

**RBI: Foreign Manage- 1
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Persons allowed to
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RESERVE BANK OF INDIA

Foreign Exchange Management (Deposit) Regulations, 2016 - Opening of NRO Accounts by Long Term Visa (LTV) holders, changes related to Special Non-Resident Rupee (SNRR) Account and Escrow Account

i. Authorized Dealers may allow a Foreign Portfolio Investor (FPI) and a Foreign Venture Capital Investor (FVCI), registered with the Securities and Exchange Board of India (SEBI) to open and maintain a non-interest bearing foreign currency account for the purpose of making investment in accordance with the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time.

li. Bangladesh or Pakistan, belonging to minority communities in those countries, namely Hindus, Sikhs, Buddhists, Jains, Parsis and Christians, residing in India and who has been granted a Long Term Visa (LTV) by the Central Government. The account will be converted to a resident account once such a person becomes a citizen of India within the meaning of the Citizenship Act, 1955. This account can also be opened if such person has applied for LTV which is under consideration of the Central Government, in which case, the account will be opened for a period of six months and may be renewed at six monthly intervals subject to the condition that the individual holds a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned. The opening of such NRO accounts will be subject to reporting of the details of the accounts opened by the concerned Authorized bank, to the Ministry of Home Affairs

(MHA) on a quarterly basis. The report shall contain details of (i) name/s of the individual/s; (ii) date of arrival in India; (iii) Passport No. and place/country of issue; (iv) Residential Permit/Long Term Visa reference and date & place of issue; (v) name of the FRO/FRRO concerned; (vi) complete address and contact number of the branch where the bank account is being maintained. The Head Office of the AD bank shall furnish the above details on a quarterly basis to the Under Secretary (Foreigners), Ministry of Home Affairs, NDCC-II Building, Jai Singh Road, New Delhi – 110 001. AD banks are advised to ensure strict compliance to these instructions.

III. In terms of extant instructions, SNRR accounts cannot be held for more than seven years. It has now been decided that SNRR accounts opened by persons resident outside India may remain operative beyond the stipulated period of seven years with RBI approval. Further, the restriction of seven years will not be applicable to SNRR accounts opened by persons resident outside India who are registered with SEBI and wish to make investment in India in accordance with Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time.

IV. The extant Schedule 5 of the Foreign Exchange Management (Deposit Regulations) 2016 pertaining to Escrow Accounts has been replaced to align the same with the provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, in terms of which, Escrow Accounts can be opened by residents and non-residents for acquisition/transfer of capital instruments/convertible notes and can also be funded by guarantee (s).

INSOLVENCY AND BANKRUPTCY CODE

The Insolvency and Bankruptcy Bank of India has notified the amendment to Insolvency and Bankruptcy Code, 2016 (“**IBC**”) vide its circular dated March 1, 2019 provides a notification under section 7(1) of the Insolvency and Bankruptcy Code 2016 which is as follows:

S.O. 1091(E) —In exercise of the powers conferred by sub-section (1) of section 7 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Central Government hereby notifies following persons who may file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority, on behalf of the financial creditor: -

- (i) a guardian;
- (ii) an executor or administrator of an estate of a financial creditor;
- (iii) a trustee (including a debenture trustee); and
- (v) a person duly authorised by the Board of Directors of a Company.

DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE

Representations have been received from various Stake holders as to whether the internet broadcasting companies come under the purview of Statutory Licensing as per provisions of Section 31D of the Copyright Act, 1957.

Section 31D of the Copyright Act talks of “Any broadcasting organization desirous of communicating to the public and section 2(ff) of the act defines communication to the public as “making any work or performance available for being seen or heard or otherwise enjoyed by the public directly or by any means of display or diffusion other than by issuing physical copies of it, whether simultaneously or at places and times chosen individually , regardless of whether any member of the public actually sees, hears or otherwise enjoys the work or performance so made available”.

The explanation to section 2 (ff) states that “communication through satellite or cable or any other means of simultaneous communication to more than one household or place of residence including residential rooms of any hotel or hostel shall be deemed communication to the public”.

In view of the above, the words “any broadcasting organization desirous of communication to the public....” may not be restrictively interpreted to be covering only radio and TV broadcasting as definition of broadcast read with communication to the public appears to be including all kinds of broadcast including internet broadcasting. Thus, the provisions of Section 31D are not restricted to radio and television broadcasting organizations only, but cover internet broadcasting also.

This issues with the approval of the competent authority.

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Warm Regards,

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