

# Info Capsule

Monday  
September 21, 2020

**President : CS Ashish Garg**

**Vice President : CS Nagendra D. Rao**

## ❖ Latest @ ICSI

### • COVID 19 Regulatory Updates-Vol. 4 (September 18, 2020)

The ICSI has published COVID19-Regulatory Updates Series, Vol. 4 comprising of relief measures undertaken by various authorities in view of the ongoing pandemic.

For Details:

[https://www.icsi.edu/media/webmodules/COVID\\_19\\_REGULATORY\\_UPDATES\\_VOL\\_4.pdf](https://www.icsi.edu/media/webmodules/COVID_19_REGULATORY_UPDATES_VOL_4.pdf)

### • Online Current Affairs and General Knowledge Quiz-2020 (September 16, 2020)

The ICSI is organising an Online Current Affairs and General Knowledge Quiz-2020. The registration is open till October 15, 2020.

For Details:

[https://www.icsi.edu/media/webmodules/quiz\\_2020\\_flyer.pdf](https://www.icsi.edu/media/webmodules/quiz_2020_flyer.pdf)

## ❖ Insolvency and Restructuring

### Rajya Sabha Passes Bill To Temporarily Suspend Initiation of Corporate Insolvency Resolution Process under IBC

The Bill already in force as an Ordinance seeks to amend the IBC Code 2016 and temporarily suspend initiation of the Corporate Insolvency Resolution Process (CIRP), for a period of one year.

For Details: <https://www.livelaw.in/news-updates/rajya-sabha-passes-bill-to-temporarily-suspend-initiation-of-corporate-insolvency-resolution-process-under-ibc-read-bill-163178>



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**भारतीय कम्पनी सचिव संस्थान**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

## ❖ Labour Laws

### Government Introduced Three Labour Codes in Lok Sabha (September 19, 2020)

The Government on September 19, 2020 introduced three labour legislations in the Lok Sabha, which includes Industrial Relations Code, 2020, Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020.

#### **Industrial Relations Code, 2020**

The proposed legislation Industrial Relations Code, 2020 intends to amalgamate, simplify and rationalize the relevant provisions of -- (a) the Trade Unions Act, 1926; (b) the Industrial Employment (Standing Orders) Act, 1946; and (c) the Industrial Disputes Act, 1947. The object of the proposed legislation is to achieve industrial peace and harmony as the ultimate pursuit in resolving industrial disputes and to advance the progress of industry by bringing about the existence of harmony and cordial relationship between the employers and workers.

For Details:

[http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/120\\_2020\\_LS\\_ENG.pdf](http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/120_2020_LS_ENG.pdf)

#### **Code on Social Security, 2020**

The proposed legislation Code on Social Security, 2020 intends to amalgamate, simplify and rationalize the relevant provisions of the following nine central labour enactments relating to social security, including The Employees' Compensation Act, 1923; The Employees' State Insurance Act, 1948; The Employees' Provident Funds and Miscellaneous Provisions Act, 1952; The Maternity Benefit Act, 1961; The Payment of Gratuity Act, 1972; and others alike. Code on Social Security, 2020 provides for an establishment to be covered under Chapter III relating to Employees' Provident Fund (EPF) and under Chapter IV relating to Employees State Insurance Corporation (ESIC) on voluntary basis even if the number of employees in that establishment is less than the threshold.

For Details:

[http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/121\\_2020\\_LS\\_ENG.pdf](http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/121_2020_LS_ENG.pdf)

#### **Occupational Safety, Health and Working Conditions Code, 2020**

The proposed legislation Occupational Safety, Health and Working Conditions Code, 2020 intends to amalgamate, simplify and rationalism the relevant provisions of the following thirteen Central labour enactments relating to occupation, safety, health and working conditions of workers, including The Factories Act, 1948; The Contract Labour (Regulation and Abolition) Act, 1970 and others alike. The Code to impart flexibility in adapting technological changes and dynamic factors, in the matters relating to health, safety, welfare and working conditions of workers.

