

PROFESSIONAL PROGRAMME

UPDATES FOR CAPITAL COMMODITY AND MONEY MARKET

(Relevant for students appearing in June, 2019 examination)

MODULE 3- ELECTIVE PAPER 9.2

Disclaimer:

This document has been prepared purely for academic purposes only and it does not necessarily reflect the views of ICSI. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.

Students appearing in June 2019 Examination shall note the following:

Students are also required to update themselves on all the relevant Notifications, Circulars, Clarifications, etc. issued by the Competent Authorities to relate to Law governing Capital Commodity and Money Market & Central Government on or before six months prior to the date of the examination.

These Updates are to facilitate the students to acquaint themselves with the amendments in laws relating to Capital Commodity and Money Market upto December, 2018, applicable for June, 2019 Examination. The students are advised to read their Study Material (2017 Edition) along with these Updates. In the event of any doubt, students may write to the Institute for clarifications at academics@icsi.edu

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Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there-under¹

1. The Prevention of Money Laundering Act, 2002 (“PMLA”) was brought into force with effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on July 01, 2005 by the Department of Revenue, Ministry of Finance, Government of India.

2. As per the provisions of the PMLA, every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a non-banking financial company) and intermediary (includes a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, asset management company, depository participant, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with the securities market and registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (SEBI Act)) shall have to adhere to client account opening procedures and maintain records of such transactions as prescribed by the PMLA and rules notified there under.

3. Pursuant to amendments made to the PMLA and Rules thereunder, updated guidelines in the context of recommendations made by Financial Action Task force (FATF) on anti-money laundering standards is enclosed. These guidelines have been divided into two parts; the first part is an overview on the background and essential principles that concern combating Money Laundering (ML) and Terrorist Financing (TF). The second part provides a detailed account of the procedures and obligations to be followed by all registered intermediaries to ensure compliance with AML/CFT directives.

These guidelines shall also apply to their branches and subsidiaries located abroad, especially, in countries which do not or insufficiently apply the FATF Recommendations, to the extent local laws and regulations permit. When local applicable laws and regulations prohibit implementation of these requirements, the same shall be brought to the notice of SEBI.

¹ Available at: <https://www.sebi.gov.in/legal/master-circulars/jul-2018/guidelines-on-anti-money-laundering-aml-standards-and-combating-the-financing-of-terrorism-cft-obligations-of-securities-market-intermediaries-under-the-prevention-of-money-laundering-act-2002-a-39431.html>

4. The key circulars/ directives issued with regard to KYC, CDD, AML and CFT have been mentioned in Schedule I. Detailed Directives and Schedule is available at <https://www.sebi.gov.in/legal/master-circulars/jul-2018/guidelines-on-anti-money-laundering-aml-standards-and-combating-the-financing-of-terrorism-cft-obligations-of-securities-market-intermediaries-under-the-prevention-of-money-laundering-act-2002-a-39431.html>

These directives lay down the minimum requirements and it is emphasized that the intermediaries may, according to their requirements, specify additional disclosures to be made by clients to address concerns of money laundering and suspicious transactions undertaken by clients. Reference to applicable statutes and reporting guidelines for intermediaries is available at the website of the Financial Intelligence Unit –India (FIU-IND).

5. This Master Circular shall supersede the earlier Master Circular on AML/ CFT dated December 31, 2010.

Master Circular for Mutual Funds²

For effective regulation of the Mutual Fund Industry, Securities and Exchange Board of India (SEBI) has been issuing various circulars from time to time. In order to enable the industry and other users to have an access to all the applicable circulars at one place, Master Circular for Mutual Funds has been prepared.

This Master Circular is a compilation of all the circulars issued by SEBI on the above subject, which are operational as on date of this circular

The Master Circular in detail is available at https://www.sebi.gov.in/legal/master-circulars/jul-2018/master-circular-for-mutual-funds_39491.html

This Master Circular shall supersede the previous Master Circular SEBI/HO/IMD/DF3/CIR/P/2016/84 dated September 14, 2016.

