



# Newsletter

January 2019

## **GOVERNMENT APPROVES RS. 600 CROROE SUBSIDY SOPS TO MERCHANT EXPORTERS**

The government decided to provide 3 per cent interest subsidy to merchant exporters, entailing an expenditure of Rs 600 crore, to enhance liquidity with a view to boosti outbound shipments.

Approval has been given to the proposal of the Department of Commerce for "including merchant exporters under the interest equalisation scheme for pre- and post-shipment rupee export credit by allowing them interest equalisation rate of 3 per cent on such credit for export of products covered under 416 tariff lines (products) identified under the scheme," the release said. These products are largely in MSME/labour-intensive sectors such as agriculture, textiles, leather, handicraft and machinery.

Source: Economic Times

## **E-COMMERCE RULES DO NOT ALLOW FOREIGN INVESTMENT IN MULTI-BRAND RETAIL: DIPP**

The FDI rules for e-commerce have not allowed foreign investment in the inventory-based model or multi-brand retailing, the Department of Industrial Policy and Promotion (DIPP) clarified.

E-commerce companies cannot enter into agreements for the exclusive sale of products, according to the rules.

"It is clarified that present policy does not impose any restriction on the nature of products which can be sold on the marketplace," it added.

It said that business-to-consumer e-commerce, that is multi-brand retail through the inventory-based model, has all along remained prohibited for FDI.

A separate FDI policy, however, allows 51 per cent foreign investment in the multi-brand retail trading.

Source: Economic Times

## **GOVERNMENT FORMS GST APPELLATE TRIBUNAL FOR DISPUTE RESOLUTION**

The cabinet approved creation of national bench of Goods and Services Tax Appellate Tribunal, a quasi-judicial body that will mediate in indirect tax disputes between states and centre. The government in a statement said, "The National Bench of the appellate Tribunal shall be situated in New Delhi." The statement added that GSTAT shall be presided over by the president and shall consist of one technical member from both state and centre each.

Source: Economic Times

## **CORPORATE AFFAIRS MINISTRY TO COLLECT KYC DETAILS OF COMPANIES, CA'S**

In efforts to weed out unscrupulous elements, the Corporate Affairs Ministry plans to collect KYC details of companies, chartered accountants, cost accountants and company secretaries. Corporate Affairs Secretary Injeti Srinivas said the ministry would be doing the KYC process for companies, which would be a major step wherein the MCA21 system would not register the companies in case they are non-compliant with certain parameters.

Source: Economic Times



### SEBI COMES OUT WITH NEW RULES GOVERNING CHANGES IN ISSUE SIZE

Markets regulator Sebi has come out with new norms, that entails filing of fresh offer documents in those cases where there has been a change in issue size. Under the new rules, filing of a fresh offer document is required in case of any increase or decrease in the estimated issue (new) size by more than 20 per cent, Sebi said.

In case of an OFS, where there is a change in the number of shares offered for sale, or in the estimated issue size, by more than 50 per cent, the capital markets watchdog said that fresh offer document will be needed.

In case an issue made other than through the book building process, Sebi said minimum 50 per cent will be allocated to retail investors and remaining to individual applicants other than retail investors as well as other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.

To give effect to these norms, Securities and Exchange Board of India (Sebi) has amended its capital and disclosure requirements regulations.

Source: Live Mint

### GST EXEMPTION LIMITE DOUBLED TO GIVE RELIEF TO SMALL BUSINESSES

In a bid to give relief to small businesses, the GST Council doubled the exemption limit and raised the threshold for availing the composition scheme. The GST Council doubled the GST exemption limit to Rs 20 lakh for northeastern states and Rs 40 lakh for the rest of the country, Finance Minister Arun Jaitley told reporters. The scope of the GST Composition Scheme, under which small traders and businesses pay a small tax based on turnover rather than value addition, was raised to Rs 1.5 crore from Rs 1 crore. The twin move would give relief to micro, small and medium enterprises (MSMEs), he said. The council also allowed Kerala to levy 1 per cent calamity cess on intra-state sales for a period of up to two years. On including real estate and lottery under the Goods and Services Tax, the council decided to form a seven-member group of ministers after differences of opinion emerged at the meeting, he said.

Source: Business World

### SEBI COMES OUT WITH RULES FOR SINGLE REGIME FOR FPI, NRI FUND FLOWS

Markets regulator Sebi has come out with rules for merger of foreign portfolio investment (FPI) and non-resident Indian/overseas citizens of India routes to bring in a single regime for foreign investors and regulate NRI and person of Indian origin fund inflows.

The regulator has also exempted housing finance companies and systemically important NBFCs (non-banking financial companies) from disclosure of increase or decrease in shareholding due to encumbrance or release of encumbered shares, Sebi said in a notification.

Sebi said if single and aggregate NRI/OCI/RI holdings in assets under management of FPI are below 25% and 50%, respectively, then such persons will be allowed to be constituents of the FPI.

Further, the regulator has relaxed its norms for clubbing of investment limits by well regulated foreign investors.

Besides, the clubbing of investment limit would not be applicable in case of entities having common control, if the FPIs are appropriately regulated public retail funds.

Source: Live Mint



**ABACUS LEGAL GROUP**  
ADVOCATES

R-116 Greater Kailash Part-1. New Delhi 110048, India

Ph# (+91 11) 41633366/5/4

Email: [abacus@abacuslegalgroup.net](mailto:abacus@abacuslegalgroup.net)

Website: [www.abacuslegalgroup.net](http://www.abacuslegalgroup.net)