



Vision

"To be a global leader in promoting good corporate governance"

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। तृप्तये। अक्षयं तु कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Wednesday, July 03, 2024

Info Capsule

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ Banking

Regulation of Foreign Trade under Foreign Exchange Management Act (FEMA), 1999 - DRAFT REGULATIONS AND DIRECTIONS

Over the years, the Reserve Bank has been progressively liberalising policies governing foreign exchange transactions, under FEMA, 1999. In continuation of these efforts, as announced in the Statement on Developmental and Regulatory Policies of June 2024, it has been decided to rationalise regulations that cover export and import transactions. The draft regulations under FEMA and directions to Authorised Dealer banks are available for public response. Comments/feedback on the draft proposals (regulations as well as directions) may be forwarded via email (tradefeedback@rbi.org.in) by September 01, 2024, with the subject line "Feedback on draft regulations and directions on export and import under FEMA".

For details:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58212

❖ Ministry of Finance

Government of India and ADB sign \$170 million loan to strengthen pandemic preparedness and response (July 02, 2024)

The Government of India and the Asian Development Bank (ADB) on July 02, 2024 signed a \$170 million policy-based loan to consolidate and strengthen India's health system preparedness and response capacity to future pandemics. The signatories to the 'Strengthened and Measurable Actions for Resilient and Transformative Health Systems Programme (Subprogramme 1)' were Ms. Juhi Mukherjee, Joint Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India and Ms. Mio Oka, Country Director of ADB's India Resident Mission for ADB.

Ms. Mukherjee said that during the COVID-19 pandemic, the government adopted several practices to significantly strengthen its pandemic preparedness and response capability. She said that the ADB programme will help the government's ongoing efforts in further strengthening disease surveillance, ensure sufficiency and quality of health professionals and promote climate-resilient public health infrastructure and service delivery.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2030329>

❖ Capital Market and Securities Laws

• **Consultation Paper for introduction of Mutual Funds Lite Regulations (MF LITE) for passively managed Mutual Funds Schemes (July 01, 2024)**

SEBI has placed this consultation paper with an objective to seek comments / views from the public on the proposals related to introduction of a relaxed regulatory framework in the Mutual Funds (MF) segment viz, “the MF Lite Regulations” for the passively managed MF schemes. Considering the lesser risk inherent in managing passively managed MF schemes, the proposed MF Lite Regulations intend to reduce the compliance requirement, foster innovation, encourage competition and promote ease of entry for the MFs interested in launching only passive schemes. The comments or suggestions should be submitted by July 22, 2024 in the prescribed mode.

For details: https://www.sebi.gov.in/reports-and-statistics/reports/jul-2024/consultation-paper-for-introduction-of-mutual-funds-lite-regulations-mf-lite-for-passively-managed-mutual-funds-schemes_84498.html

• **Charges levied by Market Infrastructure Institutions – True to Label (July 01, 2024)**

Currently, a volume based slab-wise charge structure is followed by some MIIs. These charges are levied in lieu of various services offered by MIIs and are recovered from the end clients by members. However, it was observed by SEBI that in addition to impacting transparency, the existing slab-wise charge structure of MIIs can also create a hindrance for the MIIs in ensuring equal and fair access to all market participants by impacting level playing field between members owing to their size differentials. In view of the aforesaid concerns and as per deliberations with Secondary Market Advisory Committee (SMAC), SEBI has prescribed that the MII charges which are to be recovered from the end client should be True to Label i.e. if certain MII charge is levied on the end client by members (i.e. stock brokers, depository participants, clearing members), it should be ensured by MIIs that the same amount is received by them. Further provides that the charge structure of the MII should be uniform and equal for all its members instead of slab-wise viz. dependent on volume/activity of members. Accordingly, MIIs are directed to redesign the existing charge structure and associated processes to comply with the aforesaid principles.

For details: https://www.sebi.gov.in/legal/circulars/jul-2024/charges-levied-by-market-infrastructure-institutions-true-to-label_84506.html

- **Dispatch of Consolidated Account Statement (CAS) for all securities assets (July 01, 2024)**

Considering the increasing reach of digital technology, electronic mode now being the preferred mode of communication and as a green initiative measure and to streamline the regulatory guidelines on mode of dispatch of account statements, SEBI has revisited the regulatory provisions and provide for email as default mode of dispatch for Consolidated Account Statement (CAS) by Depositories, Mutual Fund – Registrar and Transfer Agents (MF-RTAs) and holding statement by Depositories Participant (DP). It is inter alia prescribed that with effect from August 01, 2024, the CAS shall be dispatched by email to all the investors whose email addresses are registered with the Depositories and AMCs/MF-RTAs. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs. The depositories shall also intimate the investor on quarterly basis through the SMS mode specifying the email id on which the CAS is being sent.

