

Info Capsule

BANKING REGULATION (AMENDMENT) ORDINANCE, 2017¹

The promulgation of the Banking Regulation (Amendment) Ordinance, 2017 inserting two new Sections (viz. 35AA and 35AB) after Section 35A of the Banking Regulation Act, 1949 enables the Union Government to authorize the Reserve Bank of India (RBI) to direct banking companies to resolve specific stressed assets by initiating insolvency resolution process, where required. The RBI has also been empowered to issue other directions for resolution, and appoint or approve for appointment, authorities or committees to advise banking companies for stressed asset resolution.

This action of the Union Government will have a direct impact on effective resolution of stressed assets, particularly in consortium or multiple banking arrangements, as the RBI will be empowered to intervene in specific cases of resolution of non-performing assets, to bring them to a definite conclusion.

The Government is committed to expeditious resolution of stressed assets in the banking system. The recent enactment of Insolvency and Bankruptcy Code (IBC), 2016 has opened up new possibilities for time bound resolution of stressed assets. The SARFAESI and Debt Recovery Acts have been amended to facilitate recoveries. A comprehensive approach is being adopted for effective implementation of various schemes for timely resolution of stressed assets.

NATIONAL ELECTRONIC FUNDS TRANSFER (NEFT) SYSTEM – SETTLEMENT AT HALF-HOURLY INTERVALS²

- National Electronic Funds Transfer (NEFT) system presently settles the fund transfer requests of the participating banks on net basis at hourly intervals from 8:00 am to 7:00 pm on all working days. All participating banks have been advised to give the credit to the beneficiary customer only after the inter-bank settlement has been completed and the End-of-Batch (EOB) message is received by them.
- As announced in the First Bi-monthly Monetary Policy Statement for 2017-18, additional settlements in the NEFT system at half-hour intervals are being introduced to enhance the efficiency of the system and add to customer convenience. The half hourly settlements would speed up the funds transfer process and provide faster credit to the destination accounts. Accordingly, it is decided to introduce 11 additional settlement batches during the day (at 8.30 am, 9.30 am, 10.30 am 5.30 pm and

¹ Available at : <http://pib.nic.in/newsite/erelease.aspx?relid=0>

² Available at : <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10958&Mode=0>

6.30 pm), taking the total number of half hourly settlement batches during the day to 23.

- The starting batch at 8.00 am and closing batch at 7.00 pm shall remain the same as hitherto. The return discipline shall also remain the same i.e., B+2 hours (Settlement batch time plus two hours) as per extant practice.
- The participating banks are, therefore, advised to carry out the required changes in their CBS system to initiate the NEFT transactions for half hourly settlement as above, and also to accept and credit the inward NEFT transactions on half hourly basis. IDRBT/IFTAS will communicate the technical changes required to be carried out by participating banks and provide required support in implementing the same.
- The additional batches will be introduced from July 10, 2017 (Monday). Banks shall accordingly ensure their readiness in terms of technical and operational aspects.
- For efficient customer service, the participant banks in NEFT system were advised (vide, circular DPSS CO EPPD No. 168/04.03.01/2009-2010 dated February 5, 2010) to send a positive confirmation to the remittance originator (customer) confirming the successful credit of funds to the beneficiary's account. Accordingly, beneficiary / destination banks shall ensure strict adherence in sending the N10 messages to the originating banks, which in turn shall ensure sending the positive confirmation to the remitting customer advising status of credit to the beneficiary account.
- These instructions are issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act, 2007.

DIPP & WIPO TO SET UP TECHNOLOGY AND INNOVATION SUPPORT CENTERS³

The Department of Industrial Policy and Promotion (DIPP) and World Intellectual Property Organization (WIPO) have signed an agreement to establish Technology and Innovation Support Centers (TISC)

WIPO's Technology and Innovation Support Centers (TISC) program provides innovators in developing countries with access to locally based, high quality technology information and related services, helping them to exploit their innovative potential and to create, protect, and manage their intellectual property (IP) rights.

Services offered by TISCs may include:

- Access to online patent and non-patent (scientific and technical) resources and IP-related publications;
- Assistance in searching and retrieving technology information;
- Training in database search;
- On-demand searches (novelty, state-of-the-art and infringement);
- Monitoring technology and competitors;
- Basic information on industrial property laws, management and strategy, and technology commercialization and marketing.

³ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

The Cell for IPR Promotion and Management (CIPAM) is designated as the National Focal point for the TISC national network. As the national focal point, CIPAM shall identify potential host institutions, assess their capacities and support them in joining the TISC project. CIPAM will also act as the main intermediary between WIPO and TISC host institutions and coordinate all the activities of the national TISC network.

Over 500TISCs operate worldwide and establishing TISC in India will give the host institutions access to the Global network. In upcoming years CIPAM is planning to establish TISC's in Universities, State Science Councils, R&D institutions etc. TISC will give an impetus to Knowledge sharing, sharing of best practices among the TISC's, capacity building, generation and commercialization of IPs

CLARIFICATION ON RECENTLY NOTIFIED MATERNITY BENEFIT (AMENDMENT) ACT, 2017⁴

The Government has notified the Maternity Benefit (Amendment) Act,2017 on 28th March,2017 and the provisions of the Amendment Act have come into force with effect from 1st April,2017, except those relating to crèche facility {Section 4(1)} which would come into force from 01.07.2017.

Keeping in view queries received from various quarters, the Ministry of Labour & Employment, on 12.04.2017, had issued certain clarifications on various provisions of Maternity Benefit (Amendment) Act, 2017. One of the clarifications issued by the Ministry stated that the enhanced maternity benefit, as modified by the Maternity Benefit (Amendment) bill, 2016 can be extended to women who are already under maternity leave at the time of enforcement of this Amendment Act.

Having received further queries and to remove doubts, it is further clarified that it is **mandatory** on the part of employers to extend the benefit of enhanced maternity leave to those women workers who were already on maternity leave on the date of enforcement of the Maternity Benefit (Amendment) Act,2017 i.e. as on 01.04.2017.

Team ICSI

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⁴ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>