries Portal within 7 working days of the end of each month, as per a prescribed format.</p> <p>2. In order to broaden the information obtained under monthly reports, certain modifications are specified in the format enclosed in Annexure A of the Circular.</p>



Sl. No.	Circular/Notification No.	Date	Details and reference web-link
			<p>3. The provisions of this circular shall be applicable for monthly reports submitted for January 2021 onwards.</p> <p>Reference Document:Read More</p>
4.	SEBI/HO/IMD/DF6/CIR/P/2021/004	08-Jan-21	<p>Amendment to Regulation 20(6) of SEBI (AIF) Regulations, 2012</p> <p>In terms of the amendment to SEBI (Alternative Investment Funds) Regulations, 2012 (“AIF Regulations”), notified on January 08, 2021, exemption is granted from applicability of clause (i) and (ii) of the first proviso to Regulation 20(6), subject to certain conditions including each investor furnishing a waiver to the AIF in respect of compliance with these clauses, in the manner specified by SEBI.</p> <p>The format for waiver to be furnished by the investors in this regard, is given at Annexure I in the Circular.</p> <p>Reference Document:Read More</p>

C. Update | BSE Limited (BSE)

Sl. No.	Circular/ Notification No.	Date	Details and reference web-link
1.	None During the period		

D. Update | National Stock Exchange of India Limited (NSE)

Sl. No.	Circular/ Notification No.	Date	Details and reference web-link
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1.	NSE/CML/2020/23	06-Jan.-21	<p>Creation of Security in issuance of listed debt securities and ‘due diligence’ by debenture trustee(s) - Extension of timeline for implementation</p> <p>SEBI has issued circular no. SEBI/HO/MIRSD/CRADT/CIR /P/2020/254 dated December 31, 2020 regarding Creation of Security in issuance of listed debt securities and ‘due diligence’ by debenture trustee(s) - Extension of timeline for implementation</p> <p>SEBI, vide circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020, specified requirements with regard to creation of security in issuance of listed debt securities and due diligence to be carried out by debenture trustee(s), which were applicable from January 01, 2021.</p> <p>Taking into consideration the representation received from debenture trustees, and the challenges arising out of the prevailing business and market conditions due to COVID-19 pandemic, it has been decided to extend the implementation date of the provisions of the aforesaid circular to April 01, 2021.</p> <p>Reference Document:Read More</p>
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E. Update | Insolvency and Bankruptcy Board of India (IBBI)

Sl. No.	Circular/ Notification No.	Date	Details and reference web-link
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1.	No.: IBBI/CIRP/38/2021	06-Jan-21	<p>Retention of records relating to Corporate Insolvency Resolution Process</p> <p>The Insolvency and Bankruptcy Code, 2016 (Code) read with various Regulations require an insolvency professional (IP) to maintain several records in relation to the assignments conducted by him under the Code. Keeping in view the importance of such records, clause (g) of sub-regulation (2) of regulation 7 of the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations) provides that the registration granted to an IP shall be subject to the condition that he maintains records of all assignments undertaken by him under the Code for at least three years from the completion of such assignment. Clause 19 of the Code of Conduct appended to the First Schedule to the IP (Regulations) mandates an IP must provide all records as may be required by the Board or the insolvency professional agency (IPA) with which he is enrolled.</p> <p>2. Clause (a) of sub-regulation (4) of regulation 3 of the IBBI (Inspection and Investigation) Regulations, 2017 (Inspection Regulations) provides that the Board may conduct inspection, inter alia, to ensure that the records are being maintained by an IP in the manner required under the relevant regulations. Sub-regulation (2) of regulation 4 and sub-regulation (2) of regulation 8 of the Inspection Regulations empower the Inspecting Authority / Investigating Authority to direct the IP to submit records, as may be required, and it is his duty to produce such records in his custody or control before such Authority.</p> <p>3. Regulation 39A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) mandates the interim resolution professional (IRP) and the resolution professional (RP) to preserve a physical as well as an electronic copy of the records relating to the corporate insolvency resolution process (CIRP) of the corporate debtor (CD), as per the record retention schedule as communicated by the Board in consultation with IPAs</p> <p>Reference Document: Read More</p>
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F. Update | Reserve Bank of India (RBI)

