



COMPLIANCE UPDATE

JUNE 2023 | Part 1 of 2

Reserve Bank of India (RBI)

- **Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2023**

The Ministry of Finance on May 16, 2023 omitted Rule 7 of Foreign Exchange Management (Current Account Transactions) Rules, 2000. Due to the omission of Rule 7, a mandate for obtaining prior permission of RBI for use of International Credit Cards outside India has been introduced. (To view the Notification, please click [here](#))

- **₹2000 denomination banknotes withdrawn from circulation but will continue as legal tender**

RBI on May 19, 2023 notified that in pursuance of the 'Clean Note Policy', the ₹2000 denomination banknotes shall be withdrawn from circulation. However, these banknotes will continue to be legal tender and the facility for deposit and/or exchange of ₹2000 banknotes shall be available to the public up to September 30, 2023.

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

Securities and Exchange Board of India (SEBI)

- **Notification of the Model Tripartite Agreement**

SEBI on May 25, 2023 notified the Model Tripartite Agreement between the Issuer Company, Existing Share Transfer Agent and New Share Transfer Agent as per Regulation 7(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. As per regulation 7(4) of SEBI LODR Regulations, 2015, *'in case of any change or appointment of a new share transfer agent, the listed entity shall enter into a tripartite agreement between the existing share transfer agent, the new share transfer agent and the listed entity, in the manner as specified by the Board from time to time.'*

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

- **Dematerialization of securities of Holdcos and SPVs held by REITs**

SEBI on May 22, 2023 directed all Real Estate Investment Trusts (REITs) to hold the securities of Holding Companies (Holdcos) and Special Purpose Vehicles (SPVs) in dematerialized form only. The same has been directed to encourage ease of doing business and improve transparency in the dealings of securities.

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

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- **Dematerialization of securities of Holdcos and SPVs held by InvITs**

SEBI on May 22, 2023 directed all Infrastructure Investment Trusts (**InvITs**) to hold the securities of Holdcos and SPVs in dematerialized form only. The same has been directed to encourage ease of doing business and improve transparency in the dealings of securities.

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

Central Board of Direct Taxes (CBDT)

- **Income Tax (Fifth Amendment) Rules, 2023**

CBDT on May 22, 2023 added Rule 133 in the Income Tax Rules, 1962. The newly added Rule provides that net winnings from online games during the previous year shall be calculated for Income Tax using the following formula:

- Net winnings = (A+D)-(B+C), where
 - o Aggregate amount withdrawn from the user account during the Financial Year
 - o Aggregate amount of non-taxable deposit made in the user account by the assessee during the Financial Year
 - o Opening balance of the user account at the beginning of the Financial Year
 - o Closing balance of the user account at the end of the Financial Year

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

- **Exempted class of person under Section 56 of Income Tax Act, 1961**

The Ministry of Finance on May 24 exempted the following classes of persons receiving premium on shares for calculating the income under the head '*income from other sources*':

- Government and Government related investors
- Banks or entities involved in insurance business
- Entities registered with Securities and Exchange Board of India as Category-I Foreign Portfolio Investors

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

Central Board of Indirect Taxes and Customs (CBIC)

- **Extension of due date to file GSTR-1 and GSTR-3B in State of Manipur**

The Ministry of Finance on May 24, 2023 notified that the time limit for furnishing the details of outward supplies in FORM GSTR-1 and Monthly Return in FORM GSTR-3B for the tax period April, 2023 for registered persons whose principal place of business is in the State of Manipur, shall be extended till May 31, 2023.

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

Industry-wise updates

Agriculture & allied sectors

- **Fertiliser (Inorganic, Organic or Mixed) (Control) (Fifth) Amendment Order, 2023**

The Ministry of Agriculture and Farmers Welfare on May 29, 2023 notified the micronutrients of inorganic fertilizers and their concentration which can be used for creation of mixed fertilizers.

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

Chemicals

- **Polyester Staple Fibres (Quality Control) Amendment Order, 2023**

The Ministry of Chemicals and Fertilizers on May 26, 2023 exempted Low Melt Polyester Fibres from the applicability of Polyester Staple Fibres (Quality Control) Order, 2022.

