



COMPLIANCE UPDATE

May 2022 | Part 1 of 2

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Reserve Bank of India (RBI)

▪ Limits for investment in debt and sale of Credit Default Swaps by FPIs

RBI vide Notification dated April 19, 2022 imposed limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs) and the limits are as per the notification. (To view the Notification, please click [here](#))

▪ Disclosures in financial statements - Notes to accounts of NBFCs

RBI vide Notification dated April 19, 2022 has directed Non-Banking Financial Companies (NBFCs) to make disclosures in their financial statements in accordance with existing prudential guidelines, applicable accounting standards, laws, and SBR framework.

(To view the Notification, please click [here](#))

▪ Regulatory restrictions on loans and advances by NBFCs

RBI vide Notification dated April 19, 2022 issued guidelines for loans and advances by Non-Banking Financial Companies (NBFCs).

(To view the Notification, please click [here](#))

▪ Legal Entity Identifier (LEI) for Borrowers

RBI vide Notification dated April 21, 2022 has extended the Legal Entity Identifier (LEI) guidelines to Primary (Urban) Co-operative Banks (UCBs) and Non-Banking Financial Companies (NBFCs).

It has also directed the non-individual borrowers enjoying aggregate exposure of INR 5 crore and above from banks and financial institutions to obtain LEI codes.

(To view the Notification, please click [here](#))

Central Board of Direct Taxes (CBDT)

▪ [Income-Tax \(10th Amendment\) Rules, 2022](#)

CBDT vide Notification dated April 22, 2022 has revised Rule 17C of the Income-Tax Rules, 1962. Per the amendment, in Rule 17C, after Clause (va), the following clause shall be inserted, namely: '(vb) investment made by a person, authorised under section 4 of the Payment and Settlement Systems Act, 2007 (51 of 2007), in the equity share capital or bonds or debentures of Open Network for Digital Commerce Ltd, being a company incorporated under sub-section (2) of section 7 read with sub-section (1) of section 8 of the Companies Act, 2013 (18 of 2013), for participating in network based open protocol models which enable digital commerce and interoperable digital payments in India;'.
(To view the Notification, please click [here](#))

▪ [Income-Tax \(9th Amendment\) Rules, 2022](#)

CBDT vide Notification dated April 21, 2022 added Rule 12AB to the Income-Tax Rules, 1962, which states that if a person other than a company or a firm, whose total income in respect of which he is assessable during the previous year exceeds following thresholds, shall furnish income tax returns:

- If his total sales, turnover, or gross receipts, as the case may be, in the business exceeds INR 60 lakh
- If his total gross receipts in profession exceeds INR 10 lakh
- If the aggregate of tax deducted at source and tax collected at source during the previous year, is INR 25,000 or more
- The deposit in one or more savings bank account of the person, in aggregate, is INR 50 lakh

(To view the Notification, please click [here](#))

Ministry of Corporate Affairs

▪ [Nidhi \(Amendment\) Rules, 2022](#)

MCA vide Notification dated April 19, 2022 amended the Nidhi Rules, 2014 which state that a Nidhi Company needs to File NDH-4, within 4 months (120 days) from the date of its incorporation and the requirements for filling of various forms are as per the Notification.

(To view the Notification, please click [here](#))

▪ [Companies \(Registration of Charges\) Amendment Rules, 2022](#)

MCA vide Notification April 27, 2022 amended the Companies (Registration of Charges) Rules, 2014 and exempted the registration of charge required to be created or modified by a banking company in favor of the Reserve Bank of India when any loan or advance has been made to it.

(To view the Notification, please click [here](#))

Industry-wise updates

Agriculture

- **Amendments in Schedule to Insecticides Act, 1968**

Ministry of Agriculture and Farmers Welfare vide Notification dated April 19, 2022 has inserted Inpyrfluxam, Cinnamaldehyde, Silthiofam and Potassium Salts of fatty acids etc. in the Schedule to Insecticides Act, 1968.

(To view the Notification, please click [here](#))

- **Plant Quarantine (Regulation of Import into India) (First Amendment) Order, 2022**

Ministry of Agriculture and Farmers Welfare vide Notification dated April 05, 2022 has amended Schedule VI to the Plant Quarantine (Regulation of Import into India) Order, 2003. As per the amendments:

- Serial No. 709, which specifies Paulownia Kawakamii (Paulownia spp.) has been amended
- Serial No. 786, which specifies Sal (Shorea Stenoptera) has been inserted

(To view the Notification, please click [here](#))

Aviation

- **Aircraft (Investigation of Accidents and Incidents) (Amendment) Rules, 2022**

Ministry of Civil Aviation on April 22, 2022 amended the Aircraft (Investigation of Accidents and Incidents) Rules, 2017. According to the new amendment, the investigator has power to call witnesses during the investigation.

(To view the Notification, please click [here](#))

Chemical

- **Withdrawal of Indian standards related to steel**

Ministry of Chemical and Fertilizers vide Notification dated April 27, 2022 issued the 1, 3 Phenylenediamine (Quality Control) Order, 2022, to set the Indian Standard for 1, 3 Phenylenediamine.