For details: https://www.sebi.gov.in/legal/circulars/jul-2024/dispatch-of-consolidated-account-statement-cas-for-all-securities-assets_84514.html

❖ IFSC Authority

Expert Committee on Climate Finance submits First Report on Transition Finance to IFSCA (July 02, 2024)

The Expert Committee on Climate Finance has submitted its first report on Transition Finance to the Chairperson, International Financial Services Centres Authority (IFSCA), Shri K. Rajaraman yesterday (July 01, 2024). The Hon'ble Prime Minister, while addressing investors and market participants, in IFSC on 9th December, 2023, had said: "During our G-20 presidency, one of our priorities was to understand the need for sustainable finance to ensure global growth and stability. This would contribute to the transition towards greener, resilient, and inclusive societies and economies. According to some estimates, Bharat would require at least USD 10 trillion by 2070 to achieve the Net Zero Target. Financing from global sources is essential for this investment. Hence, we aim to make IFSC a global hub for sustainable finance. GIFT IFSC serves as an efficient channel for the necessary flow of green capital to build a low-carbon economy in Bharat. The development of financial products such as green bonds, sustainable bonds, and sustainability-linked bonds will make the path and access easier for the entire world."

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2030330>

❖ Ministry of Commerce and Industry

• Commerce ministry developing platform for registration, resolution of NTB's (July 02, 2024)

The commerce ministry is developing a platform for registering non-tariff barriers (NTBs) faced by exporters and taking up with the concerned countries for their resolution. At present, there is an information gap on these barriers particularly for small items. "We are making a portal so that we can prioritise all the NTBs. Traders will register their complaints and the ministry will pursue that. In cases where the barrier is impacting a large volume of goods will be prioritised for their redressal and action-taking. Economic think tank GTRI in its report has stated that India needs to act in a fast-track manner for the removal of NTBs, being faced by domestic exporters in different countries like the US, China and Japan, to achieve export target of USD 1 trillion for goods by 2030.

For details: https://www.business-standard.com/india-news/commerce-ministry-developing-platform-for-registration-resolution-of-ntb-s-124070200653_1.html

• The Geographical Indication of Goods (Registration and Protection) Rules, 2002 (July 01, 2024)

The following draft rules to further amend The Geographical Indication of Goods (Registration and Protection) Rules, 2002 which the Central Government proposes to make in exercise of the power conferred by section 87 of The Geographical Indication of Goods (Registration and Protection) Act, 1999, are hereby published as required by sub-section (1) of the said section for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration after the expiry of a period of thirty days from the date on which copies of the Gazette of India, in which this notification is published are made available to the public; AND objections or suggestions, if any, may be addressed to the Secretary, Department for promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, Vanijya Bhawan, New Delhi-110001 or by e-mail at ipr4-dipp@nic.in. AND objection and suggestion, which may be received from any person with respect to the said draft rules before the expiry of the period so specified, will be considered by the Central Government.

For details: [https://egazette.gov.in/\(S\(jafmur51uf3iepvvlceus5pjq\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(jafmur51uf3iepvvlceus5pjq))/ViewPDF.aspx)

❖ Market Watch

| Stock Market Indices as on 03.07.2024 | |
|--|--------------------|
| S & P BSE Sensex | 79986.80 (+545.35) |
| Nifty 50 | 24286.50 (+162.65) |

| Foreign Exchange Rates as on 03.07.2024 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx) | | | |
|--|-------------|-------------|-------------|
| INR / 1 USD | INR / 1 EUR | INR / 1 GBP | INR / 1 JPY |
| 83.53 | 89.72 | 105.96 | 0.51 |

❖ Business & Economy

• More women on boards, but top management tally lags global average (July 02, 2024)

The share of women in boards of companies went up from just over 5 per cent in FY14 to nearly 16 per cent in FY23, according to a study by National Council of Applied Economic Research (NCAER). The study found that women in top management positions increased from nearly 14 per cent to about 22 per cent in the same period. However, India still lags in the share of women in middle and senior management roles at only 20 per cent, compared to nearly 33 per cent globally, as of 2019. Almost 60 per cent of the firms that were part of the study did not have any women in top management teams as of March 2023. The deadline for meeting the woman director mandate was set for April 1, 2015.

For details: https://www.business-standard.com/companies/news/share-of-women-as-board-members-of-companies-rises-after-govt-mandate-124070200702_1.html

• Global trade turned positive in Q1 2024: UNCTAD (July 02, 2024)

Global trade trends turned positive in the first quarter of 2024 (January-March) after contracting in 2023. According to the latest update from UN Trade and Development (UNCTAD) released on Tuesday 01st July 2024, the value of trade in goods and services increased sequentially by about 1% and 1.5%, respectively.

"This surge, fuelled by positive trade dynamics for the US and developing countries, particularly large Asian developing economies, is expected to add approximately \$250 billion to goods trade and \$100 billion to services trade in the first half of 2024 compared to the second half of 2023," it said.

For details: <https://www.livemint.com/economy/global-trade-turned-positive-in-q1-2024-unctad-11719925360390.html>

Prepared by Directorate of Academics

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

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.