² Available at: https://www.sebi.gov.in/legal/master-circulars/jul-2018/master-circular-for-mutual-funds_39491.html

Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2018³

No. SEBI/LAD-NRO/GN/2018/27 - In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, namely,–

1. These regulations shall be called the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2018.

2. These regulations shall come into force on April 01, 2019.

3. In the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992,–

I. In Regulation 2, in sub-regulation (1), clause (gc) shall be omitted;

II. Chapter III shall be omitted;

III. In Regulation 17, in sub-regulation (1), clauses (l) and (m) shall be omitted;

IV. Regulation 18B shall be omitted;

V. In Regulation 26, clause (xiv) shall be omitted;

VI. In Regulation 27, -

i. the words and symbol “, as the case may be” shall be omitted;

ii. the words “or sub-broker” shall be omitted

VII. in Schedule I, -

i. Form B shall be omitted;

ii. Form C shall be omitted;

iii. Form CA shall be omitted;

VIII. in Schedule II, all words, symbols and numbers after the words and symbol and number, “(6) False or Misleading Returns: A stock-broker shall not neglect or fail or refuse to submit the required returns and not make any false or misleading statement on any returns required to be submitted to the Board and the stock exchange.”, shall be omitted;

IX. in Schedule III, clause II shall be omitted;

X. in the regulations, the words “or a sub-broker” wherever they occur shall be omitted;

³ Available at: https://www.sebi.gov.in/legal/regulations/jul-2018/securities-and-exchange-board-of-india-stock-brokers-and-sub-brokers-second-amendment-regulations-2018_39832.html

XI. in the regulations, including the title of the regulations, the words, symbols and number “and sub-broker” wherever they occur shall be omitted.

(Note : Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, the Principal Regulations, was published in the Gazette of India on October 23, 1992 vide S.O. No. 780 (E).

The Principal Regulations were subsequently amended many times with recent Securities and Exchange Board Of India (Stock Brokers And Sub-Brokers) (Second Amendment) Regulations, 2018 with effect from July 30, 2018.)

Streamlining the process of public issue under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015⁴

1. In order to make the existing process of issuance of debt securities, NCRPS and SDI easier, simpler and cost effective for both issuers and investors under the SEBI ILDS, SEBI ILDM, SEBI NCRPS and SEBI SDI regulations respectively, it has been decided to reduce the time taken for listing after the closure of the issue to 6 working days as against the present requirement of 12 working days and details with respect to the same are specified in this circular.

2. Submission of application form:

2.1. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms.

⁴ Available at: <https://www.sebi.gov.in/legal/circulars/aug-2018/streamlining-the-process-of-public-issue-under-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-sebi-issue-and-listing-of-non-convertible-redeemable-preference-shares-regulations-40004.html>

2.2. An investor, intending to subscribe to a public issue, shall submit a completed bid-cum-application form to Self-Certified Syndicate Banks (SCSBs), with whom the bank account to be blocked is maintained or any of the following intermediaries:

- a) A syndicate member (or sub-syndicate member)
- b) A stock broker registered with a recognized stock exchange
- c) A depository participant ('DP')
- d) A registrar to an issue and share transfer agent ('RTA')

3. Role of SCSBs and intermediaries:

3.1. The SCSBs or the above intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

3.2. For applications submitted by investors to SCSB: After accepting the form, SCSB shall capture and upload details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking of funds available in the bank account specified in the form, to the extent of the application money specified.

3.3. For applications submitted by investors to other intermediaries: After accepting the application form, respective intermediary shall capture and upload details in the electronic bidding system as specified by the stock exchange(s).

3.4. The SCSBs or intermediaries shall provide guidance to their investors on making applications in public issues and are advised to take necessary steps to ensure compliance with this circular.

4. Role of Stock Exchanges:

4.1. Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID, Client ID and PAN, by the end of each bidding day and bring the inconsistencies to the notice of SCSBs or intermediaries concerned, for rectification and re-submission within the time specified by stock exchange(s).

4.2. Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code

and Location code in the bid details already uploaded on a daily basis up to timeline as has been specified.

4.3. The stock exchanges shall develop the systems to facilitate the investors to view the status of their public issue applications on their websites and sending the details of applications and allotments through SMS and E-mail alerts to the investors.

5. Other requirements:

5.1. The character length for each of fields of the schedule to be forwarded by the intermediaries along with each application form to the designated branches of the respective SCSBs for blocking of funds shall be uniformly prescribed by the stock exchange(s) and the format of the schedule shall be as under:

5.2. Timelines: The revised indicative timelines for various activities are specified in Annexure-A to this circular. Annexure – A is available at https://www.sebi.gov.in/legal/circulars/aug-2018/streamlining-the-process-of-public-issue-under-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-sebi-issue-and-listing-of-non-convertible-redeemable-preference-shares-regulations-_40004.html

The SCSBs, stock exchanges, depositories and intermediaries shall co-ordinate with one another to ensure completion of listing of debt securities, NCRPS, SDI and commencement of trading by T+6.

