The Ministry of Corporate Affairs extends due date of for filing of the 'ACTIVE' e-form by corporate entities

The Ministry of Corporate Affairs ("**MCA**"), vide notification dated April 25, 2019 has extended the due date for filing of the e-form 'ACTIVE' by corporate entities.

The same has been introduced by way of an amendment to the Companies (Incorporation) Rules, 2014, thereby introducing the Companies (Incorporation) Fourth Amendment Rules, 2019.

By way of such amendment, the due date has been extended up to June 15, 2019.

The said notification can be accessed on the below link for the reader's perusal:

http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationFourthAmendmentRules_25042019.pdf

The Securities and Exchange Board of India amends norms relating to net worth requirement by clearing corporations in IFSCs

The Securities and Exchange Board of India ("**SEBI**"), vide circular dated April 26, 2019 has amended the SEBI (IFSC) Guidelines, 2015.

Under such revised norms every applicant seeking recognition as a clearing corporation shall have a minimum net worth of Rs. 50 Crores in form liquid assets. Also clearing corporation on commencement of operations shall have a minimum net worth equivalent of Rs. 50 Crores at all times in form of liquid assets and shall have to enhance its net worth to minimum equivalent of Rs. 100 crores over a period of 3 years from commencement of operation.

In view of the above, Clause 5(2) of SEBI (IFSC) Guidelines, 2015 is being amended and shall now read as under: *"(2) (a) Every applicant seeking recognition as a clearing corporation shall have, in the form of liquid assets, a minimum net worth equivalent of fifty crore rupees. b) Every recognized clearing corporation, on commencement of operations, shall have at all times, in the form of liquid assets, a minimum net worth equivalent of fifty crore rupees or capital as determined in accordance with the aforementioned SEBI circular dated April 10, 2019 as amended from time to time. c) Further, every recognized clearing corporation shall enhance, over a period of three years from commencement of operations, its net worth, to be maintained in the form of liquid assets, to a minimum equivalent of one hundred crore rupees or capital as determined in accordance with aforementioned SEBI circular dated April 10, 2019 as amended from time to time."*

Accordingly, Clearing Corporations shall regularly review their net worth requirement and ensure that the net worth does not fall below the prescribed threshold. A certificate to this effect, as signed by the Managing Director of the Clearing Corporation, shall be submitted to SEBI within 15 days from the end of every quarter. The first such submission shall be made applicable for the April - June, 2019 quarter.

The said circular can be accessed on the below link for the reader's perusal:

https://www.sebi.gov.in/legal/circulars/apr-2019/net-worth-requirements-for-clearing-corporations-in-international-financial-services-centre-ifsc-_42849.html

The Ministry of Corporate Affairs issues clarification in respect of filing of one time return of outstanding loan in e-form DPT-3

The Ministry of Corporate Affairs ("**MCA**"), vide general circular dated April 12, 2019 has issued a clarification in respect of filing of one time return of outstanding loan in e-form DPT-3.

MCA has clarified that the one time return of outstanding deposit of money or loan, which was required to be filed by every company irrespective of private company or public company other than government company in DPT-3 within 90 days from date of publication in notification, i.e. Jan 22, 2019. Now, it will be filed within 30 days from the date of deployment of the E-form DPT-3 on MCA portal without any additional fee.

The said general circular can be accessed on the below link for the reader's perusal:

https://taxpublishers.in/ShowCL?CIRCU1905?CMPL02

The Reserve Bank of India issues notification on Investment by Foreign Portfolio Investors in Debt

The Reserve Bank of India ("**RBI**"), vide notification dated April 25, 2019, has permitted Foreign Portfolio Investors ("**FPI**") to now invest in municipal bonds.

The same has been undertaken as a measure to broaden access of non–resident investors to debt instruments in India. FPI investment in municipal bonds shall be reckoned within the limits set for FPI investment in State Development Loans. All other existing conditions for investment by FPIs in the debt market remain unchanged.

The said notification can be accessed on the below link for the reader's perusal:

The Reserve Bank of India releases Ombudsman Scheme for Non-Banking Financial Companies, 2018

The Reserve Bank of India ("**RBI**"), vide notification dated April 26, 2019, has released the Ombudsman Scheme for Non-Banking Financial Companies, 2018.

The RBI had vide notification dated February 23, 2018, had implemented the Ombudsman Scheme for Non-Banking Financial Companies ("**NBFCs**") as defined in Section 45-I(f) of the Reserve Bank of India Act, 1934 and registered with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934 which are authorised to accept deposits. The Scheme was to be extended to remaining identified categories of NBFCs based on experience gained. As announced in Para 11 of the Statement on Developmental and Regulatory Policies of the Monetary Policy Statement dated April 04, 2019, in partial modification of the Notification ibid, RBI has directed the Non-banking Financial Companies, as defined in Section 45-I(f) of the Reserve Bank of India Act, 1934 and registered with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934 which (a) are authorised to accept deposits; (b) are Non-

Deposit Taking Non-Banking Financial Companies having customer interface, with assets size of Rupees 100 crore or above, as on the date of the audited balance sheet of the previous financial year, or of any such asset size as the RBI may prescribe, will come within the ambit, and shall comply with the provisions of the Ombudsman Scheme for Non-Banking Financial Companies, 2018.

The Non-Banking Financial Company - Infrastructure Finance Company (NBFC-IFC), Core Investment Company (CIC), Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC) and an NBFC under liquidation, are excluded from the ambit of the Scheme.

The same shall come into effect and force from April 26, 2019.

The said notification can be accessed on the below link for the reader's perusal:

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11546&Mode=0

The Securities and Exchange Board of India asks Asset Management Cos. to constitute technology committee for mutual funds

The Securities and Exchange Board of India ("**SEBI**"), vide circular dated April 11, 2019 has asked Asset Management Cos. to constitute technology committee for mutual funds.

In order to deal with various technology related issues, AMCs are advised to constitute a Technology Committee comprising experts proficient in technology. Such committee shall have atleast one independent external expert with adequate experience in the area of technology in Mutual Fund industry / BFSI. The aforementioned committee shall, inter alia, review the cyber security and cyber resilience framework for Mutual Funds / AMCs in terms of Para 7 of Annexure-1 of SEBI circular dated January 10, 2019 and review the system audit related aspects of AMCs in terms of Para 4 of SEBI Circular dated April 11, 2019 on system audit framework for Mutual Funds / AMCs.

The said circular can be accessed on the below link for the reader's perusal:

https://www.sebi.gov.in/legal/circulars/apr-2019/technology-committee-for-mutual-funds-asset-management-companies-amcs-_42692.html

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