

Subjectwise Monthly Updates



Directorate of Academics

October 2022



Subjectwise Monthly Updates

(Executive & Professional)

◆ October 2022 ◆

Content

EXECUTIVE PROGRAMME

TAX LAWS	1
SECURITIES LAWS AND CAPITAL MARKETS	4

PROFESSIONAL PROGRAMME

ADVANCED TAX LAWS	6
BANKING - LAW & PRACTICE	7

Prepared

by

Directorate of Academics

© The Institute of Company Secretaries of India.

All rights reserved. No part of this monthly updates may be translated or copied in any form or by any means without the prior written permission of The Institute of Company Secretaries of India.

Disclaimer : Although due care and diligence have been taken in preparation and uploading this Subjectwise Monthly Updates, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this Subjectwise Monthly Updates. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

Executive Programme

TAX LAWS

Module 1, Paper 4

S. No.	Reference to Chapter No.	Amendments to Regulations/Rules/Act/Circular/Notification	Brief particulars/Link of the Amendment
Direct Taxes (Part I)			
1.	Lesson 3 Income which do not form a part of Total Income	Notification No. 114 [Dated October 13, 2022] The Central Government hereby specifies the pension fund, namely, 2589555 Ontario Limited (PAN: AABCZ1393D), (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as the “the said investments”) subject to the fulfillment of the certain conditions.	https://incometaxindia.gov.in/communications/notification/notification-114-2022.pdf
2.	Lesson 3 Income which do not form a part of Total Income	Notification No. 115 [Dated October 14, 2022] The Central Government specifies to include the sovereign wealth fund, namely, Norges Bank On Account Of The Government Pension Fund Global (PAN: AACCN1454E), (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “the said investments”) subject to the fulfilment of the certain conditions.	https://incometaxindia.gov.in/communications/notification/notification-115-2022.pdf

3.	Lesson 3 Income which do not form a part of Total Income	Notification No. 116 [Dated October 19, 2022] The Central Government notifies to include 'H P Electricity Regulatory Commission' (PAN AAAJH0378N), a Commission constituted by the Government of Himachal Pradesh, for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961 in respect of the certain specified income arising to that Commission and subject to fulfillment of certain conditions.	https://incometaxindia.gov.in/communications/notification/notification-116-2022.pdf
4.	Lesson 3 Income which do not form a part of Total Income	Notification No. 117 [Dated October 19, 2022] The Central Government notifies to include 'Kerala State Electricity Regulatory Commission (PAN: AAALK1634N), a Commission established by the State Government of Kerala, for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961 in respect of the certain specified income arising to that Commission and subject to fulfillment of certain conditions.	https://incometaxindia.gov.in/communications/notification/notification-117-2022.pdf
5.	Lesson 4 Part III PGBP	Notification No.118 [Dated October 28, 2022] The Central Government hereby approves 'Krea University, Sricity, Chittoor, A.P. (PAN: AAFAK4100P)' under the category of 'University, College or other institution' for research in 'Social science or Statistical research' for the purposes of clause (iii) of subsection (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.	https://incometaxindia.gov.in/communications/notification/notification-118-2022.pdf
6.	Lesson 3 Income which do not form a part of Total Income	Notification No.119 [Dated October 31, 2022] The Central Government hereby specifies the pension fund, namely, Teacher Retirement System of Texas (PAN: AAATT9387R), (hereinafter referred to as –the assessee) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax	https://incometaxindia.gov.in/communications/notification/notification-119-2022.pdf

		Act, 1961 in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as –the said investments) subject to the fulfillment of the certain conditions.	
--	--	--	--

SECURITIES LAWS AND CAPITAL MARKETS

Module 2, Paper 6

S.No.	Reference to Chapter No.	Amendments to Regulations/Rules/Act/Circular/ Notification	Brief Particulars/Link of the Amendment
1.	Lesson 15 Structure of Capital Market	<p>Governing Council for Social Stock Exchange (Circular No. SEBI/HO/MRD/MRD-RAC-2/P/CIR/2022/141 dated October 13, 2022)</p> <p>SEBI has prescribed a framework for governing council of the Social Stock Exchange (SSE). Every SSE is required to constitute a Social Stock Exchange Governing Council (SGC) which will have an oversight on the functioning of the Board. The SGC shall comprise of individuals with relevant experience who can contribute to the development of the Social Stock Exchange. SGC will have a minimum of 7 members having representation from non-profit organisations, Stock exchange, Social impact investors, Philanthropic and social sectors, Information Repositories, Social Audit Profession and Capacity Building Fund. The same shall be supported by the administrative staff from SSE. The SGC is expected to provide oversight and guidance to facilitate the smooth functioning of the operations of the Social Stock Exchange, with regard to registration, fund raising and disclosures by Social Enterprises.</p>	<p>https://www.sebi.gov.in/legal/circulars/oct-2022/governing-council-for-social-stock-exchange-sse-64000.html</p>