6. The responsibilities of SCSBs, stock exchanges, depositories and intermediaries and the indicative timelines prescribed shall stand modified to the extent stated in the SEBI circular CIR. /IMD/DF-1/20/2012 dated July 27, 2012.

7. This circular shall be applicable for all public issues of debt securities, NCRPS and SDI opening on or after October 01, 2018.

8. This circular is being issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

9. This Circular is available on SEBI website at www.sebi.gov.in at https://www.sebi.gov.in/legal/circulars/aug-2018/streamlining-the-process-of-public-issue-under-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-sebi-issue-and-listing-of-non-convertible-redeemable-preference-shares-regulations-_40004.html.

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2018⁵

No. SEBI/LAD-NRO/GN/2018/30. — In exercise of the powers conferred by section 11, sub-section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely,—

1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2018.
2. These regulations shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
 - i. in regulation 2, in sub-regulation (1), in clause (h), after the words and symbols “Securitized debt instruments,” and before the word “units”, the following words and symbols shall be inserted, namely,—
“Security receipts,”
 - ii. in regulation 2, in sub-regulation (1), in clause (v), the words and symbols “Securities and Exchange Board of India (Public Offer and Listing of Securitized Debt Instruments) Regulations, 2008” shall be substituted with the following words and symbols, namely,—“Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008”
 - iii. in regulation 2, in sub-regulation (1), clause (zg) shall be substituted with the following words and symbols, namely,—
“securitized debt instruments” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008”

⁵ Available at: https://www.sebi.gov.in/legal/regulations/sep-2018/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-fifth-amendment-regulations-2018_40329.html

- iv. in regulation 2, in sub-regulation (1), after clause (zg) and before clause (zh) the following clause shall be inserted, namely,-
“(zga) “security receipts” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008”
- v. in regulation 2, in sub-regulation (1), in clause (zh), the words and symbols “Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008” shall be substituted with the following words and symbols, namely,-
“Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008”
- vi. in regulation 3, after clause (d) and before clause € , the following clause shall be inserted, namely,-
“(da) security receipts;”
- vii. in regulation 81, in sub-regulation (2), the words and symbols “Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008” shall be substituted with the following, namely,-
“Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008”
- viii. after Chapter VIII, and before Chapter IX, the following new Chapter shall be inserted, namely,-

“CHAPTER VIIIA OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS SECURITY RECEIPTS

Applicability.

87A. (1) The provisions of this chapter shall apply to the issuer of security receipts which has listed its security receipts and the issuer and its sponsor shall ensure compliance with each of the provisions of these Regulations.

(2) The expressions “asset reconstruction company”, “investor”, “issue”, “issuer”, “offer for sale”, “private placement offer”, “qualified buyer”, “scheme”, “security receipts”, “sponsor”, and “valuer” shall have the same meaning as assigned to them under Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008.

Intimations and Disclosure of events or information to Stock Exchanges.

87B.(1) The listed entity shall first disclose to stock exchange(s) of all events or information, as specified in Part E of Schedule III, as soon as reasonably possible but not later than twenty four hours from occurrence of the event or information:

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for the delay.

(2) The listed entity with respect to disclosures referred to in this regulation, shall provide updates related to such disclosures on a regular basis, till such time the event is resolved/closed, with relevant explanations.

(3) The listed entity shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

Provided that the stock exchange(s) shall disseminate information and clarification as soon as reasonably practicable.

(4) The listed entity, suo moto, may confirm or deny any reported event or information to stock exchange(s).

(5) The listed entity shall disclose on its website or on the website of the sponsor all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

Valuation, Rating and NAV disclosure.

87C. (1) An issuer whose security receipts are listed on a stock exchange shall ensure that:

(i) The listed security receipts are valued at the end of each quarter i.e. as on March 31, June 30, September 30 and December 31 of every year;

(ii) Valuation is conducted by an independent valuer; and

(iii) The net asset value is calculated on the basis of such independent valuation and the same is declared by the asset reconstruction company within fifteen days of the end of the quarter.

(2) The issuer shall also comply with the extant Reserve Bank of India requirement of obtaining credit rating of security receipts at half yearly interval and declaration of the net asset value thereafter and/or any other requirement as prescribed by the Reserve Bank of India from time to time.

Provided that in those two quarters in a year, where both external valuation and credit rating are required, issuer shall disclose lower of the two calculated Net Asset Value.

Terms of Security Receipts.

