Swift India
CORPORATE SERVICES LLP

Swift e-Bulletin

Week – April 08th to April 13th

Quote for the week:

"It is better to fail in originality than to succeed in imitation."

–Herman Melville *(American Novelist)*

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 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 Authority ("**IFSCA**")

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

- **SEBI vide circular dated April 05, 2024 issued circular on Entities allowed to use e-KYC Aadhar Authentication services of UIDAI in Securities Market as sub-KUA.**

- **IFSCA vide circular dated April 05, 2024, issued circular on Ease of doing business - Filing of Schemes or funds 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 April 08th to April 13th.

Thank you, Swift team.

Securities and Exchange Board of India (SEBI)

1. **SEBI vide circular dated April 05, 2024, issued circular on Entities allowed to use e-KYC Aadhar Authentication services of UIDAI in Securities Market as sub-KUA.**

   - The master circular on Know Your Client (KYC) norms for the securities market dated October 12, 2023, inter alia has detailed provision for the adaptation of Aadhaar based e-KYC process and e - KYC Authentication facility for Resident Investors under section 11A of the Prevention of Money Laundering Act,2002 in securities market as sub-KUA and on-boarding process of sub-KUA by UIDAI.

   - Department of Revenue, Ministry of Finance (DoR-MoF) has from time to time issued gazette notifications notifying entities, to undertake Aadhaar authentication service of UIDAI under Section 11A of the Prevention of Money Laundering Act, 2002.

   - DoR-MoF vide gazette notification dated February 20, 2024, notified 24 entities which are permitted to use Aadhaar authentication services of UIDAI under section 11A of the Prevention Money-laundering Act, 2002.

   - Further, the above-mentioned entities shall follow the process as detailed in SEBI circular dated October 12, 2023 and as may be prescribed by UIDAI from time to time. The KUAs shall facilitate the on-boarding of these entities as sub-KUAs to provide the service of Aadhar authentication with respect to KYC.

   - The said circular shall be applicable to all Intermediaries registered with SEBI under section 12 of the SEBI Act, 1992 and stock exchanges.

To read the circular in detail, please click here.

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)

1. **IFSCA vide circular dated April 05, 2024, issued circular on Ease of doing business - Filing of Schemes or funds under IFSCA (Fund Management) Regulations 2022.**

   - Reference is drawn to regulation 31(2) of the International Financial Services Centers Authority (Fund Management) Regulations, 2022 ("**FM Regulations**").

   - In this regard, to infuse further ease in doing business in the fund management ecosystem at the IFSC, it has been decided that henceforth, for all schemes or funds to be launched under Chapter III (except Part C: Retail Schemes), of the FM Regulations, the Fund Management Entity ('**FME'**) shall submit the Private Placement Memorandum ('**PPM**') along with other documents ensuring minimum disclosures and other requirements as outlined in this circular, to the Authority.

   - After filing these documents along with the disclosures and complying with other requirements stipulated in this circular, FMEs may launch the respective schemes. IFSCA will also, in due course, establish a web-portal for filing of scheme documents before an offer is made.

   - The Scheme or Fund documents shall be submitted with the Authority in the Application Form specified in Annex- A hereto.

   - The FME shall ensure that the PPM of each Scheme or Fund, inter-alia, contains the following minimum disclosures as specified in circular.

   - The FME shall ensure that the Cover Page of the PPM, for each Scheme or Fund, prominently displays the following:

     "This PPM has been prepared in accordance with the IFSCA (Fund Management) Regulations, 2022, and subsidiary directions issued thereunder. The PPM has been submitted to the Authority only for the purpose of record."

   - The FME may extend the validity of the placement memorandum beyond 6 months as provided under 19(3) and 31 (2) of the FM Regulations by refiling the documents with the Authority and paying the applicable fee.

   - The scheme filing fees shall be remitted in US Dollars at the time of filing the scheme documents with the Authority.

   - The FMEs shall also submit all the necessary documents as specified in Annex-B hereto along with the scheme application. On receipt of the application, the Authority will issue a Letter of Acknowledgment that the same has been taken on record.

   - The Circulars bearing Nos. IFSCA/1/2023-Capital Markets dated February 06, 2023, and IFSCA-AIF/47/2023-Capital Markets dated September 06, 2023 are subsumed into this Circular and thereby stand repealed from the date of issuance of this Circular.

To read the notification in detail, please click here.

DISCLAIMER:

The contents of this newsletter should not be construed as a legal opinion. View detailed disclaimer.

This newsletter provides general information existing at the time of preparation. The newsletter is intended as a news update and Swift India Corporate Services LLP neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this newsletter. It is recommended that professional advice be taken based on the specific facts and circumstances. This newsletter does not substitute the need to refer to the original pronouncements.

+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 affiliate entity of Nishith Desai Associates ("NDA"), a preeminent India centric law firm. We are a premier and boutique firm specialized in meeting with the global standard corporate governance aspirations of our clients operating in India.

Our team comprises of professionals with a prolific corporate, legal and secretarial compliance background. We aim to provide pragmatic and business-oriented solutions in governance and compliance matters, through a unique holistic approach that blends our expertise and decades of experience in compliance and regulatory areas.

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

Website:
https://swiftindiallp.com/

Contact:
swift@nishithdesai.com

Core Team:
Ms. Hetal Pandya - hetal.pandya@nishithdesai.com
Mr. Maulin Salvi – maulin.salvi@nishithdesai.com
Mr. Santosh Gangavati – santosh.gangavati@nishithdesai.com
Mr. Chandrashekar K – chandrashekar.k@nishithdesai.com

Principal Advisor:
Mr. Janak C. Pandya – janak.pandya@nishithdesai.com