भारतीय कम्पनी सचिव संस्थान
THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

# SUPPLEMENT

# EXECUTIVE PROGRAMME

## (Syllabus 2022)

***for***

***December, 2026 Examination***

***(Containing updates from 1st December, 2025 to 31st May, 2026)***

# ECONOMIC, COMMERCIAL & INTELLECTUAL PROPERTY LAWS

## GROUP 2

## PAPER 6

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***Students appearing in Examination shall note the following:***

Students appearing in December, 2026 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by RBI, DPIIT, DGFT & Central Government upto May, 2026.

The students are advised to acquaint themselves with the subject specific updates published in Student Company Secretary Journal by the Institute.

This Supplement is to be read with the ECIPL Study Material (Syllabus 2022) updated up to November, 2025.

# lesson 1
# Law Relating to Foreign Exchange Management

## Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025 (November 13, 2025)

In exercise of the powers conferred by Section 7, Section 8 and sub-section (2) of section 47(2) of the Foreign Exchange Management Act, 1999, the Reserve Bank of India notified the Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025 and amended to the Regulation 9 & 15 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015. Regulation 9 & 15 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 read as under:

### Period within which Export Value of Goods/Software/ Services to be Realised (Regulation 9)

(1) The amount representing the full export value of goods / software/ services exported shall be realised and repatriated to India within 'fifteen months' or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time, from the date of export, provided

(a) that where the goods are exported to a warehouse established outside India with the permission of the Reserve Bank, the amount representing the full export value of goods exported shall be paid to the authorised dealer as soon as it is realised and in any case within fifteen months or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time from the date of shipment of goods;

(b) further that the Reserve Bank, or subject to the directions issued by that Bank in this behalf, the authorised dealer may, for a sufficient and reasonable cause shown, extend the said period.

(2) (a) Where the export of goods / software / services has been made by Units in Special Economic Zones (SEZ) / Status Holder exporter / Export Oriented Units (EOUs) and units in Electronics Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) and Bio-Technology Parks (BTPs) as defined in the Foreign Trade Policy in force, then notwithstanding anything contained in sub-regulation (1), the amount representing the

full export value of goods or software shall be realised and repatriated to India within 'fifteen months' or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time, from the date of export.

Provided further that the Reserve Bank, or subject to the directions issued by the Bank in this behalf, the authorised dealer may, for a sufficient and reasonable cause shown, extend the said period.

(b) The Reserve Bank may for reasonable and sufficient cause direct that the said exporter/s shall cease to be governed by sub-regulation (2);

Provided that no such direction shall be given unless the unit has been given a reasonable opportunity to make a representation in the matter.

(c) On such direction, the said exporter/s shall be governed by the provisions of sub-regulation (1), until directed otherwise by the Reserve Bank.'

*Explanation:*

For the purpose of this regulation, the "date of export" in relation to the export of software in other than physical form, shall be deemed to be the date of invoice covering such export.

***Impact: The amount representing the full export value of goods / software/ services exported shall be realised and repatriated to India within fifteen months.***

## Advance Payment Against Exports (Regulation 15)

(1) Where an exporter receives advance payment (with or without interest), from a buyer / third party named in the export declaration made by the exporter, outside India, the exporter shall be under an obligation to ensure that –

i) the shipment of goods is made within three years from the date of receipt of advance payment;

ii) the rate of interest, if any, payable on the advance payment shall not exceed 100 basis points above the London Inter-Bank Offered Rate (LIBOR) or other applicable benchmark as may be directed by the Reserve Bank, as the case may be; and.

iii) the documents covering the shipment are routed through the authorised dealer through whom the advance payment is received;

Provided that in the event of the exporter's inability to make the shipment, partly or fully, within three years from the date of receipt of advance payment, no remittance towards refund of unutilized portion of advance payment or towards payment of interest, shall be made after the expiry of the period of three years, without the prior approval of the Reserve Bank.

(2) Notwithstanding anything contained in clause (i) of sub-regulation (1), an exporter may receive advance payment where the export agreement itself duly provides for shipment of goods extending beyond the period of three years from the date of receipt of advance payment.

***Impact: An exporter receives advance payment (with or without interest), from a buyer / third party named in the export declaration made by the exporter, outside India, the exporter shall be under an obligation to ensure that the shipment of goods is made within three years from the date of receipt of advance payment.***

## Special Provisions Relating to Assets Held Outside India in Contravention of Section 4 of the Foreign Exchange Management Act (FEMA)

Section 37A of the Foreign Exchange Management Act dealing with Special provisions relating to assets held outside India in contravention of Section 4 of the FEMA.

