



COMPLIANCE UPDATE

JULY 2023 | Part 1 of 2

Reserve Bank of India (RBI)

- **Remittances to International Financial Services Centres (IFSCs) under the Liberalised Remittance Scheme (LRS)**

RBI on June 22, 2023 directed that Authorised Persons may facilitate remittances by resident individuals under purpose of 'studies abroad' as mentioned in Schedule III of Foreign Exchange Management (Current Account Transactions) Rules, 2000 for payment of fee to foreign universities or foreign institutions in IFSCs.

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

- **Mahila Samman Savings Certificate, 2023**

The Ministry of Finance on June 27, 2023 introduced Mahila Samman Savings Certificate, 2023, a small savings scheme backed by the Government. The scheme can be availed at any all-public sector banks and ICICI Bank, Axis Bank, HDFC Bank and IDBI Bank.

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

- **Reserve Bank of India (Minimum Capital Requirements for Operational Risk) Directions, 2023**

RBI on June 26, 2023 notified Reserve Bank of India (Minimum Capital Requirements for Operational Risk) Directions, 2023. These directions shall apply to all Commercial Banks (excluding Local Area Banks, Payments Banks, Regional Rural Banks, and Small Finance Banks).

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

Securities and Exchange Board of India (SEBI)

- **Adherence to provisions of Regulation 51A of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 by Online Bond Platform Providers on product offerings on Online Bond Platforms**

SEBI on June 16, 2023 restricted Online Bond Platform Providers from offering products other than listed debt securities on their platforms. In addition, the Regulator allowed them to offer securities such as Government Securities, Treasury Bills, Listed Sovereign Gold Bonds, Listed Municipal Debt Securities, and Listed Securitised Debt Instruments on their Online Bond Platforms.

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

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- **Issuance of units of AIFs in dematerialized form**

SEBI on June 21, 2023 notified the timelines to dematerialize the securities by Alternative Investment Funds.

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

- **Format for Annual Secretarial Compliance Report for InvITs**

SEBI on June 26, 2023 notified the format for Annual Secretarial Compliance Report for InvITs. Furthermore, the investment manager of InvIT shall submit the annual secretarial compliance report in the aforesaid format to the stock exchanges within 60 days from the end of each Financial Year. The annual secretarial compliance report shall also be made part of Annual Report of the InvIT.

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

- **Format for Annual Secretarial Compliance Report for REITs**

SEBI on June 26, 2023 notified the format for Annual Secretarial Compliance Report for REIT. Furthermore, the investment manager of REIT shall submit the annual secretarial compliance report in the aforesaid format to the stock exchanges within 60 days from the end of each Financial Year. The annual secretarial compliance report shall also be made part of Annual Report of the REIT.

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

- **Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2023**

SEBI on June 26, 2023 defined 'Liquid network' as '*the network deployed in liquid assets which are unencumbered and shall include cash, Money Market Instruments, Government Securities, Treasury Bills, Repo on Government Securities and any other like instruments as specified by the Board from time to time.*' Furthermore, the amendment specifies the qualifications and experience required for key personnel in Asset Management Companies.

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

Central Board of Direct Taxes (CBDT)

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

The Central Board of Direct Taxes on June 23, 2023 amended the following forms under the Income Tax Rules, 1962:

- **Form No. 10A:** Application for registration of charitable or religious trusts
- **Form No. 10AB:** Application for approval of the institution or fund

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

Central Board of Indirect Taxes and Customs (CBIC)

- **Extension of due date to file GSTR-3B in State of Gujarat**

The Ministry of Finance on June 27, 2023 extended the due date for furnishing the returns in FORM GSTR-3B for the month of May, 2023 till the 30th day of June 2023 for registered persons whose principal place of business is in the districts of Kutch, Jamnagar, Morbi, Patan and Banaskantha in the State of Gujarat.

