



Lex Favios
Advocates & Solicitors

16th April 2022 – Issue 371

Securities Exchange Board of India vide circular dated April 08, 2022, has issued Clarification on applicability of Regulation 23(4) read with Regulation 23(3)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions

- SEBI vide circular dated April 08, 2022, has issued Clarification on applicability of Regulation 23(4) read with Regulation 23(3)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions.
- Regulation 23(3)(e) of the SEBI LODR Regulations specifies that omnibus approval granted by the audit committee shall be valid for a period not exceeding one year and shall require fresh approvals after expiry of one year. Regulation 23(4) of the SEBI LODR Regulations requires shareholder approval for material related party transactions (RPTs).
- It has been decided to specify that the shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months.
- In case of omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.
- The circular herewith attached.

[Click Here](#)

Securities Exchange Board of India vide circular dated April 08, 2022, has issued Standard Operating Procedures (SOP) for dispute resolution available under the stock exchange arbitration mechanism for disputes between a listed company and its shareholder(s)/ investor(s)

- SEBI vide circular dated April 08, 2022, has issued Standard Operating Procedures (SOP) for dispute resolution available under the stock exchange



Lex Favios
Advocates & Solicitors

arbitration mechanism for disputes between a listed company and its shareholder(s)/ investor(s).

- Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and bye-laws, listing agreement & regulations of the stock exchanges provide for dispute resolution under the stock exchange arbitration mechanism for disputes between a listed company and its shareholder(s)/ investor(s).
- Stock exchanges are advised to put in place by June 01, 2022, Standard Operating Procedures (SOP) for operationalizing the resolution of all disputes pertaining to or emanating from investor services such as transfer/transmission of shares, demat/remat, issue of duplicate shares, transposition of holders, etc. and investor entitlements like corporate benefits, dividend, bonus shares, rights entitlements, credit of securities in public issue, interest /coupon payments on securities, etc.

[Click Here](#)

Reserve Bank of India vide notification dated April 11, 2022, has called for Compliance Function and Role of Chief Compliance Officer (CCO) in NBFCs

- RBI vide circular dated April 11, 2022, has called for Compliance Function and Role of Chief Compliance Officer (CCO) in NBFCs.
- Non-Banking Financial Companies in the Upper Layer (NBFC-UL) and Middle Layer (NBFC-ML) would be required, inter alia, to have an independent Compliance Function and a Chief Compliance Officer (CCO).
- It has been decided to introduce certain principles, standards and procedures for Compliance Function in NBFC-UL and NBFC-ML, keeping in view the principles of proportionality.
- NBFC-UL and NBFC-ML shall put in place a Board approved policy and a Compliance Function, including the appointment of a Chief Compliance Officer



Lex Favios
Advocates & Solicitors

(CCO), based on the Framework given in the Annex, latest by April 1, 2023 and October 1, 2023, respectively.

- This Circular shall be placed in the immediate next meeting of the Board of Directors for information and devising an implementation strategy, under the Board's supervision, in a time-bound manner.

[Click Here](#)

In case you have suggestions or do not wish to receive our newsletter,
please email us at info@lexfavios.com

Contact details

Sumesh Dewan

Managing Partner

Lex Favios

Email: sumes.dewan@lexfavios.com

Tel: 91-11-32084941 (D) 91-11-41435188/45264524