

Insolvency and Bankruptcy Board of India Amends the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) – February 3, 2025

The Insolvency and Bankruptcy Board of India (IBBI) has introduced an amendment to the CIRP Regulations, 2016, aiming to improve transparency and efficiency in insolvency proceedings, especially in the real estate and MSME sectors. One of the key changes allows homebuyers to take possession of completed units during insolvency, ensuring their rights are safeguarded. Additionally, facilitators will be appointed to assist different creditor classes in decision-making, while land authorities are now required to participate in creditors' meetings, increasing accountability in real estate insolvencies. The amendments introduce a provision mandating reports on approvals and sanctions related to real estate projects, ensuring that all necessary permissions from public authorities are documented and disclosed. To further protect homebuyers, the conditions for forming creditor groups have been relaxed, allowing them greater flexibility in representing their interests. The amendments also emphasize the implementation of resolution plans through mandatory monitoring committees, which will oversee the execution process and ensure compliance. Furthermore, MSMEs are now required to disclose their registration details, promoting greater transparency and aiding in identifying eligible businesses for insolvency resolution benefits. These reforms collectively aim to streamline insolvency processes, strengthen governance, and balance the rights of creditors, homebuyers, and other stakeholders.

To access the press release, [click here](#).

Amendments to the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 – January 28, 2025

The IBBI has notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2025 and the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2025. These amendments bring several key changes aimed at enhancing the liquidation and voluntary liquidation processes. One major change is the extension of the auction participation timeline, allowing prospective bidders 30 days instead of the 14 days, which encourages broader participation. Additionally, the liquidator is now required to verify the eligibility of the highest bidder within three days and consult with the stakeholder consultation committee before finalizing the auction. If the highest bidder is deemed ineligible, the next highest eligible bidder may be considered. The auction notice must also specify that the earnest money deposit of the successful bidder will be subject to certain conditions. Furthermore, liquidators must file the final report, including Form H, with the adjudicating authority when a scheme of compromise or arrangement under Section 230 of the Companies Act, 2013, is approved. The management of the corporate liquidation account and corporate voluntary liquidation account by the IBBI continues, as it has proven to be efficient for expediting claim processing and fund management. Another key change is that voluntary liquidation processes can now proceed even if there is uncalled capital, with safeguards in place to protect creditors. Insolvency professionals are now required to submit liquidation and voluntary liquidation details electronically via the IBBI portal, with a late fee of INR 500 per form per calendar month for delayed submissions. Lastly, liquidators must now provide detailed disclosures on tax deductions before depositing unclaimed dividends and undistributed proceeds into the corporate liquidation account or corporate voluntary liquidation account, with updated forms for tax deduction confirmation and relevant details.

To access the notification, [click here](#).

Consultation Paper on Aspects Relating to Secretarial Compliance Report, Appointment of Auditors and Related Party Transactions of a Listed Entity – February 7, 2025

SEBI has released a consultation paper (Paper) addressing key aspects of corporate governance,

including the secretarial compliance report, the appointment of auditors, and related party transactions (RPTs) of listed entities. The Paper suggests revising the process for the appointment of auditors by introducing stricter eligibility criteria, tenure limits, and rotation policies to enhance auditor independence and improve audit quality. In the realm of RPTs, SEBI seeks to tighten approval mechanisms, disclosure norms, and monitoring frameworks to prevent conflicts of interest and ensure fair dealings. Specifically, for subsidiaries of listed entities, SEBI proposes adding a monetary threshold of Rs. 1000 crore for main board subsidiaries and Rs. 50 crores for SME-listed entities, alongside the existing percentage-based threshold of 10% of standalone turnover, for the approval of RPTs by the audit committee. The lower of the two thresholds would be considered for approval. For subsidiaries without a financial track record, the percentage threshold would be based on 10% of the subsidiary's standalone net worth, certified by a practicing-chartered accountant. These measures are designed to enhance corporate accountability, prevent conflicts of interest, and bolster investor confidence by ensuring fair and transparent corporate practices.

To access the consultation paper, [click here](#).

Consultation Paper on Draft Circular on Extension of Automated Implementation of Trading Window Closure to Immediate Relatives of Designated Persons – February 7, 2025

SEBI issued a consultation paper on a proposed regulatory change aimed at strengthening insider trading regulations. The proposal suggests extending the automated implementation of trading window closures to immediate relatives of Designated Persons (DPs) in listed entities. Currently, the trading window closure applies automatically only to DPs—such as key employees, executives, and board members—who may have access to Unpublished Price Sensitive Information (UPSI). While immediate relatives of DPs are legally prohibited from trading based on UPSI, the automated trading restrictions do not currently apply to them, creating a potential loophole. SEBI's proposal aims to close this gap by automatically restricting trades of immediate relatives during trading window closure periods, similar to the restrictions imposed on DPs. The rationale for this change includes enhancing regulatory oversight, reducing the risk of insider trading by eliminating the possibility of circumventing restrictions through immediate relatives, and strengthening corporate governance. SEBI intends to improve compliance by ensuring that all connected parties are subject to the same trading restrictions, thus promoting greater market integrity, transparency, and investor confidence.

