

Info Capsule

Friday
July 09, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ **Competition Laws**

Cabinet approves Memorandum on Cooperation (MoC) between Competition Commission of India (CCI) and Japan Fair Trade Commission (JFTC) (July 08, 2021)

The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the Memorandum on Cooperation (MoC) between Competition Commission of India (CCI) and Japan Fair Trade Commission (JFTC) to promote and strengthen cooperation in the matter of Competition Law and Policy.

The approved MoC, through exchange of information, will enable CCI to emulate and learn from the experiences and lessons of its counterpart competition agency in Japan which would enhance efficiency. The same will help improve enforcement of the Competition Act, 2002 by CCI. The resultant outcomes will benefit consumers at large and will promote equity and inclusiveness.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1733840>



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❖ **Securities Laws & Capital Market**

SEBI Circular

- **Review of Advance Intimation timelines for modifications in the contract specifications of commodity derivative contracts (July 08, 2021)**

SEBI has reduced the number of days of advance intimation for all the three categories i.e. Category A, Category B and Category C to 10 days for exchanges, for carrying out modifications in the contract specifications of commodity derivatives contracts in order to bring in uniformity while giving effect to the contract modifications so that they have the desired impact and the modified contract represents a healthy replica of the physical market.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/jul-2021/1625742196892.pdf#page=1&zoom=page-width,-16,702

SEBI News

- **SEBI committee proposes higher sweat equity for new economy firms (July 08, 2021)**

A seven member committee appointed by the SEBI has batted for relaxations with respect to the quantum of sweat equity that can be issued by new economy firms listed on the Innovators Growth Platform, a public market platform for such firms that employ technology, data analytics, bio-technology or nano-technology to provide products and services extensively.

The expert group has suggested combining two separate regulations - SEBI (Share Based Employee Benefits) Regulations, 2014, or SBEB, and SEBI (Issue of Sweat Equity) Regulations, 2002 that deal with employee compensation.

The group recommended that the objectives for which issuance of sweat equity shares are permitted and the ceiling on the quantum issued by a company should be included in the sweat equity regulations. It also recommended that the lock-in period for sweat equity shares and its pricing formula should be consistent with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

For details:

https://www.business-standard.com/article/markets/sebi-committee-proposes-higher-sweat-equity-for-new-economy-firms-121070801172_1.html

❖ **Banking and Insurance**

- **LIC to have Chief Executive Officer, Managing Director; Government does away with Chairman post (July 08, 2021)**

The Life Insurance Corporation of India (LIC) will now have the post of Chief Executive Officer and Managing Director instead of the Chairman position with the government making changes to relevant rules ahead of the insurer's initial public offering this fiscal.

For details:

<https://timesofindia.indiatimes.com/business/india-business/lic-to-have-chief-executive-officer-managing-director-government-does-away-with-chairman-post/articleshow/84243559.cms>

- **Cessation of LIBOR: Transition Arrangements (July 08, 2021)**

The Reserve Bank of India (RBI) issued an advisory to banks and other RBI-regulated entities emphasizing the need for preparedness for the transition away from London Interbank Offered Rate (LIBOR). Banks and Financial Institutions are encouraged to cease entering into new financial contracts that reference LIBOR as a benchmark and instead use any widely accepted Alternative Reference Rate (ARR), as soon as practicable and in any case by December 31, 2021.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51870

❖ **Terminology for today**

Incremental Innovation

Incremental innovation refers to a series of small, gradually built improvements to existing products, processes or methods to maintain competitive position over time.

❖ Business and Economic News

• Twitter appoints Interim Compliance Officer (July 08, 2021)

Facing flak for not complying with new IT rules, Twitter has now appointed an interim compliance officer.

Twitter told the Delhi High Court that it has engaged the services of the Interim Chief Compliance Officer as a contingent worker via a third-party contractor and has also addressed a communication to MeitY, ANI reported.

For details:

https://economictimes.indiatimes.com/news/india/twitter-appoints-interim-compliance-officer/articleshow/84228759.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

• Twitter case : Government can proceed under new IT rules, says Delhi HC (July 08, 2021)

THE Delhi High Court said the Central Government can initiate action against Twitter in accordance with the new IT rules in case of non-compliance even as the micro-blogging site submitted a timeline on the appointment process of officers as mandated while maintaining that it reserves the right to challenge the rules.

For details:

<https://indianexpress.com/article/cities/delhi/centre-twitter-india-court-it-rules-7395141/>

❖ Market Watch

Stock Market Indices as on 09.07.2021

S & P BSE Sensex	52386.19 (-182.75)
Nifty 50	15689.80 (-38.10)

Foreign Exchange Rates as on 08.07.2021

(<https://www.geojit.com/currency-futures/rbi-reference-rate>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.64	88.16	103.01	0.67

Prepared by Directorate of Academics

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