Sl. No.	Circular/ Notification No.	Date	Details and reference web-link
1.	RBI/2020-21/81 DPSS.CO.AD No.900/02.29.005/2020-21	05-jan-21	<p>Operationalisation of Payments Infrastructure Development Fund (PIDF) Scheme</p> <p>Please refer to the Statement on Developmental and Regulatory Policies dated October 4, 2019 and the Press Release dated June 05, 2020 announcing creation of Payments Infrastructure Development Fund (PIDF). PIDF is intended to subsidise deployment of payment acceptance infrastructure in Tier-3 to Tier-6 centers with special focus on North-Eastern States of the country. It envisages creating 30 lakh new touch points every year for digital payments.</p> <p>2. The framework of PIDF is enclosed (Annex – I). An Advisory Council (AC), under the Chairmanship of the Deputy Governor, RBI, has been constituted for managing the PIDF. PIDF will be operational for a period of three years from January 01, 2021 and may be extended for two more years depending upon the progress. PIDF presently has a corpus of ₹ 345 crore (₹ 250 crore contributed by RBI and ₹ 95 crore by the major authorised card networks in the country).</p> <p>3. All stakeholders are requested to co-operate in this endeavour by – (a) making their contributions to PIDF within the timelines, and (b) deploying acceptance infrastructure and seeking reimbursement from PIDF.</p> <p>4. These directions are issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).</p> <p>Reference Document:Read More</p>



2.	RBI/2020-21/82 DPSS.CO.OD No.901/06.24.001/2020-21	05-jan-21	<p>Introduction of Legal Entity Identifier for Large Value Transactions in Centralised Payment Systems</p> <p>The Legal Entity Identifier (LEI) is a 20-digit number used to uniquely identify parties to financial transactions worldwide. It was conceived as a key measure to improve the quality and accuracy of financial data systems for better risk management post the Global Financial Crisis.</p> <p>2. LEI has been introduced by the Reserve Bank in a phased manner for participants in the over the counter (OTC) derivative and non-derivative markets as also for large corporate borrowers.</p> <p>3. It has now been decided to introduce the LEI system for all payment transactions of value ₹50 crore and above undertaken by entities (non-individuals) using Reserve Bank-run Centralised Payment Systems viz. Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT).</p> <p>4. In preparation for the wider introduction of LEI across all payment transactions, member banks should:</p> <p>advise entities who undertake large value transactions (₹50 crore and above) to obtain LEI in time, if they do not already have one;</p> <p>include remitter and beneficiary LEI information in RTGS and NEFT payment messages (details of the identified fields in the messaging structures of RTGS and NEFT for inclusion of LEI information are at Annex);</p> <p>maintain records of all transactions of ₹50 crore and above through RTGS and / or NEFT.</p> <p>Reference Document:Read More</p>
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3.	RBI/2020-21/83 Ref.No.DoS.CO.PPG./SEC.04/1 1.01.005/2020-21	07-jan-21	<p>Risk Based Internal Audit (RBIA) Framework – Strengthening Governance arrangements</p> <p>In terms of the Guidance Note on Risk-Based Internal Audit issued by RBI vide circular DBS.CO.PP.BC.10/11.01.005/2002-03 dated December 27, 2002, banks, inter alia, are required to put in place a risk based internal audit (RBIA) system as part of their internal control framework that relies on a well-defined policy for internal audit, functional independence with sufficient standing and authority within the bank, effective channels of communication, adequate audit resources with sufficient professional competence, among others.</p> <p>2. While the aforesaid Guidance Note lays out the basic approach for risk based internal audit functions, banks are expected to re-orient their approach, in line with the evolving best practices, as a part of their overall Governance and Internal Control framework. Banks are encouraged to adopt the International Internal Audit standards, like those issued by the Basel Committee on Banking Supervision (BCBS) and the Institute of Internal Auditors (IIA).</p> <p>3. To bring uniformity in approach followed by the banks, as also to align the expectations on Internal Audit Function with the best practices, banks are advised as under:</p> <p><u>Authority, Stature and Independence</u> - The internal audit function must have sufficient authority, stature, independence and resources within the bank, thereby enabling internal auditors to carry out their assignments with objectivity. Accordingly, the Head of Internal Audit (HIA) shall be a senior executive of the bank who shall have the ability to exercise independent judgement. The HIA as well as the internal audit function shall have the authority to communicate with any staff member and have access to all records or files that are necessary to carry out the entrusted responsibilities.</p> <p><u>Competence</u> - Requisite professional competence, knowledge and experience of each internal auditor is essential for the effectiveness of the bank's internal audit function. The desired areas of knowledge and experience may include banking operations, accounting, information technology, data analytics and forensic investigation, among others. Banks should ensure that internal audit function has the requisite skills to audit all areas of the bank.</p> <p>Reference Document:Read More</p>
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G. Update | Key Ministries & Departments etc.

