

TBA Bulletin # 45**WeekGoneBy- July 20 –27, 2021**

E-Commerce – E-commerce entities, through IAMAI, seek clarification on the draft new e-commerce rules such as flash sales and cross-selling.

Social Media intermediaries requested SoPs from the government over the intermediary guidelines on the content takedown and associated penal actions.

Data Privacy- Petition against Mr. Modi, CBI has been filed before the SC to set up an SIT to investigate the culprits behind Pegasus Scandal.

Antitrust - Chinese market regulators barred Tencent's exclusive music copyright agreements in the online music market.

CCI is investigating the non-disclosure of the strategic interest in the Future Group by the US-based e-commerce giant Amazon.

BFSI– Banks and financial institutions' investment in IPO through QIBs has been at a four-year high, with INR 870 crores of investment in 2021.

Bank directors can now avail of a personal loan of INR 5 crores as opposed to earlier limit of INR 25 lakhs, RBI stated.

Labour – Employee costs at the BSE 500 companies saw a 4.6% to 2.3 crore increase in FY 21 to the 9% in FY 20.

Company - Amazon urged the SC to restrain the Future-Reliance deal, highlights the EA award to be valid and enforceable.

Ed-tech - Online education India-based start-up, Byju acquired U.S.-based, kid learning platform for the expansion in the US for \$ 500 M.

E-COMMERCE**NATIONAL****Level playing field: E-commerce players seek clarity on draft new rules**

- e-commerce players have expressed their concerns via the Internet and Mobile Association of India (IAMAI) over the draft new e-commerce rules which has not segregated the online and offline retail on a level playing field and have added clauses beyond the scope of the Consumer Protection Act.
- It stated the new proposed clauses have no relation to the consumer welfare but possibly could impact the consumer interest negatively. The CPA

should focus on factors related to protecting the consumers' interest or prevention of unfair trade practices and to not bring the competition or legal metrology law.

- It also talked about cross-selling and flash sales issue which have been restricted in the rules and mentioned "It is the same consumer who shops from online as well as offline, so the same set of rules should apply to both channels".
- It cited loopholes in the draft rules, referring to the cross-selling which lacks clarity as to what goods and services could amount to a related purchase.

- The proposed rules hold the potential to limit the business growth by restricting discounts, expansion of private labels, etc.

Source: [Link](#)

Government plans SOPs on content takedown

- The social media platforms through IAMAI have asked the government for detailed clarifications to the intermediary guidelines over the procedure related to information or content takedowns from the social media platforms.
- The clarifications asked to address the official agencies authorised to send such requests and the following procedure as non-compliance can call for criminal penalties against the company executives.
- The government responded saying that the clarifications are currently in the discussion. The SoP will provide all the details such as a procedure to issue notices covering who and how of it, etc.
- Before, only Central Government had the power to order content takedown under Section 66A of the IT Act, which now has been provided to multiple agencies across central and state governments.

Source: [Link](#)

DATA PRIVACY

NATIONAL

Petition in SC for court-monitored probe into Pegasus scandal

- Advocate Manohar Lal Sharma has filed a petition demanding a court-monitored investigation by the SIT to identify all those responsible for hacking and snooping on opposition

leaders, activists, journalists and judges, etc, before the SC terming the Pegasus scandal as a “serious attack” not on the Indian democracy but also on the judiciary and the security of the country.

- The petition also named PM Modi, CBI in the respondent’s list but not Union of India. Mr. Sharma has sought a probe by the SIT to prosecute all those behind this data leak for criminal breach of trust, criminal conspiracy read with Section 3 of the Official Secrets Act 1923 and IT Act, 2000.
- The Advocate also requested the SC to declare the buying of Pegasus software for snooping to be illegal and in violation of the right to privacy provided under Article 21 and also stated “Buying of Pegasus software without approval (of Parliament) contra to the Art. 266(3), 267(2), and 283(2) of the Constitution is a criminal breach of trust and also attracts Sections 408, 409, and 120-B of IPC.”
- The matter began back in 2019 when the names of 121 Indians were highlighted whose phones were reported to be allegedly hacked by using this software.

Source: [Link](#)

ANTITRUST

INTERNATIONAL

China regulator bars Tencent from exclusive rights in online music

- The Chinese governments’ active actions to curb the anti-competitive practices in China has blocked Tencent Holdings from exclusive music copyright agreements along with a fine of \$77,150 for the anti-trust practices in the online music market after acquiring China Music Corporation.
- The State Administration of Market Regulation (SAMR) investigated

Tencent's activities having music copyright as its core asset.

- SAMR said that Tencent and its affiliated companies to not engage in exclusive copyright agreements with upstream owners of such rights, and all the existing agreements to be terminated within 30 days of the regulatory notice.