2.	Lesson 16 Securities Market Intermediaries	Standardisation of Rating Scales Used by Credit Rating Agencies (CRAs) (Circular No. SEBI/HO/DDHS/DDHS-RACPOD2/P/CIR/2022/ 146 dated October 31, 2022) SEBI has notified the guidelines with regard to rating scales used by Credit Rating Agencies (CRA). The circular shall be applicable with effect from January 1, 2023, and CRAs shall report on their compliance with the same (as ratified by their respective board of directors) to SEBI within one quarter from the specified date of applicability.	https://www.sebi.gov.in/legal/circulars/oct-2022/standardisation-of-rating-scales-used-by-credit-rating-agencies-cras-64506.html
----	--	---	---

Professional Programme

ADVANCED TAX LAWS

Module 1, Paper 2

S.No.	Reference to Chapter No.	Amendments to Regulations/Rules/Act/ Circular/ Notification	Brief particulars/ Link of the amendment
Indirect Taxes (Part I)			
1.	Lesson 15 Procedural Compliance under GST	<p>Amendments to the Finance Act 2022 has been notified w.e.f. October 01, 2022 (Notification No. 18/2022 - Central Tax dated September 28, 2022)</p> <p>CBIC has notified October 01, 2022 as the date on which provisions of sections 100 to 114 related to amendments in Central Goods and Services Tax Act, 2017, except clause (c) of section 110 and section 111 of Finance Act, 2022 shall come into force.</p>	<p>https://taxinformation.cbic.gov.in/view-pdf/1009513/ENG/Notifications</p>
2.	Lesson 15 Procedural Compliance under GST	<p>Central Goods and Services Tax (Second Amendment) Rules, 2022 (Notification No. 19/2022 - Central Tax dated September 28, 2022)</p> <p>This notification seeks to make amendments (Second Amendment, 2022) to the CGST Rules, 2017. In rule 96 of the said rules, in sub-rule (3), for the words, letters and figures, –FORM GSTR3 or FORM GSTR-3B, as the case may be, the letters and figure, –FORM GSTR-3B shall be substituted. FORM GSTR-1A, FORM GSTR-2 and FORM GSTR-3 of the said rules shall be omitted.</p>	<p>https://www.cbic.gov.in/resources//htdocs-cbec/gst/19_2022_CT_Eng.pdf</p>

BANKING - LAW & PRACTICE

Elective Paper - Module 3, Paper 9.1

S. No.	Reference to Chapter No.	Amendments to Regulations/ Rules/ Act/ Circulars/ Notification	Brief particulars/ Link of the Amendment
1.	Lesson 11 Consumer Protection	<p>Appointment of Internal Ombudsman by the Credit Information Companies (Notification No. RBI/2022-23/124 CEPD.PRD.No.S806/13-01-008/2022-23 dated October 06, 2022)</p> <p>The Reserve Bank of India (RBI), on August 05, 2022 in Statement on Developmental and Regulatory Policies, announced to bring Credit Information Companies (CICs) under the Internal Ombudsman (IO) Framework with a view to strengthen and improve the efficiency of the internal grievance redressal mechanisms of CICs. Accordingly, the RBI, directs all Credit Information Companies holding a Certificate of Registration under sub-section (2) of Section 5 of the Act, to comply with the Reserve Bank of India (Credit Information Companies- Internal Ombudsman) Directions, 2022, by April 1, 2023.</p>	https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12395&Mode=0
2.	Lesson 20 Risk Management in Banks and Basel Accords	<p>RBI launches दक्ष (DAKSH) - Reserve Bank's Advanced Supervisory Monitoring System (press release dated October 06, 2022)</p> <p>The Reserve Bank of India (RBI) has been taking various initiatives in strengthening supervision, which among other initiatives include adoption of latest data and analytical tools as well as leveraging technology for implementing more efficient and automated work processes. In continuation of this effort, Shri Shaktikanta Das, Governor, on October 06, 2022 launched a new SupTech initiative named "दक्ष (DAKSH) - Reserve Bank's Advanced Supervisory Monitoring System",</p>	https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54503

