

Info Capsule

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THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



President: CS Devendra V. Deshpande

Vice President: CS Manish Gupta

❖ Ministry of Corporate Affairs

Relaxation of additional fees on filing of Form No. 11 (Annual Return) by Limited Liability Partnerships (June 29, 2022)

The Ministry of Corporate Affairs (MCA) vide its notification dated June 29, 2022 and in continuation of MCA General Circular No. 04/2022 dated 27.05.2022 decided to further extend the timeline and allow Limited Liability Partnerships to file e-Form 11 (Annual Return) for the financial year 2021-2022 without paying additional fees up to July 15, 2022.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=jkZozIMem2jwa2SdhjEzzg%253D%253D&type=open>

❖ Direct Tax

Notification No. 70 (June 28, 2022)

The Central Government notifies that where the variation between the Arm's Length Price (ALP) determined under section 92C of the Income Tax Act, 1961 and the price at which the International Transaction or Specified Domestic Transaction has actually been undertaken does not exceed 1% of the latter in respect of wholesale trading and 3% of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually been undertaken shall be deemed to be the arm's length price for assessment year 2022-2023.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-70-2022.pdf>

❖ Technology and Automation

Warning to Twitter aimed at 'securing internet' in India : Government sources (June 29, 2022)

Twitter being warned "one last" time to comply with government directives was "aimed at ensuring free and secured internet for everyone in the country", said sources in the Ministry of Electronics and Information Technology (MeitY) on June 29, 2022.

For details:

https://www.business-standard.com/article/economy-policy/warning-to-twitter-aimed-at-securing-internet-in-india-govt-sources-122062901288_1.html

❖ **Securities Laws & Capital Markets**

SEBI Board Meeting (June 29, 2022)

The SEBI Board met on June 29, 2022 where it, inter-alia, approved the following:

- The SEBI Annual Report: 2021-22. In compliance with Section 18(2) of SEBI Act, 1992, the Annual Report would be submitted to the Central Government.
- The amendment to SEBI (Mutual Funds) Regulations, 1996 to remove applicability of the definition of “associate” as per the said regulations to such sponsors, which invest in various companies on behalf of the beneficiaries of insurance policies or such other schemes as may be specified by the Board from time to time.
- The amendments to the SEBI (Portfolio Managers) Regulations, 2020, to enhance prudential norms for investments by portfolio managers including investments in associates/ related parties.
- The participation of Foreign Portfolio Investors (FPIs) in Exchange Traded Commodity Derivatives (ETCDs). The existing Eligible Foreign Entity (EFE) route, which required actual exposure to Indian physical commodities, has been discontinued. Any foreign investor desirous of participating in Indian ETCDs with or without actual exposure to Indian physical commodities, can do so through FPI route. The participation of FPIs in ETCDs is expected to enhance liquidity and market depth as well as promote efficient price discovery.
- The Amendments to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) – provisions relating to Limited Purpose Clearing Corporation (LPCC) for clearing and settlement of Corporate Bond Repo Transactions, to align the provisions of the SECC regulations with those of the RBI Central Counter Party Directions, 2018.

For details:

https://www.sebi.gov.in/media/press-releases/jun-2022/sebi-board-meeting_60354.html

SEBI News

- **July 1 : New rules to invest in mutual funds, teething troubles initially, but a safer future (June 30, 2022)**

From July 1, 2022, mutual fund investments cannot be initiated from a pool account. The money has to go from the investor’s bank account to the bank account of the mutual fund house, as mandated by regulator SEBI. All transaction platforms backed by stock exchanges will implement this, which may see some teething troubles for investors as well as other stakeholders.

For details:

<https://www.moneycontrol.com/news/business/personal-finance/july-1-new-rules-to-invest-in-mutual-funds-teething-troubles-initially-but-a-safer-future-8757491.html>

❖ **Indirect Tax**

Goods and Services Tax

• **Recommendations of 47th GST Council Meeting (June 29, 2022)**

The 47th GST Council met under the Chairmanship of Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman in Chandigarh. The meeting was also attended by Union Minister of State for Finance Shri Pankaj Choudhary besides Finance Ministers of States & UTs and senior officers of the Ministry of Finance & States/ UTs.

The GST Council has inter-alia made the following recommendations relating to changes in GST rates on supply of goods and services and changes related to GST law and procedure:

1. All taxable service of Department of Posts would be subject to forward charge. Hitherto certain taxable services of Department of post were taxed on reverse charge basis.
2. Goods transport agency (GTA) is being given option to pay GST at 5% or 12% under forward charge; option to be exercised at the beginning of Financial Year. RCM option to continue.
3. Service provided by Indian Tour operator to a foreign resident for a tour partially in India and partially outside India is to be subject to tax proportionate to the tour conducted in India for such foreign tourist subject to conditions that this concession does not exceed half of tour duration.

The rate changes recommended by the 47th GST Council will be made effective from July 18, 2022.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1838020>

❖ **Terminology for today**

FICO Score

A FICO score is a credit score created by the Fair Isaac Corporation (FICO). Lenders use borrowers' FICO scores along with other details on borrowers' credit reports to assess credit risk and determine whether to extend credit. FICO scores take into account data in five areas to determine creditworthiness: payment history, current level of indebtedness, types of credit used, length of credit history, and new credit accounts.

❖ **FSSAI****Draft regulation on Health Supplements, Nutraceuticals, Food for Special Dietary Use, Food for Special Medical Purpose, and Prebiotic and Probiotic Food (June 24, 2022)**

The Food Safety and Standard Authority of India (FSSAI) has issued the draft Food Safety and Standards (Health Supplements, Nutraceuticals, Food for Special Dietary Use, Food for Special Medical Purpose, and Prebiotic and Probiotic Food) Regulations, 2022 on June 24, 2022.

The draft regulations are made in supersession of earlier regulations issued i.e. the Food Safety and Standards (Health Supplements, Nutraceuticals, Food for Special Dietary Use, Food for Special Medical Purpose, Functional Food and Novel Food) Regulations, 2016.

Objections or suggestions may be addressed to the Chief Executive Officer, Food Safety and Standards Authority of India, FDA Bhawan, Kotla Road, New Delhi- 110002 or sent on email at regulation@fssai.gov.in within 60 days from the date on which copies of this Gazette notification are made available to the public.

For details:

<https://egazette.nic.in/WriteReadData/2022/236891.pdf>

❖ **Market Watch****Stock Market Indices as on 30.06.2022**

S & P BSE Sensex	53018.94 (-8.03)
Nifty 50	15780.25 (-18.85)

Foreign Exchange Rates as on 29.06.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
78.62	82.98	96.17	0.57

Prepared by Directorate of Academics

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

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