Section 4 of the FEMA dealing with holding of foreign exchange etc., and states that no person resident in India shall acquire, hold, own, possess or transfer any foreign exchange, foreign security or any immovable property situated outside India.

Section 37A of FEMA provides that:
(1) Upon receipt of any information or otherwise, if the Authorised Officer prescribed by the Central Government has reason to believe that any foreign exchange, foreign security, or any immovable property, situated outside India, is suspected to have been held in contravention of section 4, he may after recording the reasons in writing, by an order, seize value equivalent, situated within India, of such foreign exchange, foreign security or immovable property: Provided that no such seizure shall be made in case where the aggregate value of such foreign exchange, foreign security or any immovable property, situated outside India, is less than the value as may be prescribed.
(2) The order of seizure along with relevant material shall be placed before the Competent Authority, appointed by the Central Government, who shall be an officer not below the rank of Joint Secretary to the Government of India by the Authorised Officer within a period of thirty days from the date of such seizure.
(3) The Competent Authority shall dispose of the petition within a period of one hundred eighty days from the date of seizure by either confirming or by setting aside such order, after giving an

opportunity of being heard to the representatives of the Directorate of Enforcement and the aggrieved person.
Explanation. —While computing the period of one hundred eighty days, the period of stay granted by court shall be excluded and a further period of at least thirty days shall be granted from the date of communication of vacation of such stay order.
(4) The order of the Competent Authority confirming seizure of equivalent asset shall continue till the disposal of adjudication proceedings and thereafter, the Adjudicating Authority shall pass appropriate directions in the adjudication order with regard to further action as regards the seizure made under sub-section (1):
Provided that if, at any stage of the proceedings under this Act, the aggrieved person discloses the fact of such foreign exchange, foreign security or immovable property and brings back the same into India, then the Competent Authority or the Adjudicating Authority, as the case may be, on receipt of an application in this regard from the aggrieved person, and after affording an opportunity of being heard to the aggrieved person and representatives of the Directorate of Enforcement, shall pass an appropriate order as it deems fit, including setting aside of the seizure made under sub-section (1).
(5) Any person aggrieved by any order passed by the Competent Authority may prefer an appeal to the Appellate Tribunal.
(6) Nothing contained in Section 15 shall apply to this section."

In the case of, ***J. Sri Nisha {Appellant(s)} Versus Special Director, Adjudicating Authority, Directorate of Enforcement and Anr. {Respondent(s)} (Arising out of SLP(Civil) No(s). 23415 of 2025) judgement dated April 01, 2026,*** Supreme Court of India inter alia observed that a perusal of the provision of Section 37A of FEMA would clearly indicate that the same has been enacted in order to ensure that the assets of a person suspected to be involved in foreign exchange or foreign security violations may be seized to the extent equivalent to such foreign exchange or foreign security, which may be under scrutiny of the Adjudicating Authority. Hence, the provision is in nature of a preventive measure for ensuring that the assets equivalent to the foreign exchange or foreign security may be kept secured for future proceedings pursuant to adjudication.

Sub-section (4) gives an impression that the order passed by Competent Authority confirming the seizure would remain alive only till the disposal of the adjudication proceedings, and that the Adjudicating Authority would be authorized to proceed with further action, *i.e.,* SCN, etc. without being fazed by the confirmation of the seizure proceedings. The effect of sub-section (4) is evidently to leave the seized assets at the disposal of the Adjudicating Authority for realisation of the adjudicated amount, if any and to prevent frustration of the adjudication order. However, sub-section (4) is restricted to an order of the Competent Authority "*confirming seizure of equivalent assets and the continuance thereof till the disposal of the adjudication proceedings*". The said provision literally does not deal with a situation where the seizure has not been confirmed.

A plain reading of Section 37A (1) indicates that the power of seizure is predicated upon the existence of a "reason to believe" that foreign exchange, foreign security or immovable property situated outside India is suspected to have been held in contravention of Section 4. Such satisfaction by the Authorised Officer at the stage of preliminary seizure under Sub-section (1) is only tentative and is expressly subject to scrutiny under Sub-sections (2) and (3), wherein the Competent Authority is required to independently examine whether the reasons recorded justify continuation of the seizure. The exercise undertaken by the Competent Authority is thus not an empty formality, but a substantive evaluation of whether the material on record is sufficient to sustain even a *prima facie* inference of contravention in relation to foreign exchange. In the present case, upon such evaluation, the Competent Authority declined to confirm the seizure by a well-reasoned order, thereby indicating that the material did not meet even this preliminary threshold. The refusal to confirm the seizure, therefore, reflects a considered finding that the foundational requirement of a "reason to believe" was not satisfied on the material available.