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

Ministry of Corporate Affairs (MCA)

- **Statutory Auditors' responsibilities in relation to fraud in a company**

The National Financial Reporting Authority on June 26, 2023 released a Circular addressing the responsibilities of Statutory Auditors in reporting fraud within a company. The Circular was released as a reminder to the Auditors regarding their responsibilities and consequences of failure to adhere to the requirements under Companies Act, 2013.

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

Industry-wise updates

Agriculture & allied sectors

- **Plant Quarantine (Regulation of Import into India) (Fourth Amendment) Order, 2023**

The Ministry of Agriculture and Farmers Welfare on June 12, 2023 added Shorea Robusta (Sal) in the exempted list of plants/plant materials permitted for import with additional declarations and special conditions. However, no additional declaration is required to import the same.

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

Chemicals

- **Butyl Acrylate (Quality Control) Amendment Order, 2023**

The Ministry of Consumer Affairs, Food and Public Distribution on June 23, 2023 directed all manufacturers and packers of electronic products to declare the name of the manufacturer or packer on the package itself, and such declaration shall also inform the consumers to scan the QR code for the address and other related information, if such information is declared through the QR Code and not declared on the package itself.

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

Forests & environment

- **Green Credit Programme Implementation (Draft) Rules, 2023**

The Ministry of Environment, Forest and Climate Change on June 26, 2023 notified Green Credit Programme Implementation (Draft) Rules, 2023. Objectives of the Green Credit Programme are to create a market-based mechanism for providing incentives in the form of Green Credits to individuals, farmer producer organisations, cooperatives, forestry enterprises, sustainable agriculture enterprises, urban and rural local bodies, private sectors, industries and organisations for environment positive actions.

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

Healthcare

- **Clarification on Pharmacy Profession and Para-medical Course**

The Pharmacy Council of India on June 19, 2023 clarified that Pharmacy Profession shall not be deemed as Para-medical Course and shall be treated as an independent course.

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

Wholesale & retail

- **Legal Metrology (Packaged Commodities) (Amendment) Rules, 2023**

The Ministry of Consumer Affairs, Food and Public Distribution on June 23, 2023 directed all manufacturers and packers of electronic products to declare the name of the manufacturer or packer on the package itself, and such declaration shall also inform the consumers to scan the QR code for the address and other related information, if such information is declared through the QR Code and not declared on the package itself.

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

State-wise updates

Andhra Pradesh

▪ **Amendment of Andhra Pradesh Educational Institutions (Establishment, Recognition, Administration and Control of Schools under Private managements) Rules, 1993**

The Government of Andhra Pradesh on June 22, 2023 amended Rule 12 of the Andhra Pradesh Educational Institutions (Establishment, Recognition, Administration and Control of Schools under Private managements) Rules, 1993, which deals with the 'Appointment of Staff'. As per the amendment, before filling up the posts on a permanent basis, the vacant aided teaching and non-teaching posts shall be filled on a contractual basis, initially for a period of 3 years, following the same process of selection as prescribed in the Rules.

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

▪ **Amendment of Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017**

2023 amended Rule 16 of the Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017, which deals with the Rate of interest payable by the promoter and the allottee. As per the amendment, the rate of interest payable by the promoter to the allottee or by the allottee to the promoter shall be the State Bank of India's highest marginal cost of Lending Rate plus 2%. In case the state bank of India's Marginal cost of lending rate is not in use it would be replaced by such benchmark lending rates which the state bank of India may fix from time to time to the public.

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

Assam

▪ **Prohibition on manufacturing certain SUP commodities**

The Pollution Control Board, Assam (**PCBA**) on June 17, 2023 published a Notification regarding the prohibition to stop manufacturing certain Single Used Plastic (**SUP**) commodities. As per the Notification, the producers are prohibited to manufacture the following SUP commodities:

- All single-use biodegradable plastic commodities including oxo-biodegradable commodities and commodities made by adding additives to conventional plastics.
- SUP items are prohibited as per the Plastic Waste Management (Amendment) Rules, 2021.
- Plastic carry bags with a thickness of less than 120 microns.
- Compostable plastic commodities without a certificate from CPCB.
- Plastic sheets/packaging including shrink films less than 50 microns thick.

