

Info Capsule

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THE INSTITUTE OF
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भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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1. Separate BSDA limit for Debt Segment

SEBI vide circulars CIR/MRD/DP/22/2012 dated August 27, 2012 and CIR/MRD/DP/20/2015 dated December 11, 2015, introduced the facility of “Basic Services Demat Account” (BSDA) with limited services for eligible individuals with the objective of achieving wider financial inclusion and to encourage holding of demat accounts.

In order to further boost participation in Debt Market and based on representation received from market participants, in partial modification of the abovementioned SEBI circulars, it has been decided to revise the structure of charges for debt securities as defined in SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as given below:

- a) No AMC shall be levied in case the value of holdings of debt securities is up to Rs. 1 lakh and a maximum AMC of Rs.100 shall be levied if the value of holdings of debt securities is between Rs. 1,00,001 and Rs.2,00,000 and
- b) No AMC shall be levied in case the value of holdings other than debt securities is below Rs. 50,000 and a maximum AMC of Rs. 100 shall be levied if the value of holdings other than debt securities is between Rs.50,001 and Rs.2,00,000.

This circular shall come into effect from June 01, 2019.

The Depositories are advised to:-

- a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision as may be applicable / necessary; and
- b) communicate to SEBI, the status of implementation of the provisions of this circular by the DPs in the Monthly Development Report.

This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Source:<https://www.sebi.gov.in/legal/circulars/apr-2019/separate-bsda-limit-for-debt-segment-42667.html>

2. Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015 - Opening of Foreign Currency Accounts by Re-insurance and Composite Insurance brokers

Attention of Authorised Dealers (ADs) is invited to the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2015, notified vide Notification No. FEMA 10(R)/2015-RB dated January 21, 2016, as amended from time to time and the relevant directions issued thereunder.

The extant Regulations regarding opening of foreign currency accounts in India by persons resident in India have since been reviewed in consultation with the Government of India. As notified vide Notification No. FEMA 10(R)(2)/2019-RB dated February 27, 2019, reinsurance and composite insurance brokers registered with IRDA may open and maintain non-interest bearing foreign currency accounts with an AD bank in India for the purpose of undertaking transactions in the ordinary course of their business.

AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

The Master Direction No. 14 on Deposits and Accounts, dated January 1, 2016 is being updated simultaneously to reflect the changes.

The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Source:<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT1672385E30A3AA54688AC678B0DDBDBD93B.PDF>