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

Fisheries, animal husbandry & dairying

- **Minimum Standard Protocol for Semen Stations for Prevention and Control of Infectious and Contagious Diseases through Semen Rules, 2023**

The Ministry of Fisheries, Animal Husbandry and Dairying on May 04, 2023 notified Minimum Standard Protocol for Semen Stations for Prevention and Control of Infectious and Contagious Diseases through Semen Rules, 2023 to regulate registration of Semen Stations.

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

Forests & environment

- **Environment (Protection) Amendment Rules, 2023**

The Ministry of Environment, Forest and Climate Change on May 16, 2023 has notified the stack standards for Boilers. The revised standards will be applicable from May 16, 2025.

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

- **Environment (Protection) Second Amendment Rules, 2023**

The Ministry of Environment, Forest and Climate Change on May 18, 2023 notified the stack standards for Hot Mix Plants, including the batch-type and drum-type used at construction sites.

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

Healthcare

- **Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Amendment Rules, 2023**

The Ministry of Health and Family Welfare on May 31, 2023 added Rule 11 in the above mentioned Rules, and specified the health spots, message and disclaimer in online curated contents of tobacco products by the publisher.

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

Wholesale & retail

- **Amendment in export policy of cough syrup**

The Ministry of Commerce and Industry on May 22, 2023 amended the export policy of cough syrup. As per the amendment, cough syrup shall be permitted to be exported subject to the export sample being tested and production of Certificate of Analysis (CoA) issued by authorized laboratory.

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

Utilities

- **Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules, 2023**

The Ministry of Power on May 23, 2023 added the definition of 'entity' in the definition clause of Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022; 'entity' means 'any consumer who has contracted demand or sanctioned load of Hundred kW or more either through single connection or through multiple connections aggregating Hundred kW or more located in same electricity division of a distribution licensee, except for captive consumers'.

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

State-wise updates

Andhra Pradesh

- **Conditions for withdrawal of Assessment Order of registered persons who failed to furnish a valid return under Andhra Pradesh Goods and Services Tax Act, 2017**

The Government of Andhra Pradesh on May 15, 2023 issued a Notification regarding the registered persons who have failed to furnish a valid return within a period of 30 days from the service of the Assessment Order issued on or before February 28, 2023 under sub-Section (1) of Section 62 of the Andhra Pradesh Goods and Services Tax Act, 2017. It specifies the types of registered people for which such Assessment Order shall be deemed withdrawn provided the registered persons complete the procedure mentioned below:

- The registered persons shall furnish the said return on or before the 30th day of June 2023.
- The return shall be accompanied by payment of interest due under sub-Section (1) of Section 50 of the said Act and the late fee payable under Section 47 of the said Act, irrespective of whether an appeal had been filed against such Assessment Order or whether the appeal, filed against the said Assessment Order, has been decided.

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

- **Reduction in the e-invoice applicability limit to INR 5 crore**

The Finance Department, Andhra Pradesh on May 16, 2023 issued an amendment to the previously released Notification regarding preparation of invoices and other prescribed documents for registered persons. Registered person whose aggregate turnover in a Financial Year exceeds INR 5 crore shall prepare an invoice and other prescribed documents in respect of the supply of goods or services or both. This shall be in effect from August 01, 2023

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

Bihar

- **Enforcement of the Employees' State Insurance Act, 1948**

The Ministry of Labour and Employment (MoL&E) on May 23, 2023 notified the applicability of Employees' State Insurance Act, 1948, in the districts of Arwal, Jamui, Kaimur, Khagaria, Kishanganj, Madhepura, Madhubani, Nawada, Purnia, Sheikhpura and West Champaran of the State of Bihar. This shall come into force on June 01, 2023.

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

- **Extension of Bihar Clean Fuel Scheme, 2019 in Gaya and Muzaffarpur**

The Patna Municipal Corporation, on May 17, 2023 banned the operation of all types of diesel-powered three-wheelers from the midnight of September 30, 2023 under Section 115 of the Motor Vehicles Act, 1988. Transport Department, Patna, Bihar is encouraging the operation of clean fuel-driven vehicles (CNG and battery-driven vehicles) for the purpose of alternative transport systems and expected improvement in ambient air quality.

