



January 15, 2018

Info Capsule

ELECTRONIC BOOK MECHANISM FOR ISSUANCE OF SECURITIES ON PRIVATE PLACEMENT BASIS¹

1. SEBI vide circular No. CIR/IMD/DF1/48/2016 dated April 21, 2016, mandated usage of electronic book mechanism for issuance of debt securities on private placement basis
2. Subsequently, on receiving feedback from the market participants to further streamline the process, SEBI issued a consultation paper and sought public comments on the matter. On the basis of the market feedback and the feedback received on SEBI consultation paper, it has been decided to make suitable revisions to the existing framework for Electronic Book Mechanism.
3. The revisions made to the existing framework are aimed at further streamlining the procedure for private placement of debt securities, allowing private placement of other classes of securities which are in the nature of debt securities and enhancing transparency in the issuance, resulting in better discovery of price. The revised guidelines for the Electronic Book Mechanism are placed at Schedule - A available at https://www.sebi.gov.in/web/?file=../../sebi_data/attachdocs/jan-2018/1515158136685.pdf#page=1&zoom=auto,-23,800.
4. This circular shall come in to force with effect from April 01, 2018 and the SEBI circular CIR/IMD/DF1/48/2016 dated April 21, 2016 shall stand repealed from the date of the enforcement of this circular.
5. Recognized Stock Exchanges are directed to:
 - 5.1. Comply with the conditions laid down in this circular;
 - 5.2. Put in place necessary systems and infrastructure for implementation of this circular;
 - 5.3. Make consequential changes, if any, to their bidding portal and respective exchange bye-laws; and
 - 5.4. Communicate and create awareness about these revised guidelines amongst issuers, arrangers and investors.
6. This Circular is issued in exercise of powers conferred under Section 11(1) read with regulation 31(2) of ILDS Regulations of the Securities and Exchange Board of India Act, 1992.
7. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and under the drop down "Corp Debt Market".

¹ Available at: https://www.sebi.gov.in/legal/circulars/jan-2018/electronic-book-mechanism-for-issuance-of-securities-on-private-placement-basis_37295.html

NEED TO MODIFY DOMESTIC FINANCIAL REGULATORY POLICY²

A National Conference on “Role of Trade Finance for Inclusive Growth” is inaugurated in Mumbai on January 12, 2018.

Addressing to the gathering, Smt. Rita Teaotia, Commerce Secretary, Ministry of Commerce & Industry said, Export from India’s agro processing and handicraft sectors are 30%. Maritime sector is on 8th rank at world level, leading at world market but financial returns from these sectors are very low. Due to present banking regulatory system of India, increasing banks Non Performing Assets (NPAs), Liquidity Credit Finance and lending policy to the farmers etc.

She expressed that, taking an analytical view at global competition is important in order to find reasons of non- achieving goals. She added world regulatory policy framework is different and India needs to modify domestic regulation system according to the global scenario.

On the backdrop of low growth rate of Indian Economy, in last 2 years the Union Commerce & Industry Minister, Suresh Prabhu has recently announced that, Indian economy will reach Rs.5 trillion from existing Rs.2.3. Therefore; responsibility of concerned industries to make changes into their trade finance policy and adopt new technological, digitization, new legal frame work to solve issues and make online trade system hassel free.

In recent times Indian Economy shown improvement growth rate, which mean it has showing growth. India could not reach to double digit number in GDP but still continue with 7% growth rate, which is a sign of development said Rita Teaotia.

India’s marketing & finance sectors have to face global challenges by adopting digitisation, modern banking system, Robotic use etc. therefore; there is a need to solve logistic cost, standards technical regulations, and adopt qualitative connectivity.

She further said that, Union Commerce & Industry Minister has announced that, India’s economy will soon reach at Rs. 5 trillion where present economy cost is Rs.2.3 billion. To reach this goal, India needs to concentrate on MSME sector. Banks, Financial Institutions, ECGC should gear their trade policies, Secretary said.

Secretary further highlighted on inclusive financial growth. In first section, Shri David Rasquinha, MD, EXIM Bank Ltd., Smt. Amit Saxena, MD, & CEO, UAE Exchange & Financial Services Limited were addressed to the gatherings. Many dignitaries from MSME, Banking & Financial Institutions were present to the occasion.

Team ICSI

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