

COMPLIANCE ROUND UP

December, 2021



MONTHLY NEWSLETTER SUMMARY

The month saw 352 legal and regulatory changes across Centre and States and across various categories

REGULATORY CHANGES IN DECEMBER

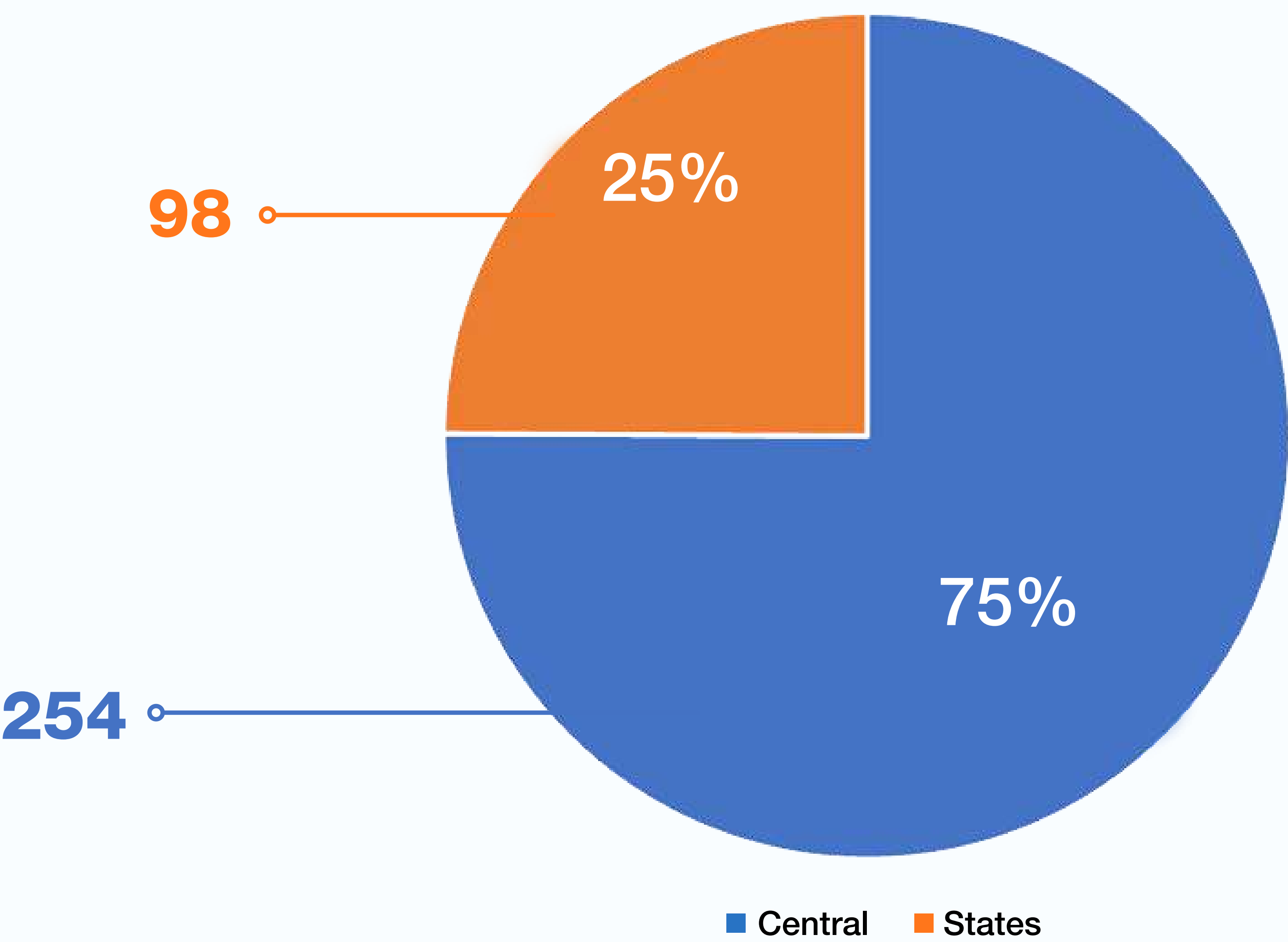


