

Info Capsule

Friday
July 22, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **Securities Laws & Capital Markets**

SEBI News

- **SEBI provides directive for sub-KYC user agency for Aadhaar authentication (July 20, 2022)**

Capital markets regulator SEBI issued directives for sub-KYC user agencies to provide Aadhaar authentication services to their clients for the purpose of know your customer (KYC). This comes after the government last week notified 155 entities as sub-KUAs (KYC user agencies) to use Aadhaar authentication services of the UIDAI (Unique Identification Authority of India).

For details:

https://www.business-standard.com/article/economy-policy/sebi-provides-directive-for-sub-kyc-user-agency-for-aadhaar-authentication-122072001050_1.html



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IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



- **SEBI proposes regulatory framework for online bond platforms (July 22, 2022)**

Capital markets regulator SEBI proposed a regulatory framework for the online bond platforms that are selling listed debt securities. Under the proposal, bond platforms should register as stock brokers (debt segment) with the SEBI or be run by SEBI-registered brokers, according to a consultation paper. This will also enhance the confidence among investors, particularly non-institutional investors, as the platforms would be provided by SEBI-regulated intermediaries. Additionally, the stock-broker regulations will be applicable to these entities, which would govern their code of conduct and other aspects related to their operations and risk management.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-proposes-regulatory-framework-for-online-bond-platforms-8867651.html>

- **Pramod Rao takes charge as SEBI's executive director (July 19, 2022)**

Capital markets regulator SEBI announced that Pramod Rao has taken charge as its executive director. He will handle the department of debt and hybrid securities as well as the enquiry and adjudication department. Rao took charge as executive director at SEBI on July 15, 2022. Before this assignment, he held the position of Group General Counsel at ICICI Bank and provided strategic oversight to the legal function of the ICICI group.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/pramod-rao-takes-charge-as-sebis-executive-director/articleshow/92987582.cms>

- **Indirect Tax**

Goods and Services Tax

- **Implementation of mandatory mentioning of HSN codes in GSTR-1 (July 20, 2022)**

Vide Notification No. 78/2020 – Central Tax dated October 15, 2020, it is mandatory for the taxpayers to report minimum 4 digits or 6 digits of HSN Code in Table-12 of GSTR-1 on the basis of their Aggregate Annual Turnover (AATO) in the preceding Financial Year. To facilitate the taxpayers, these changes are being implemented in a phase-wise manner on GST Portal.

For details: <https://www.gst.gov.in/newsandupdates/read/548>

- **Introducing new Table 3.1.1 in GSTR-3B for reporting supplies u/s 9(5) (July 20, 2022)**

According to section 9(5) of CGST Act, 2017, Electronic Commerce Operator (ECO) is required to pay tax on supply of certain services notified by the government such as Passenger Transport Service, Accommodation services, Housekeeping Services & Restaurant Services, if such services are supplied through ECO. For reporting of such supplies a new Table 3.1.1 is being added in GSTR-3B as per Notification No. 14/2022 – Central Tax dated July 05, 2022 wherein both ECOs and registered persons can report their supplies made under section 9(5) respectively.

For details: <https://www.gst.gov.in/newsandupdates/read/549>

- **GST: Understanding how the rules around tax on rent will apply to tenants (July 21, 2022)**

Under the new Goods and Services Tax (GST) rules, which came into effect on July 18, 2022, a tax of 18 per cent is now applicable to residential property rent. The tax will be charged according to the Reverse Charge Mechanism (RCM), where the tenant will be liable to pay the GST.

However, it must be clarified that the salaried individuals, who have taken home on rent or lease, will not be required to pay any such tax. The new rule only applies if the person/company has completed the GST registration.

For details:

https://www.business-standard.com/article/economy-policy/gst-understanding-how-the-rules-around-tax-on-rent-will-apply-to-tenants-122072100921_1.html

❖ **Terminology for today**

Gann Fans

Gann fans are a form of technical analysis based on the idea that the market is geometric and cyclical in nature. A Gann fan consists of a series of lines called Gann angles. These angles are superimposed over a price chart to show potential support and resistance levels. The resulting image is supposed to help technical analysts predict price changes.

❖ **Banking and Insurance**

• **Bad loan ratio of banks likely to fall to 5-5.5% by March 2024, says S&P Global (July 22, 2022)**

S&P Global Ratings on July 21, 2022 said Non-Performing loans of banks are expected to decline to 5-5.5 per cent of the total advances by March 2024. As per the latest Financial Stability Report published by the RBI, the Gross Non-Performing Assets (GNPA) declined to a six-year low of 5.9 per cent in March 2022.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bad-loan-ratio-of-banks-likely-to-fall-to-5-5-5-by-march-2024-says-sp-global/articleshow/93032732.cms>

• **RBI stipulates four-tier regulatory structure for Urban Co-Operative Banks (July 20, 2022)**

The Reserve Bank of India (RBI) on July 19, 2022 prescribed a four-tier regulatory structure for Urban Cooperative Banks (UCBs), accepting the recommendation of an expert committee constituted last year to suggest changes aimed at strengthening the sector. In February last year, RBI constituted the committee headed by former Deputy Governor N S Vishwanathan to examine issues in the Urban Cooperative Banking sector, provide a medium-term road map and suggest measures for faster resolution of UCBs, among others.

For details:

<https://www.livemint.com/industry/banking/rbi-stipulates-four-tier-regulatory-structure-for-urban-co-op-banks-11658239873333.html>

❖ **Market Watch**

Stock Market Indices as on 22.07.2022

S & P BSE Sensex	56072.23 (+390.28)
Nifty 50	16719.45 (+114.20)

Foreign Exchange Rates as on 21.07.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
79.89	81.59	95.82	0.58

Prepared by Directorate of Academics

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

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