87D. (1) Any security receipt issued would be transferable only in favour of qualified buyers in terms of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

(2) Unless the terms of issue provide otherwise, the listed entity shall not select any of its listed security receipts for payments otherwise than on pro rata basis or by lot and shall promptly submit to the stock exchange(s) the details thereof.

Record Date.

87E. (1) The listed entity shall fix a record date for payment to holders of security receipts or for such other purposes as specified by the stock exchange(s).

(2) The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to the stock exchange(s) of the record date or of as many days as the stock exchange may agree to or require specifying the purpose of the record date.”

ix. in Schedule III, after PART D, and before Schedule IV, the following shall be inserted, namely, -

“PART E: DISCLOSURE OF EVENTS OR INFORMATION TO STOCK EXCHANGES: SECURITY RECEIPTS

[See Regulation 87B(1)]

A. The following events/information shall be disclosed by the listed entity without any application of guidelines of materiality as soon as reasonably possible but not later than twenty four hours from occurrence of event or information:

- (1) Any delay or expected delay in cash flows from the due date or pre-agreed date if any;
- (2) Any change in value of cash-flows as disclosed if any;

- (3) Any receipt of cash flow or expected cash flow along with quantum so received;
- (4) Any change in credit enhancement measures;
- (5) Periodic rating obtained from credit rating agency or any revision in the rating or any expected revision in rating;
- (6) Periodic Net Asset Value;
- (7) Any proposal to change or change of credit rating agency or Valuer;
- (8) Any change in profile of the assets by way of accretion to or realisation of assets from the existing pool;
- (9) Any proposal for acquisition of assets including terms of acquisition;
- (10) Any expected non-realisation or non-realisation of the financial assets and remedial measures proposed to be undertaken;
- (11) Any change in nature of charge on the underlying assets.
- (12) Any proposal to change or any change in terms of security receipts including rights or privileges or nature or form etc;
- (13) Any proposal or action with respect to exercising call/put option (right to redeem) or any similar option by the listed entity;
- (14) Any breach of covenant(s) under the terms of security receipts;
- (15) Any proposal or action for forfeiture of unclaimed cash flow or forfeiture of any security receipts;
- (16) Any change in resolution plan;
- (17) Any change in percentage holding of non-performing loans across other banks;
- (18) Any change in the general character or nature of business / activities, disruption of operation due to natural calamity etc. of the listed entity;
- (19) Any attachment or prohibitory orders restraining the listed entity from transferring security receipts;
- (20) Initiation or status update with respect to reference to National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016 of any underlying assets;
- (21) Intimation in advance of the meeting of its board of directors, at which the recommendation or declaration of issue of security receipts or any other matter affecting the rights or interests of holders of security receipts is proposed to be considered and also outcome of such meetings;

- (22) Fraud or defaults by sponsor or key managerial personnel or arrest of key managerial personnel or sponsor;
- (23) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer of the Sponsor;
- (24) In addition to the above, the listed entity shall provide all such disclosures to the Stock Exchange(s) as it is required to make before the Reserve Bank of India as per the extant requirement and/or any other disclosure(s) as prescribed by Reserve Bank of India from time to time;
- (25) In case where an event occurs or an information is available with the listed entity, which has not been indicated in these regulations, but which may be material, the listed entity is required to make adequate disclosures in this regard.”

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations⁶

REGULATIONS, 2018 No. SEBI/LAD-NRO/GN/2018/47. — In exercise of the powers conferred by section 11, sub-section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely,—

1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018.

2. These regulations shall come into force on the date of their publication in the Official Gazette.

3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the amendments incorporated could be accessed at detail at https://www.sebi.gov.in/legal/regulations/nov-2018/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-sixth-amendment-regulations-2018_41051.html

⁶ Available at: https://www.sebi.gov.in/legal/regulations/nov-2018/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-sixth-amendment-regulations-2018_41051.html

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018⁷

SEBI Via a Notification No. SEBI/LAD-NRO/GN/2018/31. – and In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes notifies regulations, namely the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, which in detail can be accessed at <https://www.sebi.gov.in/legal/regulations/sep-2018/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-regulations-2018-40328.html>

Short title and commencement

1.(1)These regulations may be called the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(2) They shall come into force on the sixtieth day from the date of its publication in the Official Gazette.

⁷ Available at: <https://www.sebi.gov.in/legal/regulations/sep-2018/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-regulations-2018-40328.html>

Securities and Exchange Board of India (Credit Rating Agencies) (Second Amendment) Regulations, 2018⁸

SEBI via a Notification No. SEBI/LAD-NRO/GN/2018/36. And In exercise of the powers conferred by section 30 read with section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Credit Rating Agencies) (Second Amendment) Regulations, 2018.

