Swift India
CORPORATE SERVICES LLP

Swift e-Bulletin

Edition 20th 23-24

Week – September 11th to September 16th

<u>Quote for the week:</u>

“The way to get started is to quit talking and begin doing”
– *Walt Disney (American Animation Film Producer)*

Introduction

We welcome you to our weekly newsletter!

The ‘Swift e-Bulletin’ - weekly newsletter, covers all regulatory updates and critical judgements passed during the week. We hope that you liked our previous editions and found it to be of great value in its content. We want this newsletter to be valuable for you so, please share your feedback and suggestions to help us improve.

Further, various regulatory authorities have been proactive in bringing significant regulatory changes in recent challenging times. This week’s newsletter covers various circulars/notifications issued by certain regulatory authorities such as the Securities and Exchange Board of India (“SEBI”) and International Financial Services Centres Authority (“IFSCA”)

The Regulatory authorities provided various updates/relaxations, some of which being:

- SEBI vide Circulars dated September 11, 2023 issued the framework for Board nomination rights to unitholders of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs)

- IFSCA vide Circular dated September 15, 2023 issued circular on Authorisation of Scheme file under IFSCA (Fund Management) Regulations 2022

We have prepared a comprehensive summary for quick reference of the aforesaid updates and Judgements / orders issued during the week of September 11TH to September 16th.

Thank you,
Swift team

REGULATORY UPDATES

SEBI

1. **SEBI vide Circulars dated September 11, 2023 issued the framework for Board nomination rights to unitholders of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs)**

- SEBI provides that unitholder(s) holding not less than ten percent of the total outstanding units of the InvIT/REIT, either individually or collectively, shall be entitled to nominate one director on the board of directors of the Manager, in the manner as may be specified by the Board vide Regulation 4(2)(h) of InvIT Regulations and Regulation 4(2)(g) of REIT Regulations, respectively.

- By the same token, vide Annexure-A in these Circulars it has detailed the brief framework for the Nomination Rights bestowed on the Unitholders covering inter-alia the following

  - Definitions of major concepts like the "Eligible Unitholder" and the "unitholder Nominee Director"
  - Conditions for the nomination of the Unitholder Nominee Director
  - First time Nomination after the issuance of this circular; which covers Intimation by the Manager to all unitholders and Notice by Eligible Unitholder(s) who wish to exercise the board nomination. The Eligibility Criteria being inlaid in Annexure-B. right
  - Subsequent Nomination by unitholders on an annual basis
  - Change in Unitholder Nominee Director or withdrawal of nomination
  - Amendment of Trust Deed and Investment Management Agreement

- The Investment Manager of InvIT and the Manager of REIT are under the obligation to review whether the Eligible Unitholder(s) who have exercised the board nomination right, continue to have/hold the required number of units of REIT and make a report of the same, within 10 days of each Calendar Month.

- These Circulars shall come into force from immediate effect.

To read the Circular for InvIT in detail, please click here.

To read the Circular for REIT in detail, please click here.

2. **SEBI vide Circular dated September 14, 2023 issued framework for Regulatory Reporting by Alternative Investment Funds ("AIF")**

- In terms of Regulation 28 of SEBI (**AIF**) Regulations, 2012 read with Clause 15.1 of SEBI Master Circular for AIFs dated July 31, 2023, AIFs shall submit quarterly reports to SEBI in the formats specified with respect to the activities carried on by the AIFs and to have uniform compliance standards, ease compliance reporting, the existing quarterly reporting format has been reviewed and the revised format has been prepared.

- The said revised reporting format shall be hosted by the AIF associations on their website within 2 working days of issuance of this circular and the associations shall assist all the AIF's s in understanding the reporting requirements and in clarifying or resolving any issues with respect to the revised reporting

- The quarterly report shall be submitted within 15 calendar days from the end of each quarter on the SEBI Intermediary portal (SI Portal)

- To keep pace with the fast-changing landscape of AIF industry, the aforesaid reporting format shall be reviewed periodically by association/any AIF Standard Setting Forum in consultation with SEBI. In case of any revisions in the reporting format, revised format shall be made available on websites of association / the AIF Standard Setting Forum at least 1 month prior to end of the quarter.

To read the Circular for REIT in detail, please click here.

IFSCA

3. **IFSCA vide Circular dated September 15, 2023 issued circular on Authorization of Scheme file under IFSCA (Fund Management) Regulations 2022.**

- IFSCA in order to provide operational clarity, has decided that all Fund Management Entities **("FMEs")** shall henceforth seek authorisation from the Authority for each scheme filed under **Chapter III** – Scheme for fund management, **Chapter IV** – Exchange Traded Funds and **Chapter V** – Environmental, Social and Governance of the International Financial Services Centres Authority (Fund Management) Regulations, 2022.

- The said circular is applicable to All Fund Management Entities in IFSCA.

To read the circular in detail, please click here

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+91 22 6669 5000

Call us to explore a topic or let us answer your questions

About Swift

Swift India Corporate Services LLP ("Swift") (Formerly known as SwiftIndiaInc Corporate Services Private Limited) established in the year 2005, is an associate entity of Nishith Desai Associates — Legal & Tax Counseling Worldwide (legal and tax consulting firm).

We are a team of professionals with rich corporate, legal and secretarial backgrounds. We are a premier corporate compliance firm that caters to the needs and demands of our global clients. Swift aims to provide quick and pragmatic corporate solutions alongside high-quality compliances.

Swift India Corporate Services LLP

Regd. Office: 91-92 B, Mittal Court, Nariman Point, Mumbai 400 021, India
LLPIN: AAH-4705, registered under the Limited Liability Partnership Act, 2008
Tel +91 22 6669 5000, Fax +91 22 6669 5001

www.swiftindiallp.com