

Info Capsule



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)

August 5, 2019

1. *Consultation Paper on SEBI (Portfolio Managers) Regulations, 1993*

SEBI (Portfolio Managers) Regulations, 1993 were notified on January 07, 1993. The said Regulations, inter alia, provide for registration, operations and governance of Portfolio Managers.

SEBI, considering the need for a comprehensive review of SEBI (Portfolio Managers) Regulations, 1993, set up a working Group of industry participants, with the following terms of reference:

- a) To review SEBI (Portfolio Managers) Regulations, 1993 including need for improvement in transparency.
- b) To study the role of distributors in Portfolio Management and necessary disclosures.
- c) To evaluate the performance disclosures by Portfolio Managers and changes in reporting format.
- d) Any other matter considered relevant by the working group.

The major recommendations of the Working Group touch upon the following issues:

- a) Enhancement of Qualifying Criteria for employees of Portfolio Manager (Educational Qualification and Work Experience)
- b) Enhancement of Capital Adequacy Requirement of Portfolio Manager
- c) Product Suitability in PMS (Minimum investment threshold for clients)
- d) Adoption of Nomenclature "Investment Approach"
- e) Performance Reporting by Portfolio Managers
- f) Supervision of Distributors of PMS
- g) Reporting and Disclosure Requirements of Portfolio Managers
- h) Ease of on-boarding clients
- i) Rationalization of fees and expenses
- j) Other Issue

Since a comprehensive review of the extant PMS Regulations has been carried out, the Working Group was of the view that the extant SEBI (Portfolio Managers) Regulations, 1993 may be redrafted as SEBI (Portfolio Managers) Regulations, 2019

The detailed report of the Working Group on SEBI Portfolio Managers Regulations and the draft new Regulation i.e. SEBI (Portfolio Managers) Regulations, 2019 is available at: https://www.sebi.gov.in/reports/reports/aug-2019/consultation-paper-on-sebi-portfolio-managers-regulations-1993_43780.html

Comments from public are invited on the various recommendations in the report of the Working Group on PMS Regulations as well as the proposed SEBI (Portfolio Managers) Regulations, 2019. The comments should reach SEBI latest by August 30, 2019. The comments may be sent to pmsreview@sebi.gov.in.

2. *The Code on Wages, 2019*

Parliament has cleared the Code on Wages, 2019 on 2nd August, 2019. The Code replaces four existing laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976.

The provisions of the Code will apply to all employees.

The central government will set minimum wages for employments such as mines, railways, and ports among others, while the state governments will set minimum wages for all other employments. The central or state governments can set factors by which minimum wages will be determined for different types of work. These include skills required, the difficulty of work assigned, and geographical location. The Code provides that a national minimum wage may be set by the central government. The central government may set separate national minimum wages for different states or regions of the country. Minimum wages set by state governments will not be lower than the national minimum wage set by the central government. In case the existing minimum wages set by state governments are higher than the national minimum wage, they cannot reduce the minimum wages.

The detailed Code is available at:
http://164.100.47.5/newsite/newbios_search/SessionReport3.aspx?session=249&house=bh&typ=All&year=All&sort=0&stitle=