For Details:

[http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/122\\_2020\\_LS\\_ENG.pdf](http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/122_2020_LS_ENG.pdf)

It is pertinent to note that the Code on Wages has already been approved by Parliament in the month of August, 2019 and has already become the law of the land.

## ❖ **Ministry of Corporate Affairs**

### **Lok Sabha passed the Companies (Amendment) Bill, 2020 on September 19, 2020**

The Companies (Amendment) Bill, 2020 was passed in Lok Sabha on September 19, 2020, which proposed around 72 changes to the Companies Act, 2013 to decriminalise and reduce or remove penalties of various offences, aimed at improving the ease of doing business.

*Major changes proposed by the Companies (Amendment) Bill, 2020 are:*

- To decriminalise certain offences under the Companies Act, 2013 in case of defaults which can be determined objectively and which otherwise lack any element of fraud or do not involve larger public interest;
- To empower the Central Government to exclude, in consultation with the SEBI, certain class of companies from the definition of "listed company", mainly for listing of debt securities;
- To clarify the jurisdiction of trial court on the basis of place of commission of offence under section 452 of the Companies Act, 2013 for wrongful withholding of property of a company by its officers or employees, as the case may be;
- To incorporate a new Chapter XXIA in the Companies Act, 2013 relating to Producer Companies, which was earlier part of the Companies Act, 1956;
- To set up Benches of the National Company Law Appellate Tribunal;
- To make provisions for allowing payment of adequate remuneration to non-executive directors in case of inadequacy of profits, by aligning the same with the provisions for remuneration to executive directors in such cases;
- To relax provisions relating to charging of higher additional fees for default on two or more occasions in submitting, filing, registering or recording any document, fact or information as provided in section 403;
- To extend applicability of section 446B, relating to lesser penalties for small companies and one person companies, to all provisions of the Companies Act, 2013 which attract monetary penalties and also extend the same benefit to Producer Companies and start-ups;
- To exempt any class of persons from complying with the requirements of section 89 relating to declaration of beneficial interest in shares and exempt any class of foreign companies or companies incorporated outside India from the provisions of Chapter XXII relating to companies incorporated outside India;
- To reduce timelines for applying for rights issues so as to speed up such issues under section 62;
- To extend exemptions to certain classes of non-banking financial companies and housing finance companies from filing certain resolutions under section 117;
- To provide that the companies which have CSR spending obligation up to 50 lakh rupees shall not be required to constitute the CSR Committee;
- To allow eligible companies under section 135 to set off any amount spent in excess of their CSR spending obligation in a particular financial year towards such obligation in subsequent financial years;
- To provide for a window within which penalties shall not be levied for delay in filing annual returns and financial statements in certain cases;
- To provide for specified classes of unlisted companies to prepare and file their periodical financial results;
- To allow direct listing of securities by Indian companies in permissible foreign jurisdictions as per rules to be prescribed.

*For Details: <https://economictimes.indiatimes.com/news/politics-and-nation/lok-sabha-passes-companies-law-bill-to-decriminalise-various-offences-promote-ease-of-doing-business/articleshow/78209178.cms>*

## ❖ **Securities Laws & Capital Market**

### **SEBI Reports**

- **Extension of Timeline for submission of public comments on the Formats for Business Responsibility and Sustainability Reporting (September 18, 2020)**

SEBI had placed the formats for Business Responsibility and Sustainability Reporting, for public consultation on its website on August 18, 2020, seeking comments by September 18, 2020. In view of the impact of the COVID-19 pandemic, the timelines for seeking public comments has been extended to October 18, 2020.

*For Details: [https://www.sebi.gov.in/reports-and-statistics/reports/sep-2020/extension-of-timeline-for-submission-of-public-comments-on-the-formats-for-business-responsibility-and-sustainability-reporting\\_47581.html](https://www.sebi.gov.in/reports-and-statistics/reports/sep-2020/extension-of-timeline-for-submission-of-public-comments-on-the-formats-for-business-responsibility-and-sustainability-reporting_47581.html)*

### **SEBI Press Release**

- **Regulatory measures to continue (September 18, 2020)**

On review of the COVID-19 pandemic related situation, the regulatory measures introduced vide SEBI Press Release dated March 20, 2020 shall continue to be in force till October 29, 2020. The stock exchanges and clearing corporations will be issuing necessary instructions to the market participants in this regard.