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

- **Waiver of late fee for the registered persons who failed to furnish the final return in FORM GSTR-10 by the due date**

The Finance Department, Bihar on May 17, 2023 issued a Notification to waive the amount of late fee, which is in excess of INR 500 for registered persons who fail to furnish the final return in FORM GSTR-10 by the due date but furnish the said return between April 01, 2023 to June 30, 2023.

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

- **Waiver of late fee for filing FORM GSTR-4**

The Government of Bihar on May 17, 2023 notified the waiver of late fee for filing of FORM GSTR-4 under Bihar GST Act, 2017 if the person furnishes the said return between the period from April 01, 2023 to June 30, 2023.

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

- **Ban on all types of commercial vehicles older than 15 years in Gaya and Muzaffarpur Municipal Corporation areas**

The Government of Bihar on May 15, 2023 issued a Notification to ban all types of commercial vehicles older than 15 years in Gaya and Muzaffarpur Municipal Corporation areas with effect from October 01, 2023.

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

▪ **Notification regarding registered persons who failed to furnish a valid return under the Bihar GST Act, 2017**

The Government of Bihar on May 17, 2023 extended the due date to file revised return, on failure to file the return in stipulated time, till June 30, 2023.

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

▪ **Bihar Registration (Amendment) Rules, 2023**

The Government of Bihar on May 15, 2023 issued the Bihar Registration (Amendment) Rules, 2023 directing the purchaser and seller of a property to prepare documents in the computer typed copy of the model format approved by the department and all enclosures, maps and plans in the size of A-4 size Bond Paper.

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

Chandigarh

▪ **Extension of Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply, and Distribution) (Punjab Amendment) Act, 2018 to Chandigarh**

The Ministry of Home Affairs (MHA) on May 15, 2023 issued a Notification regarding the modification of the applicability of the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply, and Distribution) (Punjab Amendment) Act, 2018 whereby the said Act has been extended to the Union Territory of Chandigarh.

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

Chhattisgarh

▪ **Draft amendment to the Chhattisgarh Motor Vehicle Act, 1991**

The Government of Chhattisgarh on May 10, 2023 issued a draft amendment to the Chhattisgarh Motor Vehicle Act, 1991. As per the amendment, lifetime tax of ambulances is defined as:

- 6% of the cost of vehicle, if cost of vehicle does not exceed INR 5 lakh.
- 7% of the cost of vehicle, if cost of ambulance exceeds INR 5 lakh.

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

▪ **Amendment to the Chhattisgarh Factories Rules, 1962**

The Government of Chhattisgarh on May 19, 2023 omitted Rule 53 (Provision of Whitewashing and Color Washing) of Chhattisgarh Factories Rules, 1962.

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

Goa

▪ **Draft Goa Motor Vehicles (Amendment) Rules, 2023**

The Government of Goa on May 15, 2023 published the Draft Goa Motor Vehicles (Amendment) Rules, 2023 to further amend the Goa Motor Vehicles Rules, 1991 whereby:

- In Rule 4 which states 'Authorization to drive public service vehicle', sub-Rule (2) has been substituted.
- Rule 121A which states 'Parking slots at Manohar International Airport' has been inserted.
- Rule 158A which states 'Painting and marking motor cars' has been inserted.

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

▪ **Vehicle Scrapping Policy of Goa, 2023**

The Government of Goa on May 18, 2023 issued the Registered Vehicle Scrapping Policy of Goa, 2023. The policy shall come into force on May 18, 2023 and aims at creating an ecosystem for phasing out unfit and polluting vehicles from the State roads. The Policy also defines the eligibility criterion for Registered Vehicle Scrapping Facility (RVSF):

- They should have an office in Goa.
- Necessary licenses and permissions for the purpose of setting up RVSF in the State of Goa shall be obtained from the Directorate of Industries, Trade & Commerce.
- The RVSF may be owned and operated by any legal entity.

