

Info Capsule

Friday, August 04, 2023

President

CS Manish Gupta

Vice President

CS B Narasimhan

❖ Latest @ ICSI

Feedback on Company Forms in MCA21-V3 Portal

As you are aware, the Ministry of Corporate Affairs w.e.f. August 31, 2022 migrated filing of 9 Company Forms from MCA 21 V2 to V3 Portal.

The Ministry of Corporate Affairs w.e.f. January 23, 2023, has launched second set of Company Forms covering 56 forms on MCA21-V3 Portal for filing purposes. The list of all 56 Company Forms is available on MCA website.

The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation, is sharing your feedback to the Ministry of Corporate Affairs (MCA) on regular basis. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution.

We request you to share your inputs/ issues/suggestions on filing of Company Forms in MCA V3 at the link given below:

<https://forms.gle/m5NGoCbt4TibuD196>

We thank you for your continued support and hope for association in the future as well.

❖ Securities Laws and Capital Market

Offer for Sale framework for sale of units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (August 03, 2023)

SEBI vide its Circular dated January 10, 2023 specified the comprehensive framework on Offer for Sale (OFS) of shares including units of REITs and InvITs through stock exchange mechanism. Vide this circular, SEBI has modified the aforesaid framework and prescribed that OFS for sale of units of REITs and InvITs by sponsor(s) or sponsor group entities, and other unit holders are permitted only in units of listed REITs and listed InvITs. However, in case of OFS for listed InvITs, the trading lot shall be same as the trading lot prescribed for such InvITs in the secondary market in terms of SEBI (Infrastructure Investment Trusts) Regulations, 2014.

For details: https://www.sebi.gov.in/legal/circulars/aug-2023/offer-for-sale-framework-for-sale-of-units-of-real-estate-investment-trusts-reits-and-infrastructure-investment-trusts-invits-_74938.html

❖ Ministry of Corporate Affairs

The Companies (Incorporation) Second Amendment Rules, 2023 (August 02, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated August 02, 2023 has notified "the Companies (Incorporation) Second Amendment Rules, 2023" which shall come into force on the date of its publication in the Official Gazette. According to the amendment Form RD-1 {Form for filling application to Central Government (Regional Director)} has been substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=jYQ0wTBvMQwmTluXHncG0A%253D%253D&type=open>

❖ **Business & Economy**

• **Govt. curbs import of personal computers, laptops over 'security risk' (August 03, 2023)**

Citing “security risks”, the Government has imposed import restrictions on laptops, tablets, personal computers, and other similar data-processing units. Although China was not mentioned, the restrictions would mean such items could be sourced only from “trusted partners” via a licensing regime. In FY23, India imported \$8.8 billion worth of the seven items now under the licensing regime. In that amount, products worth \$5.1 billion (58 per cent) were sourced from China. The Directorate General of Foreign Trade (DGFT) issued the notification, clarifying that airline passengers returning to India could still carry such items purchased abroad.

“The said restriction shall not be applicable to imports under baggage rules, as amended from time to time,” it stated. Exemption will also apply to purchases of such items from e-commerce portals, by post or courier. “Imports shall be subject to payment of duty as applicable,” the DGFT said. The move coincides with India’s efforts to become a major electronics manufacturer. The government has initiated the production-linked incentive (PLI) scheme for information technology hardware to encourage domestic manufacturing of such items.

For details: https://www.business-standard.com/economy/news/govt-restricts-imports-of-laptops-tablets-to-boost-domestic-manufacturing-123080300342_1.html

• **Data protection Bill tabled, penalties of up to Rs 250 crore for leaks (August 03, 2023)**

The Government on Thursday (August 03, 2023) introduced the Digital Personal Data Protection Bill, 2023, in the Lok Sabha, outlining the lawful collection, processing and protection of private data. It also prescribed penalties up to Rs. 250 crore for data breaches. According to the proposed law, digital platforms must obtain explicit and informed consent from users to process their data. Users will have the right to withdraw this consent at any time, after which platforms must cease data processing and erase the relevant data. The Bill also permits the transfer of personal data to any country, except those the government may blacklist in the future.

