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INDIA



Amendment to the SEBI (Collective Investment Schemes) Regulations, 1999

SEBI approved amendment to the SEBI (Collective Investment Schemes) Regulations, 1999, to strengthen the regulatory framework for Collective Investment Schemes (CIS), in line with Mutual Fund regulations to remove regulatory arbitrage.

The objective is to ensure that uniform processes are followed by the Issue Registrars and Share Transfer Agents of listed companies, which would further ease the transmission process for investors.



Key Takeaways:

- Enhancement of net-worth criteria and requirement of having track record in relevant field are mandatory for registration as a Collective Investment Management Company (CIMC).
- CIMC and its group/associates/shareholders will be restricted to 10% shareholding or representation on the board of another CIMC to avoid conflict of interest.
- Mandatory investment of CIMC and its designated employees in the Collective Investment Scheme (CIS) to align their interest with that of the CIS.
- There must be a requirement of minimum number of investors, maximum holding of a single investor, and minimum subscription amount at the CIS level.
- Rationalization of fee and expenses will be charged to the scheme.
- Reduction of timelines for offer period of scheme, allotment of units, and refund of money will be made available to the investors.
- Threshold limit for simplified documents has been revised as mentioned below:
 - From ₹2 lakh to ₹5 lakh for securities held in physical mode per listed issuer
 - ₹5 lakh to ₹15 lakh for securities held in dematerialised mode for each beneficiary account

SEBI (Custodian) Regulations, 1996 had been amended to enable SEBI registered custodians to provide custodial services in respect of silver or silver related instruments held by Silver Exchange Traded Funds (ETFs) of MFs.

RBI Has Announced Two Key Initiatives For The Fintech Market

RBI has enabled UPI for feature phones through UPI123Pay. UPI123Pay will replace the NUUP (National Unified Platform) which currently uses the short code of *99# for the accessibility of UPI in feature phones. UPI123Pay includes distinct features such as:

Key Takeaways:

- UPI for Feature Phones (UPI123pay)- An app will be installed in feature phones to facilitate the UPI service.
- This will allow feature phone users to access their bank account and perform routine transactions such as receiving, transferring funds, regular purchases, bill payments, etc., by giving a missed call to the number displayed at the merchant outlet. The customer will receive an incoming call to authenticate the transaction by entering UPI PIN.
- UPI payment through pre-defined IVR numbers would require users to initiate a secured call from their feature phones to a predetermined number and complete UPI on-boarding formalities to be able to start making financial transactions without internet connection.
- This will enable contactless, offline, and proximity data communication on any device using sound waves.
- 24x7 Helpline for Digital Payments (DigiSaathi)- RBI has come up with a vision to accelerate the adoption of digital payment services among users. A rich and inclusive ecosystem will revolutionize digital payment services by building trust between the service providers and users. DigiSaathi is a 24x7 Helpline for customers - providing assistance with issues related to the entire gamut of digital payments. Currently, the services are available in Hindi and English through a toll-free number, short code options, a dedicated website, and chatbots.

RBI Notifies Limits For Investment In Credit Default Swaps By FPI

On April 19, 2022, the Reserve Bank of India (RBI) has issued a notification on Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs).

Key Takeaways:

- Limits for FPI investment in Government securities (G-secs), State Development Loans (SDLs) and corporate bonds shall remain unchanged at 6%, 2% and 15% respectively, of outstanding stocks of securities for FY 2022-23.
- All investments by eligible investors in the 'specified securities' shall be reckoned under the Fully Accessible Route (FAR) in terms of A.P.
- Allocation of incremental changes in the G-sec limit (in absolute terms) over the two sub-categories - 'General' and 'Long-term' shall be retained at 50:50 for FY 2022-23.
- The entire increase in limits for SDLs (in absolute terms) has been added to the 'General' sub-category of SDL.
- Revised limits (in absolute terms) for the different categories are mentioned below:
- Aggregate limit of the notional amount of CDS sold by FPIs shall be 5% of the outstanding stock of corporate bonds. Accordingly, an additional limit of ₹2,22,623 crore is set out for FY 2022-23.

Centre unifies Delhi's three civil corporations into 'Municipal Corporation of Delhi' vide Delhi Municipal Corporation (Amendment) Act, 2022

On 18th April, 2022, Central government notified Delhi Municipal Corporation (Amendment) Act, 2022. In an attempt to improve the constitutional setup of Delhi Municipal Corporation, provisions of Delhi Municipal Corporation Act, 1957 (Act) have been amended which will come into force on date(s) yet to be announced by Central Government.

