

## AMENDMENT TO SEBI (CREDIT RATING AGENCIES) REGULATIONS, 1999 AND MODIFICATION TO SEBI CIRCULAR DATED MAY 30, 2018<sup>1</sup>

### A. Securities and Exchange Board of India (Credit Rating Agencies) (Second Amendment) Regulations, 2018

1. Vide Gazette - Notification No. SEBI/LAD-NRO/GN/2018/36 dated September 11, 2018, in respect of Securities and Exchange Board of India (Credit Rating Agencies) (Second Amendment) Regulations, 2018, as laid down under Regulation 9(f) of SEBI (Credit Rating Agencies) (Second Amendment) Regulations, 2018, a CRA may undertake the rating of financial instruments under the respective guidelines of the financial sector regulators/authorities as specified in Annexure A. CRAs may also undertake research activities, incidental to rating, such as research for Economy, Industries and Companies.

### B. Review of Ratings

2. SEBI, vide Circular No. SEBI/HO/MIRSD/DOP2/CIR/P/2018/86 dated May 30, 2018 inter-alia issued guidelines in respect of the process for review of rating. Subsequently, SEBI has received representations from market participants. The concerns of the market participants were discussed with CRAs and following has been decided:
  - i. In modification to Para 1 of the aforesaid circular, cases of requests by an issuer for review of the rating(s) provided to its instrument(s) shall be reviewed by a rating committee of the CRA that shall consist of majority of members that are different from those in the Rating Committee of the CRA that assigned the earlier rating, and at least one-third of members are independent.
  - ii. All other provisions of the aforementioned circular shall remain unchanged.
3. This circular is issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 20 of SEBI (Credit Rating Agencies) Regulations, 1999, to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

### ANNEXURE A

1. Securities and Exchange Board of India
2. Reserve Bank of India
3. Insurance Regulatory and Development Authority of India
4. Pension Fund Regulatory and Development Authority
5. Ministry of Corporate Affairs
6. Insolvency and Bankruptcy Board of India

## SURESH PRABHU URGES G-20 MEMBERS TO FOCUS ON SERVICES FOR ENHANCING GLOBAL TRADE<sup>2</sup>

Commerce and Industry Minister Suresh Prabhu led the Indian delegation for the G-20 Trade Ministers Meeting (TMM) held at Mar del Plata, Argentina on 14 September 2018. The G-20 TMM was

<sup>1</sup> Available at: [https://www.sebi.gov.in/legal/circulars/sep-2018/amendment-to-sebi-credit-rating-agencies-regulations-1999-and-modification-to-sebi-circular-dated-may-30-2018\\_40366.html](https://www.sebi.gov.in/legal/circulars/sep-2018/amendment-to-sebi-credit-rating-agencies-regulations-1999-and-modification-to-sebi-circular-dated-may-30-2018_40366.html)

<sup>2</sup> Available at: <http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1546492>

represented by Ministers/Vice Ministers of G20 countries, 8 guest countries and 7 Heads/Deputy Heads of International Organisations such as WTO, ITC, OECD, World Bank, IMF, CAF and IADB. As Argentina is the President of G-20 this year, Minister of Foreign Affairs of Argentina, Mr. Jorge Faurie and Minister for Production and Labour, Mr. Dante Sica jointly chaired the Sessions. The overall objective of the Argentine Presidency of G-20 is 'Building Consensus for Fair and Sustainable Development'.

The programme of the G-20 TMM included a breakfast meeting to facilitate free exchange of views on the current global trade developments and three plenary sessions on specific topics of the agenda on current international trade developments, trade and investment aspects of Agro Food Global Value Chains (GVCs) and trade and investment aspects of the New Industrial Revolution (NIR).

Suresh Prabhu participated in all the sessions including the breakfast meeting. The Ministers held a shared view that the global trade and economic situation was at a critical stage due to the ongoing trade tensions, driven largely by protectionist and unilateral measures by some countries and resolved to collectively work towards enhancing confidence in international trade through dialogue and collaborations. Indian Commerce and Industry Minister underlined that as developing countries and LDCs suffer consequential collateral damage due to trade conflicts, resolution of differences through dialogue between the parties should be promoted. He urged G-20 to change the narrative on trade by focusing on the potential of Services for enhancing the global trade, keeping in view that Services contribute more than 50% to the World GDP. Endorsing India's commitment to the rule-based multilateral trading system, Suresh Prabhu called for collective action for revitalising WTO without undermining its core principles of special and differential treatment, consensus building, inclusiveness and transparency. Most members recalled the successful WTO Mini Ministerial meeting held in New Delhi in March 2018 as India's significant contribution to the revitalisation of WTO.

The Ministers recognised the importance of Agro Food GVCs for enhancing global food security. Suresh Prabhu underlined the relevance of keeping in focus realisation of Sustainable Development Goals (SDGs) 2030 targets relating to removal of hunger, alleviation of poverty, empowerment of women, employment generation, without losing sight of the plight of millions of small and marginal farmers in developing countries and LDCs. He further drew attention to the need for tackling non-tariff barriers in the form of SPS measures that are more trade distorting than tariffs. He urged G-20 to support transfer of technology, research, promote agri services and responsible investment in agri businesses with an aim to encouraging greater value addition for MSMEs.

On the New Industrial Revolution, Ministers acknowledged the central role of digital technologies. Commerce & Industry Minister Suresh Prabhu drew attention to the need for minimising technology disruptions and promoting distributive gains for the collective good of all countries and, in this regard, he urged G-20 to work towards closing gaps in the digital divide within and across nations through capacity building measures, technology adaptation and meaningful investments to give primacy to protection and promotion of domestic entrepreneurs with an aim to job creation for millions of youth. He underlined the need for a holistic approach to the NIR, one that is inclusive and development oriented.

Suresh Prabhu held 24 bilateral meetings with his counterpart Ministers and Heads of delegation on the sidelines of the G-20 TMM with whom he exchanged views on ways to reform WTO and strengthen bilateral relations.

The G-20 TMM deliberations will feed into the G-20 Leaders Declaration which will be adopted at the G-20 Summit on 30 November – 1 December 2018 in Buenos Aires in which Prime Minister Narendra Modi is expected to participate.

### **Team ICSI**

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