2. They shall come into force on the date of their publication in the Official Gazette.

3. In the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999,

i. in regulation 9, clause (f) shall be substituted with the following, namely –

“(f) a credit rating agency shall not carry out any activity other than the rating of securities offered by way of public or rights issue.

Nothing contained in these regulations shall preclude a credit rating agency from rating of financial instruments under the respective guidelines of a financial sector regulator or any authority as may be specified by the Board.

Provided that all other activities shall be segregated to a separate entity within a period of two years from the date of notification of Securities and Exchange Board of India (Credit Rating Agencies)(Amendment) Regulations, 2018.”

Amendment to SEBI (Credit Rating Agencies) Regulations, 1999 and modification to SEBI Circular dated May 30, 2018⁹

A. Securities and Exchange Board of India (Credit Rating Agencies) (Second Amendment) Regulations, 2018.

1. Vide Gazette Notification No. SEBI/LAD-NRO/GN/2018/36 dated September 11, 2018, in respect of Securities and Exchange Board of India (Credit Rating Agencies) (Second Amendment) Regulations, 2018, as laid down under Regulation 9(f) of SEBI

⁸ Available at: https://www.sebi.gov.in/legal/regulations/sep-2018/securities-and-exchange-board-of-india-credit-rating-agencies-second-amendment-regulations-2018_40331.html

⁹ Available at: https://www.sebi.gov.in/legal/circulars/sep-2018/amendment-to-sebi-credit-rating-agencies-regulations-1999-and-modification-to-sebi-circular-dated-may-30-2018_40366.html

(Credit Rating Agencies) (Second Amendment) Regulations, 2018, a CRA may undertake the rating of financial instruments under the respective guidelines of the financial sector regulators/ authorities as specified in Annexure A. CRAs may also undertake research activities, incidental to rating, such as research for Economy, Industries and Companies.

B. Review of ratings

2. SEBI, vide Circular No. SEBI/HO/MIRSD/DOP2/CIR/P/2018/86 dated May 30, 2018 inter-alia issued guidelines in respect of the process for review of rating. Subsequently, SEBI has received representations from market participants. The concerns of the market participants were discussed with CRAs and following has been decided:
 - i. In modification to Para 1 of the aforesaid circular, cases of requests by an issuer for review of the rating(s) provided to its instrument(s) shall be reviewed by a rating committee of the CRA that shall consist of majority of members that are different from those in the Rating Committee of the CRA that assigned the earlier rating, and at least one-third of members are independent.
 - ii. All other provisions of the aforementioned circular shall remain unchanged.
3. This circular is issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 20 of SEBI (Credit Rating Agencies) Regulations, 1999, to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2018¹⁰

SEBI Via a Notification No. SEBI/LAD-NRO/GN/2018/33. and In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, namely:

1. These regulations may be called the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2018.
- 2.They shall come into force on the date of their publication in the Official Gazette.
- 3.In the Securities and Exchange Board of (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the recent amendments could be accessed at https://www.sebi.gov.in/legal/regulations/sep-2018/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-second-amendment-regulations-2018_40332.html

¹⁰ Available at: https://www.sebi.gov.in/legal/regulations/sep-2018/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-second-amendment-regulations-2018_40332.html

Securities and Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2018¹¹

No.SEBI/LAD-NRO/GN/2018/42.- In exercise of the powers under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2018.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the regulation 19B shall be omitted.

¹¹ Available at: https://www.sebi.gov.in/legal/regulations/oct-2018/securities-and-exchange-board-of-india-issue-and-listing-of-debt-securities-amendment-regulations-2018_40708.html

Securities And Exchange Board of India (Delisting Of Equity shares) (Second Amendment) Regulations, 2018¹²

No.SEBI/LAD-NRO/GN/2018/46-In exercise of the powers conferred by section 31 read with section 21A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), section 30, sub-section (1) of section 11 and sub-section (2) of section 11A of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, namely, -

1. These regulations may be called the Securities and Exchange Board of India (Delisting of Equity Shares) (Second Amendment) Regulations, 2018.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, recent amendments through this notification could be accessed in detail at https://www.sebi.gov.in/legal/regulations/nov-2018/securities-and-exchange-board-of-india-delisting-of-equity-shares-second-amendment-regulations-2018_41046.html

¹² Available at: https://www.sebi.gov.in/legal/regulations/nov-2018/securities-and-exchange-board-of-india-delisting-of-equity-shares-second-amendment-regulations-2018_41046.html