Fig1

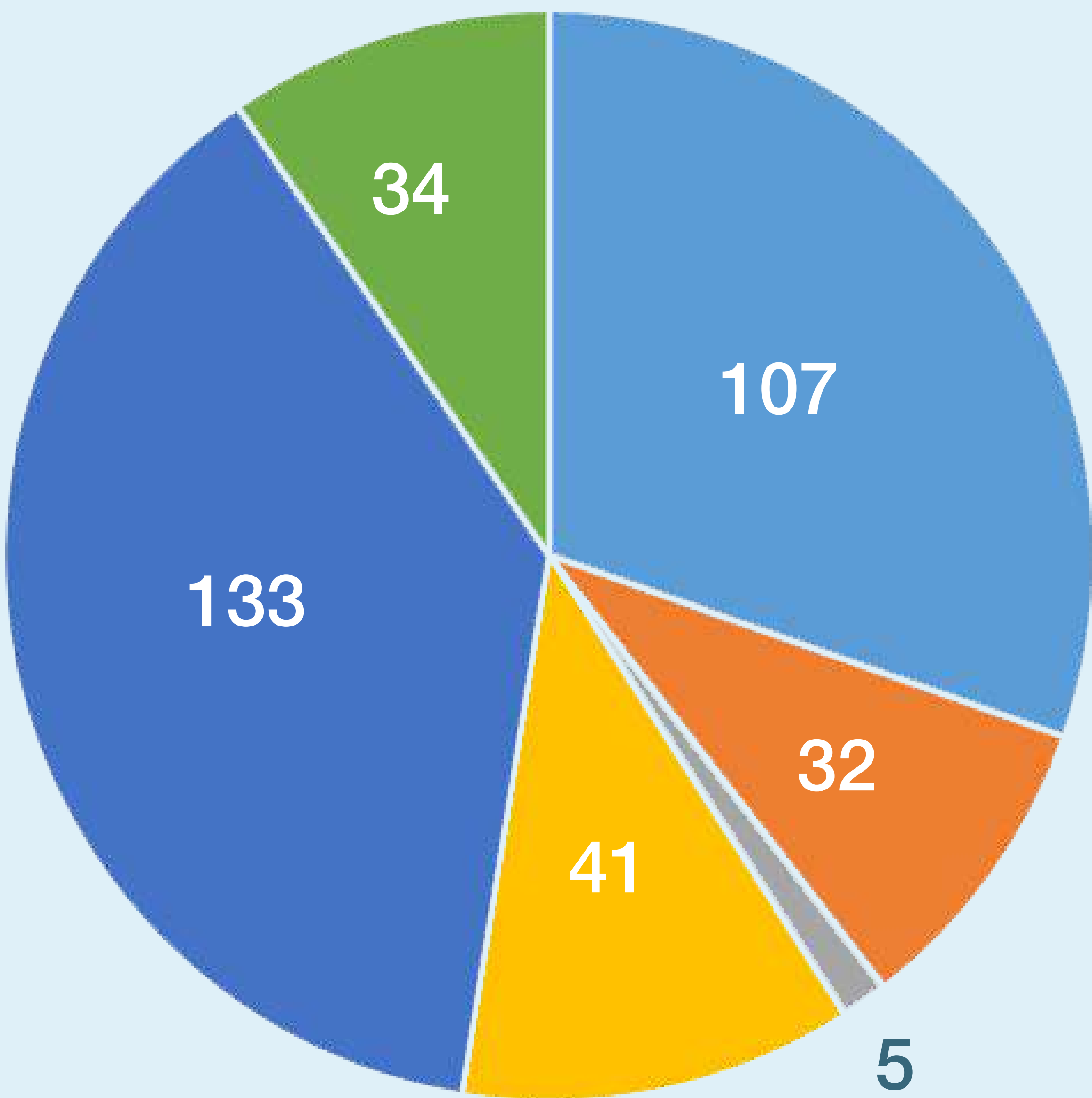


Fig 2

1 FINANCE AND TAXATION UPDATES

All in all there were around 107 legal updates in the Finance and Taxation category. Some of them are outlined below:

- The Central Board of Indirect Taxes & Customs (CBIC) has issued instructions regarding testing of coumarin in imported cinnamon.
- The Reserve Bank of India has introduced certain changes to the External Commercial Borrowings (ECB) and Trade Credits (TC) Policy due to the LIBOR transition. The Bank has also issued Option for prepayment of funds availed under Targeted Long-Term Repo Operations to the banks which had availed of funds under TLTRO and TLTRO 2.0. Additionally, the RBI has issued a General Permission for the infusion of capital in overseas branches and subsidiaries and retention/repatriation/transfer of profits in these centres by banks incorporated in India. This means that banks no longer require direct permission from the RBI for capital infusions/transfer and can instead seek approvals from their respective boards. Later in the month, the RBI also issued a working paper titled, 'An Alternative Perspective on Demand and Supply to Forecast Inflation.' Among other things, the paper develops a new method to construct a measure of demand-supply imbalance in the economy using Bayesian Dynamic Factor Model.
- The Directorate-General of Foreign Trade (DGFT) issued a public notice regarding the import of watermelon seeds, prescribing a 15,000 MT limit on such import.
- The Central Board of Direct Taxes (CBDT) has issued The Central Goods and Services Tax (Tenth Amendment) Rules, 2021 to further amend The Central Goods and Services Tax Rules, 2017. Similarly, the Ministry of Finance has issued the Income Tax (35th Amendment) Rules 2021 to further amend the Income Tax Rules, 1962.
- On the State front, the Assam government issued a partial exemption for the sale of Aviation Turbine Fuel (ATF) made to aircrafts operating under Regional Connectivity Scheme (RCS) to pay tax. The Finance Department of Delhi issued the Delhi Goods and Services Tax (Fifth Amendment) Rules, 2021 to further amend the Delhi Goods and Services Tax Rules, 2017.

[Click here to view all the Finance and Taxation legal updates](#)



2 INDUSTRY-SPECIFIC UPDATES

There were a total of 133 Industry-specific legal updates in the month of December:

- The Ministry of Law and Justice has issued the Central Vigilance Commission (Amendment) Act, 2021. The amendment provides for the extension of the initial appointment of the Director of Enforcement u/s. 25 of the Act.
- The Ministry of Electronics and Information Technology (MeiTY) has issued the Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) /OSAT facilities in India. Key provisions of the scheme pertain to financial support, demand aggregation support, support for R&D, skill development and training and capital expenditure.
- The Ministry of Micro, Small and Medium Enterprises on December 13, 2021 has issued the Khadi and Village Industries Commission Employees (Classification, Control and Appeal) (Amendment) Regulation, 2021. The amendment pertains to regulation 7 which deals with the authority to institute proceedings.
- The Food Safety and Standards Authority of India (FSSAI) has issued Direction on provisions for Display of information for food service as per the Food Safety and Standards (Packaging and Labelling) Regulations, 2011. It relates to the relaxation in the practice of Menu labelling.
- The Ministry of Electronics and Information Technology (MeiTY) has issued Amendments in the Production Linked Incentive Scheme (PLI) for IT Hardware. The amendment relates to the localization of the PCB assembly, battery packs and power adaptors.
- The Ministry of Mines has issued the Minerals (Evidence of Mineral Contents) Second Amendment Rules, 2021. The amendment has been made to Rule 7 which specifies the existence of mineral contents for the grant of composite license.
- The Ministry of Steel has notified the Production-Linked Incentive Scheme in order to boost steel production. The incentives will be directed at companies registered under Companies Act 2013 which qualify through the application process given in the guidelines and achieve committed incremental production prescribed for each product sub-category.
- The Food Safety and Standards Authority of India (FSSAI) on December 20, 2021 has issued Standard Operating Procedures for Aggregators or Intermediaries facilitating sales between Farmers/small original producers and producer organizations and end consumers.
- The Government of India has issued the Biological Diversity (Amendment) Bill, 2021. The Bill intends to amend the provision concerning persons who cannot undertake biodiversity related activities without the approval of National Biodiversity Authority to include foreign controlled companies.
- The Ministry of Law and Justice has introduced The Assisted Reproductive Technology (Regulation) Act, 2021. The Bill seeks to curtail unethical practices relating to surrogacy and sex selection.

