



NEWSLETTER ^{Weekly}

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RESERVE BANK OF INDIA

1. Reserve Bank of India clarifies on Star Series Banknotes

The Reserve Bank of India vide circular dated July 27th 2023, notified that the Star (*) symbol is inserted in the number panel of a banknote that is used as replacement for defectively printed banknotes in a packet of 100 pieces of serially numbered banknotes.

You can access the notification here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56103

2. Master Circular - Management of Advances - Primary (Urban) Cooperative Banks (UCBs)

The Reserve Bank of India on July 25th 2023, issued a master circular on management of advances on UCBs, Please refer to the RBI [Master Circular DOR.CRE.REC.No.17/13.05.000/2022-23 dated April 8, 2022](#) on the captioned subject. This Master Circular consolidates and updates all the instructions / guidelines on the subject issued till date.

You can find the access to the Master Circular here:

https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12525

3. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption due on August 05, 2023 (Series I of SGB 2016-17)

The Reserve Bank of India vide circular dated July 28th 2023, permitted premature redemption of Gold Bond after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the next due date of premature redemption of the above tranche shall be August 05, 2023.

You can access the notification

here: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56119

SECURITIES EXCHANGE BOARD OF INDIA

1. SEBI at an early stage of considering simplification of the process of on-boarding of clients by adoption of risk-based approach

SEBI vide press release dated 29th July 2023, clarified that there is no proposal to curb retail participation in derivative markets. Currently, for trading in the derivative

segment, SEBI Circular dated December 03, 2009 (now incorporated under Master Circular for Stock Brokers dated May 17, 2023), inter alia, prescribes that the stock broker shall have documentary evidence of financial capability for all clients.

You can access the notification here:

https://www.sebi.gov.in/media/press-releases/jul-2023/sebi-at-an-early-stage-of-considering-simplification-of-the-process-of-on-boarding-of-clients-by-adoption-of-risk-based-approach_74617.html

2. Resources for Trustees of Mutual Funds

In order to provide administrative assistance to trustees of mutual funds in monitoring various activities of the asset management companies ('AMCs'), SEBI has, by its circular dated July 26th 2023 mentioned that the Trustees shall have standing arrangements with independent firms for special purpose audit and/or to seek legal advice in case of any requirement as identified and whenever considered necessary.

You can access the notification here:

https://www.sebi.gov.in/legal/circulars/jul-2023/resources-for-trustees-of-mutual-funds_74381.html

3. Framework for Corporate Debt Market Development Fund (CDMDF)

SEBI vide circular dated 27th July 2023 has come out with the guidelines for the Corporate Debt Market Development Fund (CDMDF). The fund will act as a backstop facility for purchase of investment-grade corporate debt securities, to instil confidence among the participants in the corporate debt market during times of stress.

You can access the notification here:

<https://www.sebi.gov.in/legal/circulars/jul-2023/framework-for-corporate-debt-market-development-fund-cdmdf-74416.html>

4. Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund

SEBI vide circular dated July 27th 2023 came out with the investment guidelines by mutual fund schemes and AMCs in the units of Corporate Debt Market Development Fund. With the objective of development of the corporate Debt market from the perspective of Mutual Funds, the Mutual Fund Advisory Committee (MFAC) of SEBI had constituted a Working Group consisting of representatives of various Mutual Funds, Clearing Corporation of India Limited (CCIL) and AMFI for detailed deliberation. The Working Group inter-alia recommended creation of an entity to buy corporate debt securities from MF schemes with support from Government of India.

You can access the notification here:

https://www.sebi.gov.in/legal/circulars/jul-2023/investment-by-mutual-fund-schemes-and-amcs-in-units-of-corporate-debt-market-development-fund_74418.html

5. Mandating Legal Entity Identifier (LEI) for all non - individual Foreign Portfolio Investors (FPIs)

SEBI makes Legal Entity Identifier (LEI) mandatory for all non-individual Foreign Portfolio Investors (FPIs), vide Circular dated 27th July, 2023. This unique 20-character code serves as a global identifier for entities engaged in financial transactions and its implementation is seen as a crucial measure post the Global Financial Crisis, to enhance financial data accuracy and risk management.

[You can access the notification here: https://www.sebi.gov.in/legal/circulars/jul-2023/mandating-legal-entity-identifier-lei-for-all-non-individual-foreign-portfolio-investors-fpis-74420.html](https://www.sebi.gov.in/legal/circulars/jul-2023/mandating-legal-entity-identifier-lei-for-all-non-individual-foreign-portfolio-investors-fpis-74420.html)

You may send your suggestions at kartikey@asalegal.in

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