

Info Capsule

Friday
February 11, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ Indirect Tax

Goods and Services Tax

Tax on digital assets could go up, government mulling GST on crypto mining, supply (February 10, 2022)

The government is examining the applicability of Goods and Services Tax (GST) on various cryptocurrency transactions including mining of these digital assets. The issue is being examined internally at CBIC and a proposal will be taken to the GST Council, CBIC chairman Vivek Johri said.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/tax-on-digital-assets-could-go-up-govt-mulling-gst-on-crypto-mining-supply/articleshow/89465542.cms>



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भारतीय कम्पनी सचिव संस्थान
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❖ Securities Laws & Capital Markets

SEBI Circulars

- **Audit Committee of Asset Management Companies (AMCs)(February 09, 2022)**

Taking into account the recommendation of Mutual Fund Advisory Committee (MFAC) and the feedback received from the industry, SEBI has prescribed that the AMCs of mutual funds shall be required to constitute an Audit Committee. The role, responsibility, membership and other features of the Audit Committee of AMC are detailed in this circular. Currently, the requirement for an Audit Committee is at the level of trustees of Mutual Funds.

For details:

https://www.sebi.gov.in/legal/circulars/feb-2022/circular-on-audit-committee-of-asset-management-companies-amcs-_55987.html

- **Conversion of Private Unlisted InvIT into Private Listed InvIT (February 09, 2022)**

SEBI, vide this circular, has provided the manner in which a Private Unlisted InvIT may list its units and convert into a Private Listed InvIT on making a private placement of units through a fresh issue and/or an offer for sale in terms of Chapter IV of the SEBI (Infrastructure Investment Trusts) Regulations. Post issuance and listing of such units through private placement in accordance with this circular, the Private Unlisted InvIT shall stand transformed and shall be considered a Private Listed InvIT and it shall be required to comply with the provisions of the InvIT Regulations prescribed for Private Listed InvITs.

For details:

https://www.sebi.gov.in/legal/circulars/feb-2022/conversion-of-private-unlisted-inv-it-into-private-listed-inv-it_55972.html

- **Framework for conversion of Private Listed InvIT into Public InvIT (February 09, 2022)**

SEBI, vide this circular, has provided the manner in which a Private Listed InvIT may convert into a Public InvIT on making a public issue of units through a fresh issue and/or an offer for sale in terms of the SEBI (Infrastructure Investment Trusts) Regulations. Post issuance and listing of such units through public issue in accordance with this circular, the Private Listed InvIT shall stand transformed and shall be considered a Public InvIT and it shall be required to comply with all provisions of the InvIT Regulations prescribed for Public InvITs.

For details:

https://www.sebi.gov.in/legal/circulars/feb-2022/framework-for-conversion-of-private-listed-inv-it-into-public-inv-it_55971.html

SEBI NEWS

- **BSE gets SEBI's in-principle nod for gold spot exchange (February 10, 2022)**

The Securities and Exchange Board of India (SEBI) has given in-principle approval to the BSE to commence trading in electronic gold receipts (EGR) on the exchange, the bourse said in a filing to the National Stock Exchange. The capital market regulator had in January notified the framework for the setting up of spot gold exchange, where the metal can be traded in electronic format through EGRs. The framework divides the transaction chain into three branches—the creation of EGRs, trading on EGRs on exchanges and conversion of EGRs to physical gold. Besides the spot exchange, SEBI allowed for vault managers to apply to act as custodians of physical gold and for conversion of EGRs into gold. SEBI made EGRs fungible and allowed for interoperability among vault managers to reduce costs.

For details:

<https://www.moneycontrol.com/news/business/commodities/bse-gets-sebis-in-principle-nod-for-gold-spot-exchange-8070061.html>

❖ Market Watch

Stock Market Indices as on 11.02.2022	
S & P BSE Sensex	58152.92 (-773.11)
Nifty 50	17374.75 (-231.10)

Foreign Exchange Rates as on 10.02.2022 (https://www.geojit.com/currency-futures)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.95	85.70	101.64	0.65

❖ ***Insolvency and Bankruptcy***

- **Shri Ravi Mital takes charge as Chairperson of Insolvency and Bankruptcy Board of India (February 09, 2022)**

Shri Ravi Mital took charge as Chairperson of Insolvency and Bankruptcy Board of India in New Delhi on February 09, 2022. A 1986 batch Indian Administrative Service (IAS) officer of Bihar cadre. Prior to joining the IBBI as Chairperson, he superannuated from the position of Secretary, Department of Sports, Ministry of Youth Affairs and Sports. He has also served as Secretary, Ministry of Information & Broadcasting and Special Secretary, Department of Financial Services, Ministry of Finance. He has also served on Boards of various organisations including State Bank of India, Punjab National Bank, GIC Re etc. During his service, he has served in varied capacities in various Ministries and Departments of the Government.

For details:

<https://ibbi.gov.in/uploads/press/8b201095f2ca39be057229c1f4cae926.pdf>

- **Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons)(Amendment) Regulations, 2022 (February 09, 2022)**

The Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2022, the regulations *inter-alia* contains provision pertaining to following:

1) *Meetings of committee:* Regulation 18 is substituted to include, RP may place a proposal received from members of the committee in a meeting, if he considers it necessary and shall place the proposal if the same is made by members of the committee representing at least 33% of the voting rights.

2) *Preservation of records:* Regulation 39A is substituted to include, IRP or RP to preserve all such records which give complete account of CIRP; preserve copies of records relating to or forming the basis of-public announcement, verification of claims, list of creditors, information memorandum, record of all filings with authorities, statutory filings etc.; prescribed all records electronic copy shall be preserved for the period of 8 years and physical copy of records for a minimum period of 3 years.

For details:

<https://ibbi.gov.in/uploads/legalframework/dbe9d181c132daf2d18090d873b1adbc.pdf>

❖ **Banking and Insurance**

- **RBI releases master directions for credit derivative transactions (February 10, 2022)**

The Reserve Bank of India on February 10, 2022 came out with its master directions for credit derivative transactions, a year after it released the draft guidelines. These directions will apply to credit derivatives transactions undertaken in Over-the-Counter (OTC) markets and on recognised stock exchanges in India, and will be effective from May 9, 2022.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-releases-master-directions-for-credit-derivative-transactions/2430827/>

- **RBI Governor: Cryptos have no underlying asset... not even a tulip (February 11, 2022)**

Reiterating the central bank's serious concerns over cryptocurrencies, Reserve Bank of India Governor Shaktikanta Das said these are a big threat to the country's financial and macroeconomic stability and also warned investors that cryptocurrencies do not have any underlying asset.

For details:

<https://indianexpress.com/article/business/banking-and-finance/cryptocurrencies-a-threat-to-financial-stability-of-india-rbi-governor-shaktikanta-das-7766158/>

❖ **Terminology for today**

Commingled Fund

A commingled fund is a portfolio consisting of assets from several accounts that are blended together. Commingled funds exist to reduce the costs of managing the constituent accounts separately.

Commingled funds are a type of pooled fund that is not publicly listed or available to individual retail investors. Instead, these are used in closed retirement plans, pension funds, insurance policies, and other institutional accounts.

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu,

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