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

▪ **Use of Aadhaar as an identity document for availing benefits under the Deposit Linked Insurance Scheme for the tea plantation workers in Assam**

The Ministry of Labour and Employment (**MoL&E**) on June 26, 2023 published a Notification regarding the use of Aadhaar as an identity document for availing benefits under the Central Sector Scheme of Deposit Linked Insurance Scheme for the tea plantation workers in Assam which is implemented by the Assam Tea Employees' Provident Fund Organization.

- As per the Notification, the individual desirous of availing the benefits under the Scheme shall hereby be required to furnish proof of possession of the Aadhaar number or undergo Aadhaar authentication.
- In case the individual does not possess the Aadhaar number or has not yet enrolled for Aadhaar, they are required to enroll before registering for the Scheme.
- In order to provide benefits to the beneficiaries under the Scheme conveniently, the Ministry through its Implementing Agency shall make all the required arrangements to ensure that wide publicity through the media shall be given to the beneficiaries to make them aware of the requirement of Aadhaar under the Scheme.
- The Notification shall come into force from June 26, 2023 in Assam.

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

Bihar

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

The Government of Bihar on June 13, 2023 published a Notification related to the preparation of e-invoices and other prescribed documents for registered persons. As per the Notification, the limit for preparation of e-invoices has been reduced to 'five crore rupees' from 'ten crore rupees'. The Notification shall come into force from August 01, 2023.

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

Chandigarh

▪ [Draft Chandigarh Energy Conservation Building Code 2023](#)

The Government of Chandigarh on June 16, 2023 issued the Draft Chandigarh Energy Conservation Building Code, 2023. The following has been stated:

- The Code is applicable to buildings or building complexes that have a connected load of 50 kW or greater or a contract demand of 60 kVA or the plot area of the building is equal to or more than 1000 sq mt or the built-up area of the building is equal two or more than 2000 sq mt (excluding non-conditioned spaces in the basement) greater and are intended to be used for commercial purposes.
- Buildings intended for private residential purposes only are not covered by the Code.
- Building Classification: Any one or more buildings or part of a building with commercial use is classified as per the functional requirements of its design, construction, and use.

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

Chhattisgarh

▪ [Amendment of the Chhattisgarh Motoryan Karadhan Adhiniyam, 1991](#)

The Government of Chhattisgarh on June 26, 2023 amended the Chhattisgarh Motoryan Karadhan Adhiniyam, 1991, adding Schedule Four to the Chhattisgarh Motor Vehicle Act, 1991 which deals with 'Concession in Motor Vehicle Tax'.

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

Goa

▪ [Draft of Goa Motor Vehicles \(Amendment\) Rules, 2023](#)

The Government of Goa on June 21, 2023 proposed the draft Goa Motor Vehicles (Amendment) Rules, 2023 to amend the Goa Motor Vehicles Rules, 1991, which shall come into force on June 21, 2023. Key aspects:

- Insertion of new Rule 121A: After Rule 121, Rule 121A pertaining to 'Parking slots at Manohar International Airport — Consent from GMR Goa International Airport Ltd for providing parking slots/pickup bays at Manohar International Airport at Mopa shall be sufficient for the issuance of permits by the Regional Transport Authority', shall be inserted.
- Insertion of new Rule 158A: After Rule 158, Rule 158A pertaining to 'Painting and marking of motor cabs' (motor cabs attached to blue cab Prepaid Taxi Service at Manohar International Airport at Mopa shall be painted in blue colour and Regional Transport Authority and the rest of the body in white colour), shall be inserted. Objections and suggestions from all persons likely to be affected thereby are invited within 15 days from the date of publication of the said Notification.