[Click here to view all the Industry Specific legal updates](#)



3 COMMERCIAL UPDATES

There were about 41 commercial legal updates in the month of December:

- The Ministry of New and Renewable Energy has issued a press release regarding the Steps taken by the government to promote Renewable Energy. Among other things, the measures undertaken by the government have included Permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route.
- The Ministry of Textiles issued an order to use Jute bags for packaging and distribution of certain commodities. The commodities included were food grains and sugar.
- The Ministry of Consumer Affairs, Food and Public Distribution issued the Essential Commodities Order, 2021. The order attempts to regulate the production, stocking and distribution of soya meal.
- During early December the Government of India passed the Dam Safety Act, 2021. The Act aims to provide adequate surveillance of dams and prevent instances of unwarranted failures due to maintenance issues.
- The Ministry of Heavy Industries introduced the Production Linked Incentive Scheme for manufacturing of Advance Chemistry Cell. This scheme aims to facilitate reduction of import dependence of ACC battery and will reduce prices of batteries used in electric vehicles.
- The Ministry of Commerce and Industry issued The Boiler Operation (Amendment) Rules, 2021.
- When it came to states, an important development came in Punjab where the State government issued the Punjab Food Grains Transportation Policy 2022.

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4 SECRETARIAL UPDATES

Overall, there were 32 legal updates in the secretarial category some of which are discussed below:

- Of the total number of updates, 22 legal updates came from the Securities and Exchange Board of India (SEBI). The Board issued a circular on Non-Compliance with provisions related to continuous disclosures. These disclosures pertain to Non-Convertible Securities and/or Commercial Paper. It came out with the Cut-off time for generation of last Risk Parameter File (RPF) for client's margin collection purpose and modification in framework to enable verification of upfront collection of margins from clients in commodity derivatives segment. The Board also notified a circular regarding Publishing Investor Charter and disclosure of Investor Complaints by Investment Advisers on their websites/mobile applications.
- The Ministry of Finance issued a notification to declare "Electronic Gold Receipt" as securities.
- The Insolvency and Bankruptcy Board of India (IBBI) issued the Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) (Second) Guidelines, 2021 to recommend name of an Insolvency Professional (IP) for appointment as Interim Resolution Professional (IRP) or Liquidator.

[Click here to view all the Secretarial legal updates](#)



5 LABOUR UPDATES

The month of December saw 34 regulatory changes in the Labour category. Of these the vast majority of the changes took place at the state level. Some of these changes included:

- Pension Fund Regulatory and Development Authority (PFRDA) issued the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Second Amendment) Regulations, 2021. The amendment relates to Regulations 3 and 4. Regulation 3 specifies Exit from the National Pension Scheme for government sector subscribers while Reg. 4 deals with Exit from National Pension Scheme by citizens including corporate sector subscribers.
- The Ministry of Labour and Employment issued the date of implementation of certain provisions of the ESI Act in the districts of Assam.
- The Ministry of Women and Child Development has issued a National Creche Scheme for children of working mothers as a centrally sponsored scheme through States/UTs in order to provide day care facilities for children between 6 months and 6 years.
- On the State front the labour department of Chandigarh has issued the Draft Chandigarh Occupational Safety, Health and Working Conditions Rules and the Draft Code on Social Security (Chandigarh) Rules, 2021. Kerala released the Draft Kerala Code on Wages Rules 2021 and the Draft Kerala Occupational Safety, Health and Working Conditions Rules, 2021. Tripura government revised the minimum basic wages for “Safai Karamcharis.”. The government of Delhi has issued the Draft Code on Wages (Delhi) Rules, 2021

[Click here to view all the Labour legal updates](#)



6 EHS (ENVIRONMENT, HEALTH AND SAFETY) UPDATES

All in all, there were 5 legal updates in the EHS category. They included:

- The Ministry of Health and Family Welfare (Mohfw) issued guidelines for COVID-19 Vaccination for the children who are aged between 15 to 18 years and Booster Vaccine shot to the Health Care workers, Frontline workers and People aged 60+ years.
- The Central Pollution Control Board issued an Expression of Interest to seek start-up/ firms to participate in the field of development of reliable technology for air quality monitoring and data management.

[Click here to view all the EHS legal updates](#)





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