Sl. No.	Ministry & Departments	Key update and reference web-link
1.	Ministry of Defence	DRDO Signs MOU with MAHA-METRO for implementation of Advanced Biodigester Mk-II Technology in Metro Rail Network Read More
2.	Ministry of Finance	World Bank Signs \$105 Million Project to Improve Waterways in West Bengal Read More
3.	Ministry of Health and Family Welfare	Health Ministry deploys multi-disciplinary teams to Avian Influenza affected districts in Kerala and Haryana Read More
4.	Ministry of Commerce & Industry	Seventh Trade Policy Review of India at the WTO begins Read More

H. Global Read

Sl. No.	Country	Key update and reference web-link
1.	Korea	Apple, Hyundai set to agree electric car tie-up, says Korea IT News Read More
2.	Saudi Arabia	Saudi cut to boost oil market de-stocking, even as demand falters Read More
3.	New Zealand	New Zealand central bank says its data system was breached Read More
4.	U.S.A	Twitter shares down over 2% in after-hours trading after Trump suspension Read More
5.	China	China says U.S. behaviour towards telcos shortsighted Read More

I. Financial Statistics¹

Particulars	Statistics	Particulars	Statistics
India's Forex Reserve	US\$ 58,5324Mn (INR 42,769 ,76Cr.)	Notes Issued	2,743,710 Cr.
SCB's liabilities	1,44,82,560	Bank Credit	1,05,49,549 Cr.
Cash Reserve Ratio	3.00%	Statutory Liquidity Ratio	18.00 %
Cash-Deposit Ratio	3.96%	Credit-Deposit Ratio	72.84%



Particulars	Statistics	Particulars	Statistics
Policy Repo Rate	4.00%	Reverse Repo Rate	3.35%
Consumer Price Index	158.9	Wholesale Price Index	124.2
RBI Reference Rate	1€ =89.9446	1£ =99.5246	1\$ = 73.3344
Readmore		Read more	

Thanks for reading!

We welcome your suggestions, if any, addressed to the undersigned.

Disclaimer:

This update is being sent to you for knowledge and informational purposes only and is intended merely to highlight corporate regulatory changes. The information and/or observations contained in this document do not constitute legal advice and should not be acted upon in any specific situation without appropriate legal advice. The views expressed in this document do not necessarily constitute opinion but an effort of regulatory changes and you may contact the undersigned, should you have any queries in relation to any of the issues reported herein or on other areas of law, please feel free to contact us at: E: services@forecoreprofessionals.com | D: + 91 120 4132722.

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ⁱForex as on 01 Jan -21, Notes and Ratio's as on – 01 Jan -21; SCB liabilities & Bank Credit as on 18-Dec-20; Reference rate as on 11-Jan-20 and Index as on Nov, 20.