

SEBI approves amendments: ESG BRSR core, Quantitative thresholds for material events, Dematerialisation of Bonus shares, Backstop fund for mutual funds, Valuation rules for AIFs

ESG	Mutual Funds	Debt markets
<ul style="list-style-type: none"> Reporting on KPIs as BRSR Core <ul style="list-style-type: none"> with reasonable assurance from third parties - see also here Regulatory framework for ESG Rating Providers (ERPs) <ul style="list-style-type: none"> ERPs to also offer “core ESG ratings” based on BRSR Core Regulation of ESG funds schemes - see here <ul style="list-style-type: none"> To invest at least 65% AUM in BRSR Core assured entities Enhanced disclosures by fund managers Third party assurance and certification by Board of AMCs on compliance with ESG scheme Enabling the launch of multiple schemes on ESG related factors 	<ul style="list-style-type: none"> Clearly-defined roles and responsibilities for trustees and board of AMC Alternative eligibility criteria for sponsors Allow “Self Sponsored AMCs” to operate, subject to certain criteria Introduction of Corporate Debt Market Development Fund <ul style="list-style-type: none"> For support to debt markets in times of distress 	<ul style="list-style-type: none"> Introduction of GID and KID for issuance of Bonds/ CP - see here Mandatory incremental borrowings by LC in a FY to be met over a contiguous block of three years now instead of existing two years requirement - see here HVDLEs to comply with CG norms on COREX basis till FY 2024 Consolidation of disclosure requirements under Reg 57
For equity-listed entities under Listing Regulations	AIFs	Secondary market
<ul style="list-style-type: none"> Quantitative threshold for determining materiality for reporting events/developments [Reg 30] Stricter timelines for material disclosures (within 12 hrs in some cases) and enhanced disclosures Vacancy of directors, CEO, CFO, compliance officer to be filled within <u>3 months</u> Relaxation in timelines for submission of first financial results by newly listed entities Periodic shareholders’ approval for <ul style="list-style-type: none"> any special right granted to a shareholder any director serving on the board of a listed entity - see here Strengthened mechanism for sale of undertaking outside Scheme of Arrangement 	<ul style="list-style-type: none"> Standard approach for valuation of portfolio Dematerialisation of units for corpus <ul style="list-style-type: none"> > 500cr - by 31.10.23 <500cr - by 30.04.24 Stricter eligibility criteria for key investment team and Compliance officer Approval by 75% investors, by value, for dealing in investments involving conflict of interest Sale of illiquid investments to Liquidation Scheme/ in-specie distribution <ul style="list-style-type: none"> Approval of 75% investors by value Writing-off for unwilling investors 	<ul style="list-style-type: none"> Option for ASBA- like facility for trading given to investors Upstreaming of client’s funds by stock brokers to clearing corporation on EoD basis (w.e.f. 1/10/2023) Institution of formal mechanism for prevention or detection of fraud or market abuse by stock brokers
		ICDR Regulations
		<ul style="list-style-type: none"> Disclosures regarding underwriting in offer document Bonus issue subject to prior SE approval for listing of pre-bonus securities <ul style="list-style-type: none"> in demat mode compulsorily

Proposals not yet approved

- Freezing of demat a/c of CEO/MD/WTD in the event of default
- Mandatory listing of all debt securities for debt-listed entities
- RPT approvals for HVDLEs

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