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

Haryana

▪ [Draft Haryana Energy Conservation Building Code Rules, 2022, and Draft Eco Niwas Samhita](#)

The Haryana Renewable Energy Development Agency (**HAREDA**) on June 16, 2023 issued a Notification regarding the Draft HECBC, HECBC Rules, and HENS whereby the following has been stated:

- Haryana Energy Conservation Building Code Rules, 2022 (**HECBC**) which is applicable to all commercial buildings with a connected load of 100KW or greater.
- 2. Eco Niwas Samhita (**ENS**) which is applicable to residential buildings having plots greater than or equal to 500 sq mt and/or residential part of mixed land-use building projects built on a plot area greater than or equal to 500 sq mt.

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

Karnataka

▪ [Draft Karnataka Motor Vehicles \(Amendment\) Rules, 2023](#)

The Government of Karnataka on June 26, 2023 published a Notification of the draft Karnataka Motor Vehicles (Amendment) Rules, 2023. The amendments are as follows:

- A new Rule 200A has been inserted which deals with 'Levy of fine and penalty through Electronic Enforcement Device'.

- Any objection or suggestion by the persons likely to be affected thereby will be taken into consideration with respect to the said draft before the expiry of thirty (30) days.

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

▪ **Provision of tax under the Karnataka Motor Vehicles Taxation Act, 1957**

The Government of Karnataka on June 19, 2023 issued a Notification regarding the Karnataka Motor Vehicles Taxation Act, 1957. It is hereby directed that a tax of INR 5,000+11% cess (i.e. INR 5000+550=INR 5,550 only) per annum, per vehicle irrespective of the laden weight of the vehicle shall be levied under the Karnataka Motor Vehicles Taxation Act, 1957. As per the Notification:

- The amount shall be paid by crossed demand draft drawn in favor of the secretary, Karnataka State Transport Authority, Bangalore.
- No refund of tax shall be allowed under any circumstances.
- No separate tax shall be payable in respect of a vehicle replaced by another Vehicle during the Financial Year for which tax is already paid.
- The countersignature permit shall be valid only for the period for which the tax is paid under this Notification.
- This Notification shall be effective from June 21, 2023

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

Madhya Pradesh

▪ **Amendment of the Madhya Pradesh Municipalities (Accounts and Finance) Rules, 2018**

The Government of Madhya Pradesh on June 15, 2023 amended Rule 238 of the Madhya Pradesh Municipalities (Accounts and Finance) Rules, 2018, which deals with 'Technical Sanction'. As per Rule 238, Powers to accord technical sanction to final detailed plan and estimates shall vest with the competent authorities.

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

▪ **Amendment to the Madhya Pradesh Motor Vehicles Rules, 1994**

The Government of Madhya Pradesh on June 14, 2023 issued a Notification regarding the amendment to Rule 64 of the Madhya Pradesh Motor Vehicles Rules, 1994 which deals with 'Regional Transport Authority.' As per the Amendment, 'Assistant Regional Transport Officer', shall be replaced by 'Transport Inspector'.

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

Maharashtra

▪ **Maharashtra Fire Prevention and Life Safety Measures (Amendment) Act, 2023**

The Government of Maharashtra on June 27, 2023 published the Maharashtra Fire Prevention and Life Safety Measures (Amendment) Act, 2023 to further amend the Maharashtra Fire Prevention and Life Safety Measures Act, 2006 whereby:

- The expression 'building' shall also include the temporary structure such as tents, shamiana, and tarpaulin shelters erected for temporary and ceremonial occasions.
- 'Fire and Emergency Services' has been inserted which means services required to be rendered by any local or planning or any other such authority notified by the State Government, in case of manmade or natural disaster or any eventuality, where life or property is at risk.

