

POLICY MONITOR

December 2024



Finance

RBI issues Operational framework for reclassification of Foreign Portfolio Investment to Foreign Direct Investment (FDI)

The Reserve Bank of India (RBI) has issued the Operational Framework for Reclassifying Foreign Portfolio Investment (FPI) to Foreign Direct Investment (FDI) which is designed to address breaches of investment limits set for FPIs. Under this framework, FPIs exceeding the 10% limit must obtain government approvals and the investee company's consent for reclassification. This initiative aims to streamline investment processes while ensuring adherence to regulatory standards, thereby enhancing the ease of doing business in India.

[Read more](#)

RBI announced reporting of Foreign Exchange Transactions to Trade Repository

The Reserve Bank of India (RBI) has announced an expansion in the reporting requirements for foreign exchange transactions to the Trade Repository (TR), managed by the Clearing Corporation of India Limited (CCIL). This update mandates that all inter-bank foreign exchange contracts, including spot deals, must be reported in hourly batches starting February 10, 2025. Additionally, FX contracts with clients will need to be reported based on specific thresholds, enhancing data completeness and transparency in foreign exchange markets.

[Read more](#)

RBI expands 'Fully Accessible Route' for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds

The Reserve Bank of India (RBI) has expanded the Fully Accessible Route (FAR) for non-resident investments by including 10-year Sovereign Green Bonds (SGRBs). This initiative allows eligible foreign investors to participate in India's sustainable financing efforts without investment ceilings. The move aims to attract greater foreign capital, enhancing India's position in global financial markets and supporting environmental initiatives.

[Read more](#)

Amendment to the Master Direction - Know Your Customer (KYC) Direction, 2016

The Reserve Bank of India (RBI) has amended the Master Direction on Know Your Customer (KYC) Direction, 2016, to enhance compliance with updated regulations. Key changes include simplified Customer Due Diligence (CDD) for existing customers, clarified periodic KYC updates, and new requirements for integrating KYC data with the Central KYC Records Registry (CKYCR).

[Read more](#)

Master circular for compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities

The Securities and Exchange Board of India (SEBI) issued the Master Circular which aims to consolidate compliance requirements for listed entities under the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015. This comprehensive document serves as a centralized reference for various circulars and guidelines, facilitating easier adherence to regulatory standards. It rescinds previous circulars while ensuring that actions taken under them remain valid, thereby streamlining compliance processes for stakeholders in the securities market.

[Read more](#)

Finance

Master Circular for Issue of Capital and Disclosure Requirements

The Securities and Exchange Board of India (SEBI) issued master circular for Issue of Capital and Disclosure Requirements, which consolidates various prior circulars related to capital issuance and disclosure norms under the ICDR Regulations, 2018. This comprehensive document aims to streamline processes for stakeholders, including registered merchant bankers and stock exchanges, ensuring clarity in compliance requirements for public offerings, rights issues, and other capital market activities. It enhances transparency and facilitates efficient capital market operations.

[Read more](#)

Chemical

Notification regarding the Acrylonitrile-Butadiene-Styrene (ABS) (Quality Control) Amendment Order, 2024

The Department of Chemicals and Petrochemicals under the Ministry of Chemicals and Fertilizers amended the Acrylonitrile-Butadiene Styrene (ABS) (Quality Control) Order, 2021. This amendment exempts ABS moulding and extrusion materials used in producing toco transducers from the Quality Control Order. The original order, effective since June 12, 2023, mandates compliance with Indian Standards for manufacturers and imposes penalties for violations under the Bureau of Indian Standards Act, 2016.

[Read more](#)

Notification for Quality Control Order of 03 Chemicals viz. (i) H Acid (ii) K Acid (iii) Vinyl Sulphone

The Department of Chemicals and Petrochemicals under the Ministry of Chemicals and Fertilizers notification for the Quality Control Order pertains to three specific chemicals: (i) H Acid, (ii) K Acid, and (iii) Vinyl Sulphone. This order establishes regulatory standards that aim to ensure the quality and safety of these chemicals in production and usage, thereby enhancing consumer protection and environmental sustainability.

[Read more](#)

Coal

Draft bill on coal bearing areas released

The Ministry of Coal has invited comments on the draft Coal Bearing Areas (Acquisition and Development) Amendment Bill, 2024. This amendment aims to modernize the existing legislation by introducing lifetime leases for coal mines, enhancing compensation and rehabilitation provisions, and allowing for the reassignment of land for alternative uses. Stakeholders are encouraged to provide feedback to ensure comprehensive and effective legislation.

[Read more](#)

Law

Draft Bill amending the Commercial Courts Act, 2015, issued

The Ministry of Law and Justice released a Draft Bill to amend the Commercial Courts Act of 2015. This amendment aims to enhance the efficiency and speed of resolving commercial disputes by introducing specialized courts and procedures. Key features include mandatory pre-institution mediation, time-bound judgments, and improved infrastructure for digital communication in court proceedings. The government seeks to streamline processes and reduce litigation burdens, thereby fostering a more conducive environment for commercial activities in India.

[Read more](#)

Power

Amendment in draft Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure-2024

The Ministry of Power has proposed amendments to the draft Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure-2024, aiming to enhance the framework for EV charging stations. Key changes include expanding the definition of Electric Vehicle Charging Infrastructure to encompass battery swapping stations, promoting 24/7 operational capabilities, and facilitating technology-agnostic bidding terms for public land. Stakeholders are invited to provide feedback within three weeks, reflecting a collaborative approach to improving India's EV ecosystem.

[Read more](#)

Renewable

Amendment in draft Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure-2024

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[Read more](#)

Scheme to support pilot projects on new and innovative production technologies and applications of green hydrogen

The Ministry of New and Renewable Energy (MNRE) launched a scheme to support pilot projects focusing on innovative production technologies and applications of green hydrogen. This initiative aims to explore decentralized uses of green hydrogen, particularly in residential and community settings. It encourages the development of novel methods, such as floating solar-based hydrogen production and hydrogen from biomass and wastewater, to validate safety and feasibility across various applications, including cooking and off-grid power generation.

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