Swift India
CORPORATE SERVICES LLP

Swift e-Bulletin

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Week – August 28th to September 02nd

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

"Success usually comes to those who are too busy looking for it"
– *Henry David Thoreau* *(American Naturalist)*

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 circular dated August 29, 2023 issued guidelines for Market Infrastructure Institutions ("MIIs") regarding Cyber security and Cyber resilience.**

- SEBI issued a consultation paper dated August 29, 2023 on proposed IFSCA (Investment by IFSCA Insurance Office) (Amendment) Regulations, 2023.

We have prepared a comprehensive summary for quick reference of the aforesaid updates and Judgements / orders issued during the week of August 28th to September 02st.

Thank you,
Swift team

REGULATORY UPDATES

SEBI

1. **SEBI vide circular dated August 29, 2023 issued guidelines for Market Infrastructure Institutions ("MIIs") regarding Cyber security and Cyber resilience.**

- MIIs (i.e. Stock Exchanges, Clearing Corporations and Depositories) are systemically important institutions as they, inter-alia, provide infrastructure necessary for the smooth and uninterrupted functioning of the securities market.

- As part of the operational risk management, these MIIs need to have robust cyber security framework to provide essential facilities and perform systemically critical functions relating to trading, clearing and settlement in securities market and also shall continuously improve their Information Technology processes and shall establish controls to preserve confidentiality, integrity and availability of data and IT systems.

- Considering the interconnectedness and interdependency of the MIIs to carry out their functions, the cyber risk of any given MII is no longer limited to the MII's owned or controlled systems, networks and assets and therefore based on the recommendation of High Powered Steering Committee, SEBI through this circular has inserted guidelines as Annexure-A and MII's are required to comply with the same.

- The compliance of the guidelines shall be provided by the MIIs along with their cybersecurity audit report and MII's are required to take necessary steps to put in place systems for implementation of this circular within 120 days from the date of this circular.

- The said Circular shall come into force with immediate effect.

To read the Annexure-A and the circular in detail, please click here.

IFSCA

1. **IFSCA vide circular dated August 30, 2023 issued a circular on IFSCA Banking Handbook – Opening of SNRR account with AD Banks in India.**

- IFSCA had issued a Banking Handbook Conduct of Business ("COB") Direction ("COB Directions") dated July 10, 2023.

- Further, IFSCA vide the said circular has bought amendment and replaced under para 6.a.ii of Module 2 of COB Directions.

- The content of the above mentioned para is been replaced with the following as mentioned below: -

  – An IBU may open an INR account, in the form of a Special Non-Resident Rupee Account (SNRRA), with an AD Bank in India to defray its administrative expenses in compliance with the directions of the Reserve Bank of India in this regard.

- The Circular shall be applicable to All Banking Units.

- The said Circular shall come into force with immediate effect.

To read the circular in detail, please click here.

2. **IFSCA issued a consultation paper dated August 29, 2023 on proposed IFSCA (Investment by IFSCA Insurance Office) (Amendment) Regulations, 2023.**

- The Consultation Paper is issued with an intention to invite views/suggestions from public at large on IFSCA (Investment by International Financial Service Centre Insurance Office) Regulations, 2022.

- On January 12, 2023 considering the importance of investment income for insurers and reinsurers notified the IFSCA (Insurance Officer) Regulations, 2023 in line with Section 27 of Insurance Act, 1938.

- On August 22, 2023 Insurance Regulatory and Development Authority (IRDA) notified amended IRDA (Re-insurance) Regulations which enables IFSC Insurance Offices, which invest 100% of retained premiums, emanating from insurers in India, in the Domestic Tariff Area to participate in Category 2 at par with the Foreign Reinsurance Branches, under the Reg. 5, Clause (A) sub-regulation (2), Procedure for Re-insurance placement.

- The draft of the abovementioned Regulations is subsequently placed on IFSCA website at https://ifsca.gov.in/PublicConsultation with a view for Public at large including stakeholders to refer them and forward comments and suggestions either in MS Word or MS Excel format through e-mail insurance Department at insurance-dept@ifsca.gov.in along with a copy to be sent to Mr. Bhaskar Khadakbhavi at bhaskar.khadakbhavi@ifsca.gov.in and Rishi Kale at rishi.kale@ifsca.gov.in by 19th September, 2023.

- The draft Notifications are provided at the end of the Consultation paper along with the format for providing the comments/ suggestions to the abovementioned mail ids.

To read the Consultation Paper in detail, please click here.

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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.

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