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# lesson 13
# Legal Metrology

## Improvement Notice Mechanism under the Legal Metrology Act, 2009

The Department of Consumer Affairs has introduced the Improvement Notice mechanism under the Legal Metrology Act, 2009 through the Jan Vishwas (Amendment of Provisions) Act, 2026. Under the new mechanism, businesses committing specified first-time procedural or regulatory non-compliances will be given an opportunity to rectify the deficiency before penal proceedings are initiated. The reform promotes Ease of Doing Business (EoDB) by encouraging voluntary compliance, reducing unnecessary litigation and supporting a more trust-based regulatory framework, while maintaining strong consumer protection.

### *Key Highlights*

- The Improvement Notice mechanism under the Legal Metrology Act provides a facilitative opportunity for regulated entities to correct specified first-time procedural or regulatory non-compliances before penal action is initiated.
- The reform is intended to promote Ease of Doing Business, encourage voluntary compliance and reduce unnecessary litigation.
- It applies to manufacturers, importers, packers, dealers, repairers, traders, MSMEs and other regulated entities.
- Strict action will continue against fraud, repeated violations, tampering and other acts adversely affecting consumer interests.
- The overall objective is to strengthen trust-based governance while safeguarding consumer interests

### *What is an Improvement Notice?*

Where a person commits a specified first-time procedural or regulatory non-compliance covered under the Legal Metrology Act, a Legal Metrology Officer may issue an Improvement Notice identifying the deficiency and providing reasonable time to rectify it.

If the regulated entity complies within the prescribed period, unnecessary penal proceedings and litigation can be avoided. However, failure to comply with the Improvement Notice or repeated non-compliance will continue to attract action in accordance with the provisions of the Legal Metrology Act. The mechanism represents a shift towards a more facilitative and trust-based regulatory framework by encouraging voluntary compliance without compromising enforcement.

### *Why this Reform Matters?*

The Improvement Notice mechanism seeks to create a more predictable, transparent and business-friendly regulatory environment by:

- Encouraging voluntary compliance and timely self-correction.
- Providing businesses an opportunity to rectify genuine first-time procedural lapses before penal action.
- Reducing unnecessary litigation arising from inadvertent compliance-related errors.
- Lowering compliance costs and improving regulatory certainty.
- Allowing enforcement authorities to focus on deliberate and repeated violations affecting consumer interests.

## Amendment to the Provisions of the Legal Metrology Act, 2009 through the Jan Vishwas (Amendment of Provisions) Act, 2026

Legal Metrology Act, 2009 has amended through the Jan Vishwas (Amendment of Provisions) Act, 2026. The amendment promotes Ease of Doing Business (EoDB) by encouraging voluntary compliance, reducing unnecessary litigation and supporting a more trust-based regulatory framework, while maintaining strong consumer protection. The Major amendments to the Legal Metrology Act are as under:

### Power of Inspection Seizure

Section 15(1) of the Legal Metrology Act provides that the Director, Controller or any legal metrology officer may, if he has any reason to believe, whether from any information given to him by any person and taken down in writing or from personal knowledge or otherwise, that any weight or measure or other goods in relation to which any trade and commerce has taken place or is intended to take place and in respect of which an offence punishable under this Act appears to have been, or is likely to be, committed are either kept or concealed in any premises or are in the course of transportation,—

(a) enter at any reasonable time into any such premises and search for and inspect any weight, measure or other goods in relation to which trade and commerce has taken place, or is intended to take place and any record, register or other document relating thereto;

(b) seize any weight, measure or other goods and any record, register or other document or article which he has reason to believe may furnish evidence indicating that an offence punishable under this Act has been, or is likely to be, committed in the course of, or in relation to, any trade and commerce.

The Director, Controller or any legal metrology officer may also require the production of every document or other record relating to the weight or measure referred to in sub-section (1) and the person having the custody of such weight or measure shall comply with such requisition.

Where any goods seized under sub-section (1) are subject to speedy or natural decay, the Director, Controller or legal metrology officer may dispose of such goods in such manner as may be prescribed.

(4) Every search or seizure made under this section shall be carried out in accordance with the provisions of the Code of Criminal Procedure, 1973, relating to searches and seizures.
Any inspection, search or seizure carried out by a legal metrology officer under this section in pursuance of a general or special order, instruction or written authorisation issued by the Director or Controller of Legal Metrology shall be deemed to have been made under a lawful warrant.