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

▪ **Conditions for withdrawal of Assessment Order of registered persons who failed to furnish a valid return under Goa Goods and Services Tax Act, 2017**

The Government of Goa on May 15, 2023 issued a Notification regarding registered persons who have failed to furnish a valid return within a period of 30 days from the service of the Assessment Order issued on or before February 28, 2023, under sub-Section (1) of Section 62 of the Goa Goods and Services Tax Act, 2017. It specifies the types of registered people for which such Assessment Order shall be deemed withdrawn, provided the registered persons complete the procedures mentioned below:

- The registered persons shall furnish the said return on or before the 30th day of June 2023.
- The return shall be accompanied by payment of interest due under sub-Section (1) of Section 50 of the said Act and the late fee payable under Section 47 of the said Act, irrespective of whether an appeal had been filed against such Assessment Order or whether the appeal, filed against the said Assessment Order has been decided.

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

Himachal Pradesh

▪ **Himachal Pradesh Electricity Regulatory Commission (Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensees) (First Amendment) Regulations, 2023**

The Himachal Pradesh Electricity Regulatory Commission (HPERC) on May 15, 2023 published the Himachal Pradesh Electricity Regulatory Commission (Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensees) (First Amendment) Regulations, 2023 to further amend the Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensees Regulations, 2005. The said amendment Regulations shall come into force on May 15, 2023, whereby:

- Regulation 3 which states 'Intimation of other business' has 2 new sub-Regulations added to it.
- Sub-Regulation (5) of Regulation 3 has been substituted.
- Regulation 4A which states 'Special provisions for facilitating telecommunication activities' has been inserted.

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

▪ **Extension of closing hour under the Himachal Pradesh Shops and Establishments Act, 1969**

The Government of Himachal Pradesh, vide Notification No. Shram (A) 4-4/2017, extended the closing hours from 9:00 PM to 11:00 PM under the Himachal Pradesh Shops And Commercial Establishments Act, 1969, till July 31, 2023.

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

Karnataka

▪ **Reduction in the e-invoice applicability limit to INR 5 crore**

The Finance Department, Karnataka, on May 16, 2023 issued an amendment to the previously released Notification regarding preparation of invoices and other prescribed documents for registered persons whereby registered person whose aggregate turnover in a Financial Year exceeds INR 5 crore shall prepare an invoice and other prescribed documents in respect of the supply of goods or services or both to a registered person. This shall be in effect from August 01, 2023.

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

Madhya Pradesh

▪ **Amendment in Madhya Pradesh Sand (Mining, Transportation, Storage, and Trading) Rule, 2019**

The Government of Madhya Pradesh on May 26, 2023 amended the Madhya Pradesh Sand (Mining, Transportation, Storage, and Trading) Rule, 2019. As per the amendment, the word 'Contractor' has been replaced by 'Mine Developer cum Operator (MDO)'.

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

▪ **Amendment in Madhya Pradesh Nagar Palika (Colony Development) Rules, 2021**

The Government of Madhya Pradesh on May 26, 2023 amended the Madhya Pradesh Nagar Palika (Colony Development) Rules, 2021. As per the Amendment, seller or the buyer or both shall be required to obtain a no-objection certificate from the urban body and registration shall not be executed without the no-objection certificate.

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

▪ **Draft amendment in Madhya Pradesh Motoryan Karadhan Adhiniyam, 1991**

The Government of Madhya Pradesh on May 19, 2023 issued a draft amendment to Madhya Pradesh Motoryan Karadhan Adhiniyam, 1991. As per the amendment, a transfer tax of INR 200 per seat shall be levied on all vehicles operating in Madhya Pradesh on permits issued from other states as private service vehicle.

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

▪ **Notification regarding Goods Transport Agencies**

The Government of Madhya Pradesh on May 17, 2023 notified that a Goods Transport Agency (GTA) who commences new business or crosses the threshold for registration during any Financial Year may exercise the option to itself pay GST on the services supplied by it during that Financial Year by making a declaration in Annexure V before the expiry of 45 days from the date of applying for GST registration or 1 month from the date of obtaining registration, whichever is later. This Notification shall be deemed to come into force from May 09, 2023.

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

▪ **Notification on conditions for the notified area for manganese prospecting work**

2023 issued a Notification regarding the conditions for the notified area in favor of Manganese Ore (India) for manganese prospecting work. As per the Notification:

- Manganese Ore (India) Limited shall intimate to the Director of Geology & Mining, Madhya Pradesh for the commencement of prospecting work in the notified area.
- The period of prospecting work shall remain 1 year 6 months subject to further extension after approval of the Government of Madhya Pradesh, Mineral Resource Department.