Source: [Link](#)

NATIONAL

Amazon held back facts in Future group deal, says CCI

- The CCI has issued a show-cause notice to the e-commerce giant Amazon.com Inc. for the non-disclosure of its 2019 purchase of a 49% stake in a Future Group entity.
- It has come after Amazon claimed the terms of the 2019 stake purchase agreement between the former and the Future Coupons (Pvt) Ltd, which prohibits the sale of assets from Future Group to Reliance Retail.
- CCI is currently undergoing enquiry into this non-disclosure of the strategic interests in Future Retail by the US-based company.

Source: [Link](#)

BFSI

NATIONAL

Investments in IPOs by banks and financial institutions hit a 4-year high

- According to the data from Prime Database, banks, and financial institutions have significantly increased their investments in IPO through the qualified institutional buyer (QIB).
- At a four-year high, the investment amounts to INR 870 crores in 2021 from INR 461 crores in 2019.

- The data reveals that in 2021, IPOs raised INR 27, 417 crores as compared to INR 26, 108 crores in 2020, INR 11, 036 crores in 2019, and INR 30, 615 crores in 2018, though this data excludes anchor investments and IPOs launched by government-run companies such as IRCTC, Mazagon Dock, etc.
- Leading lenders include IDBI Bank, ICICI Bank, SBI, etc.
- Vikas Bagaria, partner, Deloitte India told "The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, currently do not permit companies for an IPO if it has an average operating profit which is less than INR15 crores (\$2 M) during the preceding three years. Consequently, companies with operating losses will be allowed to make an IPO only if the issue is made through the book-building process and the issuer undertakes to allot at least 75% of the net offer to qualified institutional buyers. This has resulted in a significant increase in the participation by QIBs in recent IPOs,".

Source: [Link](#)

RBI raises personal loan limit for bank directors to INR 5 Crore

- RBI has raised the personal loan grant limit for bank directors to INR 5 crores from INR 25 Lakhs which was set many decades ago and required some change.
- In case of proposals for credit facilities below INR 5 crores to directors sanctioning will be through an appropriate authority in the financing bank and the matter shall be reported to the board.
- For loans equal and above INR 5 crores, prior approval from the board or the management committee of the financing bank shall be required.

Source: [Link](#)**LABOUR****NATIONAL****Ensure labour laws don't belabour jobs**

- According to a study by Jefferies, employee costs at the BSE 500 companies in FY21 went up only to 4.6% to 2.3 lakh crores very less than the 9% growth in FY20. Fresh recruitments were only seen in IT, banks, and health-care sectors whereas hospitality, aviation, media & entertainment, and retail witnessed a decline.
- Centre for Economic Data and Analysis (CEDA) based on the CMIE monthly time-series also analysed employment in the manufacturing sector which is almost half when compared to the situation five years ago.
- Automation is also adding to the reduction of the workforce.
- It is time for the government to ensure costs do not go up further in the manufacturing sector after imposing minimum wages for workers.
- The new government committee has to determine such rules, which do not further complicate and deter companies from hiring workforce. The underlying objective is to ensure minimum wages to all workers and target the more vulnerable workers which constitute 40% of India's workforce.

Source: [Link](#)**COMPANY****NATIONAL****Amazon urges SC to stop Future Group from selling assets to RIL**

- In the long-running Amazon - Future legal battle, the e-commerce giant

Amazon has requested the hon'ble Supreme Court (SC) to restrain the deal between Future Group and Reliance Retail signed for INR 24, 713 crores in August 2020.

- It pointed to Singapore's Emergency Arbitrator (EA) award which restrained Future Retail Ltd (FRL) from proceeding with the merger deal, saying it is valid and enforceable and thus to be executed.
- Senior Advocate Mr. Subramaniam, on behalf of Amazon argued that the interim order granting a stay on the merger by the single judge bench of the Delhi High Court was right. Further said, the emergency arbitrator is not a coram non judice (not before a judge) makes the EA award enforceable and the High Court erred by sitting against the interim award when it should have been executed under the Arbitration Act.
- The battle involves the retail giants trying to gain an edge in the e-commerce space with the advent of the online market becoming consumer's choice.

Source: [Link](#)**ED- TECH****INTERNATIONAL****Byju's buys reading app Epic for \$500 M to expand in the U.S.**

- Biju, an online education learning start-up has bought U.S.-based kid's digital reading platform Epic. The deal was signed for \$500 M.
- The acquisition of Epic is for kids under 12 years category, for cash and stock.
- The acquired app has over 2 M teachers and 50 M kids of user base which syncs effectively with Biju's prospective expansion in the US.
- This would be the third-major business for Byju in the US with Osmo, a reality

games creator app, and Epic, a reading app. It is expected to bring in around \$ 100 M of revenue this year, as Byju Raveendran, founder, and CEO, told.

Source: [Link](#)

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