According to Section 15(6) of Legal Metrology Act. if the Director, Controller or legal metrology officer has reasonable ground for believing that any person has failed to comply with any provision of the Act or rules or directions issued, wherever applicable, he may, by a *improvement notice* served on that person:
(i) state the grounds for believing that the person has failed to comply with the provisions of Act or rules or directions issued;
(ii) specify the matters which constitute the person's failure so to comply;
(iii) specify the measures which, in the opinion of the said Authority, the person must take, in order to secure compliance; and
(iv) require the person to take those measures, within a reasonable period, as may be specified in the said notice.

It may be noted that "*Improvement Notice"* means an improvement notice issued under Legal Metrology Act {Section 2(ea)}.

If the person fails to comply with an improvement notice issued under sub-section (6), his registration or approval, as the case may be, shall be suspended or revoked: Provided that the authorized officer may, after giving the person an opportunity of being heard, suspend or revoke the registration or approval granted, as the case may be, for reasons to be recorded in writing.

## Prohibition on Manufacture, Repair or Sale of Weight or Measure Without Registration Certificate

According to Section 23 of the Act, no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a registration certificate issued by the Controller.

Provided that no registration certificate to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same.

The Controller shall issue a registration certificate in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

## Penalty for Use of Non-Standard Weight or Measure

Section 25 states that whoever uses or keeps for use any weight or measure or makes use of any numeration otherwise than in accordance with the standards of weight or measure or the standard of numeration, as the case may be, specified by or under this Act, shall be warned with an improvement notice and for the second offence shall be liable to penalty which may extend to one lakh rupees and for the subsequent offences the fine shall be not less than two lakhs rupees but may extend to five lakh rupees.

## Penalty for Alteration of Weight and Measure

Under Section 26 of the Act whoever tampers with, or alters in any way, any reference standard, secondary standard or working standard or increases or decreases or alters any weight or measure with a view to deceiving any person or knowing or having reason to believe that any person is likely to be deceived thereby, except where such alteration is made for the correction of any error noticed therein on verification, shall be punished with fine which may extend to fifty thousand rupees and for the second offence with fine which may extend to one lakh rupees and for the third or subsequent offence with imprisonment for a term which shall not be less than six months but which may extend to one year or with fine or with both.

## Penalty for Manufacture or Sale of Non-Standard Weight or Measure

Section 27 provides that every person who manufactures or causes to be manufactured or sells or offers, exposes or possesses for sale, any weight or measure which:

(a) does not conform to the standards of weight or measure specified by or under this Act; or
(b) which bears thereon any inscription of weight, measure or number which does not conform to the standards of weight, measure or numeration specified by or under this Act, except where he is permitted to do so under this Act, shall be warned with an improvement notice and for the second offence shall be liable to penalty which may extend to one lakh rupees and for the subsequent offences the fine shall be not less than two lakh rupees but may extend to four lakh rupees.

## Penalty for Making any Transaction, Deal or Contract in Contravention of The Prescribed Standards

Section 28 states that whoever makes any transaction, deal or contract in contravention of the standards of weights and measures specified under section 10 shall be warned with an improvement notice and for the second offence shall be liable to penalty which may extend to fifty thousand rupees and for the subsequent offences the fine shall be not less than one lakh rupees but may extend to two lakh rupees.

## Penalty for Quoting or Publishing of Non-Standard Units

Under Section 29, whoever violates section 11 shall be warned with an improvement notice and for the second offence shall be liable to penalty which may extend to fifty thousand rupees and for the subsequent offences the fine shall be not less than one lakh rupees but may extend to two lakh rupees.

## Penalty for Transactions in Contravention of Standard Weight or Measure

Section 30 provides that whoever:

(a) in selling any article or thing by weight, measure or number, delivers or causes to be delivered to the purchaser any quantity or number of that article or thing less than the quantity or number contracted for or paid for; or
(b) in rendering any service by weight, measure or number, renders that service less than the service contracted for or paid for; or
(c) in buying any article or thing by weight, measure or number, fraudulently receives, or causes to be received any quantity or number of that article or thing in excess of the quantity or number contracted for or paid for; or
(d) in obtaining any service by weight, measure or number, obtains that service in excess of the service contracted for or paid for, shall be punished with fine which may extend to ten thousand rupees, and, for the second offence with fine which may extend to twenty thousand rupees and for the third or subsequent offence, with imprisonment for a term which may extend to one year, or with fine, or with both.

