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Consultation paper on regulations relating to Collective Investment Schemes (CIS)

Facing a boom in collective investment schemes which were largely unregulated and many of which caused heavy losses to small investors, SEBI had notified the SEBI (Collective Investment Schemes) Regulations in 1999. Since then, there has not been any review. In comparison, the regulations relating to mutual funds, which also governed vehicles that pool investments, have seen significant amendments and overhaul over the years. SEBI is also concerned that there may be regulatory arbitrage between various pooled investment vehicles. Hence, SEBI has sought to upgrade the CIS Regulations and incorporate therein the safeguards that are provided for in the regulations relating to mutual funds. A consultation paper has been released for public comments on 7th January 2022. Differences between the two sets of regulations are highlighted in several areas and the manner in which the CIS Regulations may be amended have been proposed for discussion and feedback.

Framework for operationalizing Gold Exchanges in India laid down by SEBI

The Hon'ble Finance Minister had announced in the Union Budget for 2021-22 that, following an earlier decision to establish regulated gold exchanges in India, SEBI was notified as the regulator for such exchanges. Following this, Electronic Gold Receipts (EGRs) are notified as 'securities' under the Securities Contracts (Regulation) Act, 1956 vide notification dated 24th December 2021. On 31st December 2021, the SEBI (Vault Managers) Regulations, 2021 have also been notified. On 10th January 2022, SEBI has released the framework for operationalizing Gold Exchange in India. The exchanges who desire to enable trading in EGRs have been invited to apply to SEBI for approval of such trading in a new segment. The framework lays down detailed process on how the conversion of gold into EGR, their trading and their reconversion could into physical gold can take place. Other aspects of how the system would operate have also been laid down.

Instant messaging apps (along with email) now recognized a mode of official communication of notices, orders, etc. by SEBI

On 31st December 2021, SEBI has introduced amendments to the rules relating to holding of inquiries and levy of penalties by notifying the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) (Amendment) Rules, 2021. The amendment relates to how notices and orders under the Rules shall be served on persons. Apart from serving them physically or by fax or by email, now even service by "electronic instant messaging services along with electronic mail" has been recognized as a valid mode. The notices sent by electronic mail or by electronic instant messaging services with electronic mail shall be digitally signed. If the mail bounces, it shall not be treated as a valid service.