Key Takeaways:

- Delhi's three separate civil corporations - East, South & North Delhi Municipal Corporations merged into one- Municipal Corporation of Delhi.
- The Commissioner shall exercise powers and discharge functions on "building regulations" under the Centre's general superintendence and direction.
- Term "Corporation" has been replaced with Municipal Corporation everywhere in the Act.
- Seats reserved for the Scheduled Castes will be allotted by rotation to different wards by the Central Government.
- Election of councillors, and number of seats reserved in each ward will be decided by Central government. Total number of members will belong to Schedules Castes will no longer be just eighty but decided in further notifications by government.
- As per provisions of (6) of Sec. 3, after the completion of each census after the establishment of the Corporation, the number of seats shall be on the basis of the population of Delhi as ascertained at that census.

UAE



Amendments to the UAE Golden Visa scheme

On 18th April 2022, the UAE Government updated the Golden Residence Rules introduced previously through the Cabinet Resolution No. 56 of 2018. These changes were carried out to as part of the Government's new Entry and Residence Scheme which allows foreigners to live and work in the UAE without the need for a national sponsor and with 100 percent ownership of their business.

The main focus is to retain talent in the country while encouraging business investment. The new changes largely affect investors, entrepreneurs and professionals who will now be highly incentivized to look at UAE as a place to work and live.



Key Takeaways:

- Investors are eligible for a 10-year Golden Visa if they invest in a SME having an annual revenue of a minimum AED 1 million.
- Founders of start-ups in UAE can also apply for a 10-year Golden Visa if they have sold such start-up for an amount not less than AED 7 million.
- Freelancers or self-employed persons can apply for a 5-year Green Residence provided they have a bachelor's degree and can demonstrate earned income of a minimum AED 360,000 in the previous 2 years.
- Further, duration of stay outside UAE does not nullify the visa, which was the case earlier. Entry visa would now be valid for a total of 6 months.
- Amendments make it possible for holders of Golden Visa to sponsor family members.
- In the event of the death of the Golden Visa holder, his/her family members can stay in UAE till the expiry of said visa.

Mandatory Requirement to Offer Digital Services in Dubai- New Law

The UAE Government, on 14th March 2022, introduced and issued Law No. 9 of 2022 Regulating the Provision of Digital Services in Dubai. This is to drive the emirate down the path of digitization and accelerate access for all customers, irrespective of language. While Arabic and English are the available options between most authorities, red tape and ambiguous fees have acted as a hindrance for the digital streamlining of all sectors in Dubai. This Law seeks to make the provision of digital services mandatory among all governmental and judicial entities (“Applicable Entities”). Procedural requirements will now be simplified and laid out.

Key Takeaways:

- A digital roadmap prepared by the Dubai Digital Authority will be followed by all Applicable Entities. This will include guidelines and specifications for electronic security requirements as well.
- E-payments and digital financial systems as decided by the Finance Department will be adopted by all Applicable Entities.
- Applicable Entities have also been allowed to outsource the management and control of all necessary systems, software and channels pivotal to the provision of digital services.
- Users of these digital services, or customers, have a duty to update correct and authenticated data held by any of the Applicable Entities.
- Customer’s non-compliance with controls and procedures as specified shall not exempt them from any purported liability. Digital Service Provider will not be liable in such a situation.

Residence Passports Stamps to be Replaced by Identity Cards in UAE

The government of the United Arab Emirates (UAE) announced that, from April 11, 2022, it would halt the issuing of resident visa stamps to foreign people residing in the country. These individuals will be eligible for an Emirates Identification Card (ID card).

The authorities may also combine the residence permit and ID card application processes into a single form that includes information on issuances and renewals of resident rights. On request, electronic copies of ID cards will be made available.

Key Takeaways:

- The issuing of Identity playing cards will replace residence visa stamps granted to international nationals in the United Arab Emirates.
- Identity cards will be issued at the same time as residence permits are granted and renewed.
- The UAE authorities will replace the granting of resident visa stamps with the issuance of an Emirates ID card. The ID card will serve as a substitute for verifying residency within the country.
- This transition is expected to reduce the number of procedural impediments in obtaining and renewing residency in the country.



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