*For details: [https://www.sebi.gov.in/media/press-releases/sep-2020/regulatory-measures-to-continue\\_47588.html](https://www.sebi.gov.in/media/press-releases/sep-2020/regulatory-measures-to-continue_47588.html)*

- **SEBI to empanel Securities Market Trainers (SMARTs) for enhancing Investor Education activities (September 18, 2020)**

SEBI has invited applications from eligible candidates to be empanelled as SMARTs for enhancing the Investor Education activities of SEBI. SMARTs are expected to conduct Investor Awareness Programs for existing and prospective investors in the securities markets. The last date for application is October 16, 2020.

*For Details: [https://www.sebi.gov.in/media/press-releases/sep-2020/sebi-to-empanel-securities-market-trainers-smarts-for-enhancing-investor-education-activities\\_47582.html](https://www.sebi.gov.in/media/press-releases/sep-2020/sebi-to-empanel-securities-market-trainers-smarts-for-enhancing-investor-education-activities_47582.html)*

❖ **Market Watch**

Capital Market		Reference Rate			
S & P BSE Sensex	38034.14 (-811.68)	INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
Nifty 50	11250.55 (-254.40)	73.52 (+0.06%)	86.78 (-0.24%)	95.15 (+0.07%)	0.70 (+0.34%)

❖ **Indirect Tax****Customs Update****Implementation of Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR) (September 18, 2020)**

CAROTAR, 2020 read with CBIC Circular No. 38/2020-Cus, dated August 21, 2020 supplement the existing operational certification procedures prescribed under different trade agreements (FTA/ PTA/ CECA/ CEPA). An importer is now required to do due diligence before importing the goods to ensure that they meet the prescribed originating criteria. A list of minimum information which the importer is required to possess has also been provided in the rules along with general guidance. Also, an importer would now have to enter certain origin related information in the Bill of Entry, as available in the Certificate of Origin.

For Details : <https://pib.gov.in/PressReleasePage.aspx?PRID=1656254>

❖ **Economic Laws****The Foreign Contribution (Regulation) Amendment Bill, 2020 Introduced in Lok Sabha (20-09- 2020)**

The Foreign Contribution (Regulation) Amendment Bill, 2020 was introduced in Lok Sabha on September 20, 2020. The Bill amends the Foreign Contribution (Regulation) Act, 2010. The Act regulates the acceptance and utilisation of foreign contribution by individuals, associations and companies

**Highlights of the Bill:**

- Under the Act, certain persons are prohibited to accept any foreign contribution. These include: election candidates, editor or publisher of a newspaper, judges, government servants, members of any legislature, and political parties, among others. The Bill adds public servants (as defined under the Indian Penal Code) to this list. Public servant includes any person who is in service or pays of the government, or remunerated by the government for the performance of any public duty.
- The Bill provides that any person seeking prior permission, registration or renewal of registration must provide the Aadhaar number of all its office bearers, directors or key functionaries, as an identification document. In case of a foreigner, they must provide a copy of the passport or the Overseas Citizen of India card for identification.
- The Bill provides that the government may conduct an inquiry before renewing the certificate to ensure that the person making the application: (i) is not fictitious or benami, (ii) has not been prosecuted or convicted for creating communal tension or indulging in activities aimed at religious conversion, and (iii) has not been found guilty of diversion or mis-utilisation of funds, among others conditions.
- The Bill prohibits transfer of foreign contribution to other person.

For Details : [http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/123\\_2020\\_LS\\_Eng.pdf](http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/123_2020_LS_Eng.pdf)

**Prepared by Directorate of Academics**

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"To be a global leader in promoting  
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ICSI Motto  
सत्यं वद। धर्मं चर। इष्टार्थं तेन मन्थेः शक्यते। इयं तेन।

MISSION  
"To develop high calibre professionals  
facilitating good corporate governance"

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