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

NCT of Delhi

▪ **Draft DERC (Net Metering for Renewable Energy) (First Amendment) Regulations, 2023**

The Delhi Electricity Regulatory Commission (DERC) on May 26, 2023 notified the draft of the DERC (Net Metering for Renewable Energy) (First Amendment) Regulations, 2023 wherein:

- Terms such as Peer-to-Peer Transactions, Blockchain and Prosumer have been defined.
- Regulation 10 which specifies the applicability of other charges states that 'the Renewable Energy system under Net Metering arrangement including Peer to Peer Transactions shall be exempted from wheeling, banking, cross-subsidy, and other charges till March 31, 2026, unless extended thereafter'.

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

Rajasthan

▪ **Draft Rajasthan Code on Social Security Rules, 2023**

The Government of Rajasthan on May 09, 2023 notified the draft Rajasthan Code on Social Security Rules, 2023 thereby repealing the following Rules:

- The Rajasthan Employees' Insurance Court Rules, 1959
- The Rajasthan Employees' State Insurance (Medical Benefit Services System) Rules, 1955
- The Rajasthan Workmen's Compensation Rules, 1960
- The Rajasthan Workmen's Compensation (Occupational Diseases) Rules, 1965
- Rajasthan Maternity Benefit Rules, 1967
- The Rajasthan Payment of Gratuity Rules, 1973
- The Rajasthan Unorganized Workers' Social Security Rules, 2011

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

▪ **Draft Rajasthan Industrial Relations Rules, 2023**

The Government of Rajasthan on May 17, 2023 notified the draft Rajasthan Industrial Relations Rules, 2023 thereby repealing the following Rules:

- The Rajasthan Industrial Disputes Rules, 1958
- The Rajasthan Industrial Employment (Standing Orders) Rules, 1963
- The Rajasthan Trade Union Regulation Rules, 1959

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

Tamil Nadu

▪ **Ban on manufacturing, storing, transporting, distribution, or sale of chewable food products, gutkha, pan masala, containing tobacco and nicotine as 'ingredients'**

The Commissioner of Food Safety and Drug Administration, Tamil Nadu, on May 23, 2023 issued a Notification to ban manufacturing, storing, transporting, distribution, or sale of chewable food

products, gutkha, pan masala, containing tobacco, and nicotine as 'ingredients' in the State of Tamil Nadu for a period of 1 year with effect from May 23, 2023.

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

Telangana

▪ **Permission to all shops and establishments to keep open on all days of the year**

The Labour Employment Training & Factories Department, Telangana, on May 15, 2023 extended the permission to all shops & establishments to remain open on all days of the year for a further period of 3 years with effect from June 16, 2022, provided the following conditions are met:

- The working hours of employees shall be 8 hours per day and 48 hours a week.
- Every employee will be allowed to avail of a weekly holiday.
- If the employees are found working on any holiday or after normal duty hours without proper indent of over-time, the exemption granted will be liable for cancellation.
- Working hours of the shop shall be between 9.00 AM to 11.00 PM.
- In case of women employees who are required to work beyond 8:30 PM, transport arrangements are to be made.

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

Tripura

▪ **Reduction in the e-invoice applicability limit to INR 5 crore**

The Finance Department, Tripura, on May 17, 2023 issued an amendment to the previously released Notification No. F.1-11(91)-TAX/GST/2020(Part-II), dated May 20, 2020, which states the preparation of invoices and other prescribed documents for registered persons wherein the registered person whose aggregate turnover in a Financial Year exceeds INR 5 crore, as a class of registered person shall prepare an invoice and other prescribed documents in respect of the supply of goods or services or both to a registered person. This shall be in effect from August 01, 2023

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

▪ **Online payment of cess amount under BOCW in Tripura**

The Government of Tripura, vide memorandum No. 6(5)-TBOCW/CASH(cess)/GENL/2018/4391-992, introduced an online portal accessible through <https://labourcess.tripura.gov.in/> for deposition of 1% labour cess under the Building and Other Construction Workers Welfare Cess Act, 1998 and its Rules.

(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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