(To view the Notification, please click [here](#))

State-wise restrictions due to resurgence of Covid-19

State/UT	Order/Directions	Competent Authority	Remarks
Chandigarh	<ul style="list-style-type: none"> ▪ Disaster Management Authority, UT, Chandigarh has issued an Order dated April 25, 2022 mandating wearing of masks in closed environments such as: <ul style="list-style-type: none"> – Public transport – Cinema halls, shopping malls, departmental stores, etc. – All educational institutions like colleges, schools, coaching centres, etc. – Government and private offices – Indoor gatherings ▪ Any violation for the same will be punished by imposing a fine of INR 500 and non-payment of fine will attract proceedings under Section 188 of IPC 	Govt. of Chandigarh	(Click here for the Order)
NCT of Delhi	<ul style="list-style-type: none"> ▪ Delhi Disaster Management Authority has issued an Order dated April 22, 2022, mandating wearing of masks in work and public places ▪ Any violation for the same will be punished by imposing a fine of INR 500 ▪ Persons travelling in private four-wheeler vehicles are exempted from wearing masks in the vehicle and from imposition of fine 	Govt. of NCT of Delhi	(Click here for the Order)
Haryana	<ul style="list-style-type: none"> ▪ District Disaster Management Authority, Gurgaon has issued an Order dated April 18, 2022 mandating wearing of masks in work and public places in District Gurgaon ▪ Any violation for the same will be punished by imposing a fine of INR 500 and non-payment of fine will attract proceedings under Section 188 of IPC 	Govt. of Haryana	(Click here for the Order)
Karnataka	<ul style="list-style-type: none"> ▪ Government of Karnataka on April 25, 2022 issued new Covid-19 guidelines mandating the following: <ul style="list-style-type: none"> – Wearing of masks/face coverings is compulsory in all public places and workplaces – Social distancing of two feet to be maintained 	Govt. of Karnataka	(Click here for the Notification)
Kerala	<ul style="list-style-type: none"> ▪ District Disaster Management Authority, Kerala released new Covid-19 guidelines on April 25, 2022 and made wearing of masks mandatory in all public places, gatherings, workplaces 	Govt. of Kerala	(Click here for the Order)
Punjab	<ul style="list-style-type: none"> ▪ Department of Home Affairs & Justice, Punjab has issued an Order dated April 21, 2022 advising wearing of masks in crowded places such as: <ul style="list-style-type: none"> – Public transport – Cinema halls, shopping malls, departmental stores, etc. – Classrooms, office rooms, indoor gatherings, etc. 	Govt. of Punjab	(Click here for the Notification)

State-wise updates

Andhra Pradesh

▪ **Amendment in Notification with reference number G.O.Ms. No.1172, Ind. & Com. Dept, dt: 04.09.1967 under Andhra Pradesh Minor Mineral Concession Rules, 1966**

The Government of Andhra Pradesh vide Notification dated April 27, 2022 has amended Rule 14 of the Andhra Pradesh Minor Concession Rules, 1996 whereby the security deposit for quarry lease has been reduced from five times annual dead rent to three times annual dead rent. Furthermore, the following amendments have been made:

- In the first proviso, for the expression 'within three months from the date of notification of these Rules', the expression 'on or before 30th May 2022' shall be substituted
- New proviso, inserted after first proviso, stipulating that where existing leaseholders have deposited five times annual rent, the difference shall be returned to respective leaseholders

(To view the Notification, please click [here](#))

▪ **Amendment in Notification with reference number Go.Ms.No.254, Revenue (CT-II) Department under Andhra Pradesh Goods and Services Tax Act, 2017**

The Government of Andhra Pradesh vide Notification dated April 23, 2022 has amended the list of registered persons who are not eligible to opt for composition scheme under Sub-Section (1) of Section 10 of Andhra Pradesh Goods and Services Act, 2017 to include the following:

- Fly ash bricks or fly ash aggregate with 90% or more fly ash content
- Bricks of fossil means or similar siliceous earths
- Building bricks
- Earthen or roofing tiles

(To view the Notification, please click [here](#))

Himachal Pradesh

▪ **Issuance of Municipal Corporation Shimla Erection, Exhibition, Affixation of Advertisement and Hoarding Byelaws, 2020**

Municipal Corporation, Shimla vide Notification dated April 23, 2022 has notified 'Municipal Corporation Shimla Erection, Exhibition, Affixation of Advertisement and Hoarding Bye-laws, 2020', which shall come into force with immediate effect.

These byelaws regulate the erection, exhibition, affixation of advertisement and hoardings and provide the procedure for obtaining grant of permission.

(To view the Notification, please click [here](#))

Jharkhand

▪ **Amendment of notification regarding Registered Person**

The Commercial Taxes Department, Jharkhand on April 19, 2022, amended the definition of 'Registered Person' as a person whose aggregate turnover in a financial year exceeds INR 20 crore.

(To view the Notification, please click [here](#))

Tamil Nadu

▪ **Revision in rate of interest of General Provident Fund of Tamil Nadu**

The Government of Tamil Nadu vide Notification dated April 19, 2022 has revised the rate of interest for General Provident Fund for accumulations at the credit of subscribers at the rate of 7.1% with effect from April 01, 2022 to June 30, 2022 (Q1).

(To view the Notification, please click [here](#))

ABOUT US

UnComplycate is an end-to-end compliance and contract management solutions provider that integrates domain experience with IT-enabled implementation, monitoring and management protocols.

With more than thirty years' experience in helping clients discharge their compliance obligations, we have developed a repository of significant knowledge and practical experience in advising and assisting businesses on their regulatory compliance, litigation management, notice and contract management and other attendant requirements. We create bespoke products for clients that include, among other things, an audit of the functions of the company, offering technology-enabled platforms that provide solutions for effective control over the compliance and contract management functions. These services are not limited by geography and can be seamlessly extended to all operating sites of the client.

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