## Penalty for Non-Production of Documents

Under Section 31, whoever, being required by or under this Act or the rules made thereunder to submit returns, maintain any record or register, or being required by the Director or the Controller or any legal metrology officer to produce before him for inspection any weight or measure or any document, register or other record relating thereto, omits or fails without any reasonable excuse, so to do, shall be warned with an improvement notice and for the second offence shall be liable to penalty which may extend to twenty-five thousand rupees and for the subsequent offences the fine shall not be fifty thousand rupees but may extend to one lakh rupees.

## Penalty for Rendering Services by Non-Standard Weight, Measure or Number

Section 35 provides that whoever renders or causes to be rendered, any service through means other than the weight or measure or numeration or in terms of any weight, measure or number other than the standard weight or measure, shall be warned with an improvement notice and for the second offence shall be liable to penalty which may extend to twenty-five thousand rupees and for the subsequent offences the fine shall not be less than fifty thousand rupees but may extend to one lakh rupees.

## Penalty for Selling of Non-Standard Packages

Section 36(1) states that whoever manufactures, packs, imports, sells, distributes, delivers or otherwise transfers, offers, exposes or possesses for sale, or causes to be sold, distributed, delivered or otherwise transferred, offered, exposed for sale, including through digital modes of sale such as e-commerce platforms, online market places or any other digital or electronic means including electronic service providers facilitating such sales, any pre-packaged commodity which does not conform to the declarations on the package as provided in this Act, shall be warned with an improvement notice and for the second offence shall be liable to penalty which may extend to five lakh rupees and for the subsequent offences the fine shall not be less than twenty-five lakh rupees but may extend to fifty lakh rupees.

Explanation: For the purposes of this sub-section, the expressions “e-commerce” and “electronic service provider” shall have the same meaning as assigned to them in clauses (16) and (17) of section 2 of the Consumer Protection Act, 2019.

Section 36 (2) provides that whoever manufactures or packs or imports or causes to be manufactured or packed or imported, any pre-packaged commodity, with error in net quantity as may be prescribed shall be punished with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees and for the second offence with fine which may extend to five lakh rupees and for the third or subsequent offence, with fine which may extend to fifty lakh rupees or with imprisonment for a term which may extend to one year or with both.

## Penalty for Manufacture of Weight and Measure Without Registration

Under Section 45, whoever, being required to obtain a registration under this Act or the rules made thereunder, manufactures, without being in possession of a valid registration, any weight or measure, shall be warned with an improvement notice and for the second offence shall be liable to penalty which may extend to twenty thousand rupees and for the subsequent offences the fine shall not be less than two lakh rupees but may extend to five lakh rupees.

## Compounding of Offences

Section 48(1) of the Legal Metrology Act provides that any offence punishable under sections 25 to 39, section 41, sections 45 to 47, any rule made under sub-section (3) of section 52 or any rule made under sub-section (3) of section 53 may, either before or after the institution of the prosecution, be compounded, on payment for credit to the Government of such sum as may be prescribed.

(2) The Director or legal metrology officer as may be specially authorised by him in this behalf, may compound offences punishable under sections 25 to 39, section 41, or any rule made under sub-section (3) of section 52.

(3) The Controller or legal metrology officer specially authorised by him, may compound offences punishable under sections 25 to 31, sections 33 to 37, section 41, sections 45 to 47, and any rule made under sub-section (3) of section 53:

Provided that such sum shall not, in any case, exceed the maximum amount of the fine, which may be imposed under this Act for the offence so compounded.

(4) Where an offence has been compounded under sub-section (1), no proceeding or further proceeding, as the case may be, shall be taken against the offender in respect of the offence so compounded.

(5) No offence under this Act shall be compounded except as provided by this section.

(6) No court shall take cognizance of an offence punishable under this Act except upon a complaint, in writing, made by—

(i) the Director;
(ii) the Controller;
(iii) any officer authorised by them.

(7) If the person does not compound the offence, shall be tried by the Magistrate in accordance with the procedure laid down in the Bharatiya Nagarik Suraksha Sanhita, 2023.

(8) Where the offender fails to pay the fine imposed by the Magistrate, such fine and costs of prosecution shall be recoverable as provided under the Bharatiya Nagarik Suraksha Sanhita, 2023.

Provided that in case of failure to pay the fine, such fine shall be recoverable in accordance with the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023 and any order of the Magistrate shall be deemed executable as a decree for recovery of money.

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