The Bill, a product of over four years of work, numerous deliberations, and multiple revisions, presents a distinct framework compared to earlier draft legislation on the subject.

In a relief for the industry, the Bill allows cross-border data transfers, introduces voluntary undertaking of data breaches, and removes criminal penalties prescribed in the 2019 draft. The Bill allows for data processing without user consent under certain circumstances, such as medical emergencies, disasters, court orders, and government agency requirements.

For details: https://www.business-standard.com/economy/news/data-bill-tabled-in-parliament-penalties-up-to-rs-250-cr-for-data-leaks-123080300453_1.html

❖ **Indirect Taxes**

Customs

- **Customs Notification - Deferred Payment of Import Duty (Amendment) Rules, 2023 (Notification No. 58/2023-August 03, 2023)**

The Central Government hereby makes the following rules further to amend the Deferred Payment of Import Duty Rules, 2016. In the Rule 4, the following proviso shall be inserted, namely: -“Provided that, where the Central Government considers it necessary and expedient, it may, under exceptional circumstances, and for reasons to be recorded in writing, allow payment to be made on a different due date.”

For details: <https://taxinformation.cbic.gov.in/view-pdf/1009816/ENG/Notifications>

- **Customs Notification - Customs (ADD)-Seeks to impose ADD on Dispersion Unshifted Single Mode Optical Fiber (SMOF) (Notification No. 07/2023-August 03, 2023)**

Whereas in the matter of ‘Dispersion Unshifted Single –Mode Optical Fiber’ falling under chapter heading 9001 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) originating in, or exported and imported into India, the designated authority in its final finding has come to the conclusion that— (i) the subject goods have been exported to India from the subject countries below normal values; (ii) the domestic industry has suffered material injury on account of subject imports from subject countries; (iii) the material injury has been caused by the dumped imports of subject goods from the subject countries, and has recommended imposition of an anti-dumping duty on the imports of subject goods, originating in, or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

For details: <https://taxinformation.cbic.gov.in/view-pdf/1009817/ENG/Notifications>

❖ **Banking**

Mastercard launches CVC-less payments (August 04, 2023)

Payment network Mastercard on August 03, 2023 launched CVC (Credit Verification Code)-less online transactions for its debit and credit cardholders who have tokenised their cards on merchant platforms. CVC is the three-digit number printed on the back of debit and credit cards. According to the Reserve Bank of India (RBI)’s guidelines, merchants will collect CVC only once while tokenising the card. From the second transaction onwards, cardholders will be required to select their tokenised card from the checkout page, confirm the one-time password and complete the transaction without entering the CVC.

For details: <https://www.financialexpress.com/industry/banking-finance/mastercard-launches-cvc-less-payments-for-tokenised-credit-debit-cards/3198916/>

❖ Ministry of Labour & Employment

Social Security for Unorganized Workers (August 03, 2023)

For the first time, the definition of 'gig worker' or 'platform worker' has been provided in the Code on Social Security, 2020 (the Code). The Code envisages setting up of helpline, facilitation centre, etc. for gig workers and platform workers by the appropriate Government to assist them to obtain registration, to facilitate their enrolment in the social security schemes, etc. The issues related to their employment are addressed by the respective State Government as per the provisions of labour laws.

The Code on Social Security, 2020 provides for framing of suitable social security schemes for gig workers and platform workers on matters relating to life and disability cover, accident insurance, health and maternity benefits, old age protection, etc. The Code also provides for setting up a Social Security Fund and one of the sources of fund, is contribution from aggregator between 1 to 2% of annual turnover of an aggregator subject to the limit of 5% of the amount paid or payable by an aggregator to such workers.

For details: <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1945511>

❖ Terminology for today

Stranded Assets

An asset that once produced value or profit, but doesn't anymore due to impacts caused by regulatory, societal changes or other mega-trends.

❖ Market Watch

Stock Market Indices as on 04.08.2023

S & P BSE Sensex	65721.25 (+480.57)
Nifty 50	19517.00 (+135.35)

Foreign Exchange Rates as on 03.08.2023

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.59	90.56	105.28	0.58

Prepared by Directorate of Academics

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

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