To access the consultation paper, [click here](#).

Consultation paper on Expanding the Definition of Qualified Institutional Buyers under SEBI (ICDR) Regulations, 2018, to Include Accredited Investors for the Limited Purpose of Investments in Angel Funds – February 21, 2025

SEBI released a consultation paper proposing an expansion of the definition of Qualified Institutional Buyers (QIBs) under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include Accredited Investors (AIs) for the specific purpose of investments in Angel Funds. This initiative aims to broaden the investor base for startups and early-stage companies by allowing AIs such as family trusts, corporations, and experienced individuals to participate in angel investments, thereby providing these ventures with greater access to capital. The proposal also suggests removing the existing cap of 200 investors per angel fund to encourage more extensive participation. By integrating AIs into the QIB category for angel fund investments, SEBI intends to align regulatory frameworks with evolving market dynamics, fostering a more inclusive investment environment that supports innovation and entrepreneurship.

To access the consultation paper, [click here](#).

Industry Standards on Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – February 25, 2025

SEBI issued a circular introducing industry standards to improve compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The initiative aims to standardize the disclosure of material events by listed entities, ensuring greater transparency and protecting investor interests. Regulation 30 mandates that listed entities disclose material events or information that could influence investors' decisions, but varying interpretations have led to inconsistencies. To address this, SEBI collaborated with industry associations—ASSOCHAM, CII, and

FICCI under the Industry Standards Forum to develop uniform guidelines. The key features of the new industry standards include standard operating procedures for identifying and disclosing material events to ensure consistency, as well as provisions clarifying that confidential or proprietary information does not need to be disclosed, balancing transparency with business interests. The circular also establishes clear timelines for disclosing material events, particularly fraud-related incidents, to ensure timely information dissemination. Additionally, a standardized format for disclosures has been prescribed to improve clarity and comparability for investors. Listed entities are required to adopt these industry standards to comply with Regulation 30, while stock exchanges will be responsible for informing listed companies and monitoring their adherence to the guidelines.

To access the circular, [click here](#).

Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2025 – February 10, 2025

The Reserve Bank of India (RBI) issued a notification regarding the amendment of the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023. The key amendment relates to payments through the Asian Clearing Union (ACU) mechanism, clarifying that payments between ACU member countries (excluding Nepal and Bhutan) must follow RBI guidelines. For other transactions, the mode of receipt and payment is specified separately.

To access the notification, [click here](#).

IFSCA (Bullion Market) Regulations, 2025 – February 17, 2025

The International Financial Services Centres Authority (IFSCA) has notified the IFSCA (Bullion Market) Regulations, 2025, replacing the previous IFSCA (Bullion Exchange) Regulations, 2020. The new framework aims to enhance market efficiency, improve price discovery mechanisms, and strengthen consumer protection at GIFT IFSC. Key highlights include an expanded regulatory scope, a mandatory minimum net worth of USD 10 million for bullion exchanges and clearing corporations (subject to IFSCA's discretion for higher thresholds), and a clearly defined role for key management personnel covering decision-makers and core functionaries. A dedicated code of conduct has been introduced for bullion market infrastructure institutions to uphold ethical standards and integrity, with new provisions requiring bullion clearing corporations to establish frameworks for the orderly winding down or transfer of critical operations. Additionally, the concept of 'consumer' has been broadened to include special category clients and constituents of bullion trading members, ensuring more comprehensive consumer protection. This regulatory shift signifies a broader approach, moving beyond bullion exchanges to regulate the entire bullion market ecosystem. The regulations are expected to have a significant impact on bullion exchanges, clearing corporations, and market participants, requiring them to align with the updated governance, compliance, and operational requirements.

To access the press release, [click here](#).

Please feel free to address any questions or requests for advice to: dmdadvocates@dmd.law

DISCLAIMER: The information provided in this document does not constitute a legal opinion/advice by DMD Advocates. The information provided through this document is not intended to create any attorney-client relationship between DMD Advocates and the reader and, is not meant for advertising the services of or for soliciting work by DMD Advocates. DMD Advocates does not warrant the accuracy and completeness of this document and readers are requested to seek formal legal advice prior to acting upon any information provided in this document. Further, applicable laws and regulations are dynamic and subject to change, clarification and amendment by the relevant authorities, which may impact the contents of this document. This document is the exclusive copyright of DMD Advocates and may not be circulated, reproduced or otherwise used by the intended recipient without our prior permission.