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

▪ **Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) (Amendment) Rules, 2023**

The Industries, Energy and Labour Department, Maharashtra on June 27, 2023 issued the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) (Amendment) Rules, 2023 to further amend the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules, 2018 whereby Rule 16 which states 'Notice of shift schedule, weekly holiday of workers engaged in shift' has been substituted as the following:

- 'In case of an establishment operating in shift, the employer shall display well in advance a shift schedule, along with weekly holiday showing the names and designation of all persons working in that shift, so that each worker is aware of his weekly holiday and the shift in which he has to work. Such notice shall be in Form 'N' and shall be kept in every establishment and made available for inspection to the Facilitator on demand. The notice shall be displayed on the website or at a conspicuous place of the premises of the establishment on the notice board. A copy of the same shall be send to the Facilitator electronically or otherwise.'

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

NCT of Delhi

▪ **Draft Delhi Electricity Regulatory Commission (Approval of Capital Investment Schemes for Distribution Licensees) Regulations, 2023**

The Delhi Electricity Regulatory Commission, (DERC) on June 22, 2023 published the draft Delhi Electricity Regulatory Commission (Approval of Capital Investment Schemes for Distribution Licensees) Regulations, 2023. The regulations aim at laying down the framework to be followed by the distribution licensee for obtaining the Commission's in-principal approval for proposed Capital Investment as well as the approval to be granted to the final completed cost.

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

Punjab

▪ **Amendment to the Punjab Groundwater Extraction and Conservation Directions, 2023**

The Government of Punjab on June 19, 2023 issued an amendment to the Punjab Groundwater Extraction and Conservation Directions, 2023. The following aspects have been amended:

- 'Time period for existing units to apply for permission', wherein a User with an existing Unit shall apply to the Authority for Permission within such time period as stipulated by the Authority.
- In Chapter 6, the 'Example: Calculation of Groundwater Compensation Charges (GCC) and delay payment charges' along with the calculations shall be deleted.
- In Chapter 8, in Paragraph 8.1, the word 'granted' shall be omitted.
- In Chapter 9, in Paragraph 9.3, the words 'doubts are regards' shall be substituted with 'doubts as regards'.
- The amendment shall be deemed to have come into force on February 01, 2023.

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

Sikkim

▪ **Advisory to all stakeholders to desist from manufacturing, selling, and listing seat belt alarm stopper clips that compromise the safety of consumers**

The Government of Sikkim on June 20, 2023 issued an advisory to all stakeholders to desist from manufacturing, selling, and listing seat belt alarm stopper clips that compromise the safety of consumers. It states that all the stakeholders and other companies/agencies that are involved in manufacture or sale of car seatbelts alarm stopper clips shall be strictly prohibited to prevent the loss of life or severe injury to consumers.

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

Uttarakhand

▪ **Rebate of tax on residential and non-residential buildings**

The Municipality of Rudrapur, Uttarakhand on June 21, 2023 published a Notification regarding the rebate of tax on residential and nonresidential buildings. As per the Notification:

- The rate of rebate has been fixed for 5% on residential buildings and 2% rebate on non-residential buildings on depositing house tax for the Financial Year 2023-24 by June 30, 2023.
- Any person who does not deposit the amount and gives the description correctly shall be liable for payment of a fine of up to INR 15, 000.

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

West Bengal

▪ **Extension of the last date of filing an application for settlement under the West Bengal Sales Tax (Settlement of Dispute) Act, 1999**

The Government of West Bengal on May 30, 2023 extended the last date of filing an application for settlement under the West Bengal Sales Tax (Settlement of Dispute) Act, 1999 to June 30, 2023.

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

▪ **Enhancement of the GST rate against Tax Invoice or any Receipt Voucher**

The Government of West Bengal on June 07, 2023 published a Notification regarding the enhancement of GST rate against Tax Invoice or any Receipt Voucher. As per the Notification, if any enhancement of the value of the contract is required due to a change of GST rate from 12% to 18% with effect from July 18, 2022, the respective authority may ask for a self-declaration from the concerned contractor separately for each contract.

(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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