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Securities Exchange Board of India vide circular dated June 02, 2022, has given procedure for seeking prior approval for change in control of Portfolio Managers

- SEBI vide circular dated June 02, 2022, has given procedure for seeking prior approval for change in control of Portfolio Managers.
- Regulation 11(aa) of SEBI (Portfolio Managers) Regulations, 2020 provides that a Portfolio Manager shall obtain prior approval of SEBI in case of change in control in such manner as may be specified by SEBI. Vide Circular No. SEBI/HO/IMD/IMDI/DOF1/P/CIR/2021/564 dated May 12, 2021, the procedure for obtaining prior approval in case of change in control of Portfolio Managers was specified.
- To further streamline the process of providing approval to the proposed change in control of a Portfolio Manager, SEBI made modifications which will supersede the Circular dated May 12, 2022.
- This circular shall be applicable with effect from June 15, 2022 to all applications for approval of applications of change in control of Portfolio Manager.

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Securities Exchange Board of India vide circular dated June 3, 2022, has given Investor Redressal Grievance Mechanism

- SEBI vide circular dated June 3, 2022, has given Investor Redressal Grievance Mechanism.
- SEBI, in order to further strengthen the Investor Grievance Redressal Mechanism, amended Clause 4 of the Circular No.



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SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 6, 2020, namely:

“4. Arbitration

(a) For any dispute between the member and the client relating to or arising out of the transactions in Stock Exchange, which is of civil nature, the complainant/ member shall first refer the complaint to the IGRC and/ or to arbitration mechanism provided by the Stock Exchange before resorting to other remedies available under any other law. For the removal of doubts, it is clarified that the sole arbitrator or the panel of arbitrators, as the case may be, appointed under the Stock Exchange arbitration mechanism may consider any claim relating to any dispute between a stock broker and client arising out of the transactions in stock exchange, as per law, and shall always be deemed to have the competence to rule on its jurisdiction. Page 2 of 2 A complainant/member, who is not satisfied with the recommendation of the IGRC shall avail the arbitration mechanism of the Stock Exchange for settlement of complaints within three months from the date of IGRC recommendation”

(b) The time period of three months mentioned in the previous sub-clause for filing arbitration shall be applicable only for the cases where the IGRC recommendation is being challenged. For any arbitration application received without going through IGRC mechanism, the above time period of three months shall not apply, and for such cases the limitation period for filing arbitration shall be governed by the law of limitation, i.e., The Limitation Act, 1963.”

- SEBI advised the Stock Exchanges & Depositories to make necessary amendments w.r.t this circular and bring provisions of this circular to the notice of their constituents and also disseminate the same on the website.



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- **Applicability:** Provisions of this Circular shall be applicable with effect from July 1, 2022.

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Securities Exchange Board of India vide circular dated June 3, 2022, has given extension of facility for conducting annual meeting and other meetings of unitholders of REITs and InvITs through Video Conferencing (VC) or through Other Audio-Visual means (OAVM)

- SEBI vide circular dated June 3, 2022, has given Extension of facility for conducting annual meeting and other meetings of unitholders of REITs and InvITs through Video Conferencing (VC) or through Other Audio-Visual means (OAVM).
- SEBI by this circular decided to the facility to conduct annual meetings of unitholders in terms of Regulation 22(3) of SEBI (REIT) Regulations, 2014 and Regulation 22(3)(a) of SEBI (InvIT) Regulations, 2014 and meetings other than annual meeting, through VC or OAVM till December 31, 2022.

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Reserve Bank of India vide circular dated June 1, 2022, has given Master Direction - Reserve Bank of India (Variation Margin) Directions, 2022

- The provisions of these Directions shall apply to the following contracts, which are entered into on or after the date on which these Directions come into force:
 1. Non-centrally cleared foreign exchange derivative contracts undertaken in terms of the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000



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2. Non-centrally cleared interest rate derivative contracts undertaken in terms of the Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019
 3. Non-centrally cleared credit derivative contracts undertaken in terms of Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022
 4. Any other non-centrally cleared derivative (NCCD) contract as may be specified by the Reserve Bank.
- RBI classified Covered Entities as Domestic Covered Entities and Foreign Covered Entities. RBI also gave Directions for Covered Entities and described the process for Calculation and exchange of Variation Margin.
 - The provisions of these Directions shall not be applicable to an NCCD transaction in which one of the counter-parties is any of the following entities:
 1. Government of India and State Governments;
 2. A Foreign Sovereign;
 3. A Central Bank;
 4. Bank for International Settlements; and
 5. Multilateral Development Banks (MDBs)
 - These Directions shall come into force with effect from December 01, 2022.

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Ministry of Corporate Affairs vide circular dated May 31, 2022, has given Relaxation in paying additional fees in case of delay in filing all the event based e-forms by LLPs which are due on and after 25th February, 2022 to 31st May, 2022 up to 30th June, 2022

- MCA has received representations seeking extension of timelines for filing the event based forms by LLPs without paying additional fees in view of transition from version-2 of MCA-21 to version-3. In this regards, MCA decided to allow LLPs to file various event based LLP e-forms which are due on and after 25th February, 2022 to 31st May, 2022 up to 30th June, 2022 without paying additional fees.

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Ministry of Corporate Affairs vide circular dated June 1, 2022, has given Companies (Appointment and Qualification of Directors) Amendment Rules 2022

- MCA through this notification amended Companies (Appointment and Qualification of Directors) Rules, 2014 to Companies (Appointment and Qualification of Directors) Amendment Rules, 2022.

This amended rule inserted the following proviso, in rule 8, after the proviso:

“Provided further that in case the person seeking appointment is a national of a country which shares land border with India, necessary security clearance from the Ministry of Home Affairs, Government of India shall also be attached along with the consent.”

- Also, the following proviso is inserted in rule 10, in sub-rule (1):



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“Provided that no application number shall be generated in case of the person applying for Director Identification Number is a national of a country which shares land border with India, unless necessary security clearance from the Ministry of Home Affairs, Government of India has been attached along with application for Director Identification Number.”

- Also, this notification inserted declaration in the existing paragraphs in (A) in Form DIR-2.

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