		<p>which is expected to make the Supervisory processes more robust.</p> <p>‘दक्ष (DAKSH)’ means ‘efficient’ & ‘competent’, reflecting the underlying capabilities of the application. ‘दक्ष (DAKSH)’ is a web-based end-to-end workflow application through which RBI shall monitor compliance requirements in a more focused manner with the objective of further improving the compliance culture in Supervised Entities (SEs) like Banks, NBFCs, etc. The application will also enable seamless communication, inspection planning and execution, cyber incident reporting and analysis, provision of various MIS reports etc., through a Platform which enables anytime-anywhere secure access.</p>	
3.	<p>Lesson 18</p> <p>Non Performing Assets</p>	<p>Review of Prudential Norms – Risk Weights for Exposures to Corporates and NBFCs (Notification No. RBI/2022-23/125DOR.STR.REC.71/21.06.201/2022-23 dated October 10, 2022)</p> <p>It is observed that the Press Releases (PRs) issued by External Credit Assessment Institutions (ECAIs) on rating actions are often devoid of the lenders’ details. Absence of such information may result in banks applying the derived risk weights for unrated exposures, without satisfying themselves regarding adherence to prescribed conditions. This may, consequentially, lead to potentially lower provision of capital as well as underpricing of risks. In order to address the above information asymmetry, the Reserve Bank had advised the ECAIs vide letter dated June 4, 2021 to disclose the name of the banks and the corresponding credit facilities rated by them in the PRs issued on rating actions by August 31, 2021, after obtaining requisite consent from the borrowers. It advised that a bank loan rating without the above disclosure by the ECAI shall not be eligible for being</p>	<p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12396&Mode=0</p>

		reckoned for capital computation by banks.	
4.	Lesson 18 Non Performing Assets	<p>Review of Regulatory Framework for Asset Reconstruction Companies (ARCs) (Notification No. RBI/2022-23/128 DoR.SIG.FIN.REC.75/26.03.001/2022-23 dated October 11, 2022)</p> <p>ARCs play a vital role in the management of distressed financial assets of banks and financial institutions. Considering their critical role, a need was felt to review their functioning and operating framework. Accordingly, as part of the Statement on Developmental and Regulatory Policies released along with the Monetary Policy Statement. Based on the Committee's recommendations and feedback from the stakeholders, the extant regulatory framework for ARCs has been amended. The Chair of the Board shall be an independent director. Tenure of MD/ CEO or WTD shall not be for a period of more than five years at a time and the individual shall be eligible for re-appointment. However, the post of the MD/ CEO or WTD shall not be held by the same incumbent for more than fifteen years continuously.</p>	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12399&Mode=0
5.	Lesson 19 Final Accounts of Banking Companies	<p>Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of Divergence in Asset Classification and Provisioning (Notification No. RBI/2022-23/130 DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022)</p> <p>Commercial banks (excluding Regional Rural Banks (RRBs)) are required to disclose details of divergence in asset classification and provisioning where such divergence assessed by the Reserve Bank of India (RBI) exceeds certain specified thresholds. In order to strengthen compliance with income recognition, asset classification and provisioning norms, it has now been</p>	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12401&Mode=0

		decided to introduce similar disclosure requirements for Primary (Urban) Co-operative Banks (UCBs) and revise the specified thresholds for commercial banks.	
6.	Lesson 17 Foreign Exchange Arithmetic	<p>Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022 (Notification No. RBI/2022-23/131 DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022)</p> <p>The Reserve Bank of India (RBI) has, from time to time, issued several guidelines / instructions / directives to the banks on Unhedged Foreign Currency Exposure (UFCE) of the entities which have borrowed from banks. RBI has received references from banks seeking clarification on various aspects including inter-alia clarity in the definition of 'entities' for which banks shall assess UFCE, exempted exposures / entities, alternative method for smaller entities, assessment of UFCE of entities incorporated outside India by overseas subsidiaries / branches of Indian banks etc. Accordingly, a comprehensive review of the extant guidelines has been undertaken and all the existing instructions on the subject including the revisions / clarifications have been consolidated in the Directions.</p>	https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12402&Mode=0

Motto

सत्यं वद। धर्मं चर।

इष्टार्थे त्वां त्वात्ते. शोभते इयु त्वां त्वात्.

Vision

"To be a global leader in promoting good corporate governance"

Mission

"To develop high calibre professionals facilitating good corporate governance"



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Headquarters

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003
tel 011- 4534 1000 fax +91-11-2462 6727 email info@icsi.edu