

TBA BULLETIN

October 27 to November 09

The TBA Bulletin is a weekly summary of the most important legal news from India and around the world.

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TECH

- In its measure to crack down on Chinese telecoms and curb security threats, the US Senate passed Security Equipment Act
- In a move to join the virtual reality bandwagon and improve commercial transactions Facebook rebrands to Meta

ANTITRUST

- Meta is being sued by inoperative photo app Phhphoto on antitrust grounds including claims of copying feature from the app for Instagram
- Apple pushback on the EU Digital Markets Act stating sideloading of third-party apps will lead to malware vulnerability
- US-based Sun Pharma subsidiaries agree to pay \$85M as a settlement against antitrust litigation\

BFSI

- International Financial Services Centres Authority (IFSCA) issued new Insurance Office Guidelines, 2021

ARBITRATION

- Delhi HC agrees to hear Future Retail petition against Singapore Tribunal's order to remove status quo on its 27,513-crore transaction with Reliance Retail
- Dutch Supreme Court quashes \$50B pay out to Russian oil-giant Yukos shareholders granting Russia temporary win after Yukos accused Kremlin of taking down the company to silence CEOs

COMPANY

- Cairn Energy settles long-running \$1.06B tax dispute with India

TECH **INTERNATIONAL**

Tighter restrictions imposed on Huawei, ZTE after legislation gains US Senate approval

- Chinese Companies Huawei, ZTE are now being prohibited from receiving new equipment licenses from US regulators following the US Senate approval to Secure Equipment Act legislation.
- The Act is a push by the US government to crack down on Chinese telecom and tech companies functioning in the United States. The legislation prohibits companies to gain equipment licenses from the Federal Communication Commission (FCC).
- Earlier this year, the FCC designated five Chinese companies a threat to national security under a 2019 law aimed at protecting US communications networks.
- The FCC in June this year had voted unanimously to advance a plan to ban approvals for equipment in US telecommunications networks from those Chinese companies even as lawmakers pursued legislation to mandate it.

Source: [Link](#)

Facebook rebranded to Meta

- Facebook announced the company's rebranding to "metaverse company".
- The metaverse is considered as the next generation of virtual reality, wherein individuals can create their dedicated avatars and interact in virtual space. Commerce and transactions remain key part in the metaverse.
- Facebook has invited developers and creators to work on the recently unveiled augmented reality and virtual reality. These tools shall be used in order to build applications in the metaverse.

Source: [Link](#)

ANTI-TRUST **INTERNATIONAL**

- Inoperative photo app Phhphoto has filed suit against Meta for stealing the boomerang feature from their application and integrating it in Instagram, effectively driving Phhphoto out of business.
- The lawsuit is the most recent antitrust challenge to the world's largest tech companies. Facebook, Google and Apple all have faced suits from rivals over the years, accusing them of copying their technology or buying them to squash them.

- The Federal Trade Commission has sued the company, accusing it of violating antitrust laws by holding a monopoly on social networking through its acquisitions of Instagram and the messaging app WhatsApp.

Source: [Link](#)

Apple rails against sideloading of third-party apps in devices highlighting security concerns

- Apple remained strict in its claim of non-allowance of third-party apps in apple ecosystem voicing security concerns inclusive of malware and virus infestation. This comes after EU draft guidelines under the Digital Markets Act allowed third party apps to be installed in phone from outside official app stores.
- Critics say Apple and others use their control over software to entrench their dominant positions. On the other hand, Apple argues its policies are crucial to keeping users safe.
- Apple calls such unofficial app installations “sideloading”. This function is already available on Android phones. Apple warned of malicious apps infecting shopper gadgets.
- Companies such as Spotify, which have been fighting Apple on different fronts, from privacy changes on iOS devices to high commissions, have called Apple's policies as

“anticompetitive”.

Source: [Link](#)

Sun Pharma subsidiaries in US agrees to pay \$85 M to settle its generic pharma pricing antitrust litigation

- Sun Pharma Ltd informed in its regulatory filing that two of its US based subsidiaries have now agreed to settle the ongoing antitrust litigation. Under the terms of the settlement agreements, the subsidiaries will make an aggregate payment amounting to a combined total of \$85 M in exchange for a full release of all claims asserted against them.
- The settlement payment amounts will be reduced by \$10 M if the direct purchasers that opt out of the putative class collectively account for 20% or more of Taro’s and SPII’s aggregate dollar sales of the generic pharmaceutical products at issue in the direct purchaser action.
- The full amount of the payments under the settlement agreements have already been provided for in Sun Pharma's prior consolidated financial results.
- Sun Pharma stated that the settlement agreements are subject to court approval, adding that if the court preliminarily approves the settlements, the agreements provide for a period

during which, class members will be notified of the settlements and given an opportunity to opt out of the class, object to the settlements, or file a claim to receive a settlement payment.

Source: [Link](#)

BFSI

INTERNATIONAL

IFSCA releases [International Financial Services Centres Authority \(Operations of International Financial Services Centres Insurance Offices\) Guidelines, 2021](#)

- The guidelines mandate the compliance and adherence by the IFSC Insurance office (IIOs) to specify certain guidelines, forms etc.
- It lists the category of persons eligible to take or hold a life insurance or health insurance policy issued by the IIO: -
 - A. Person resident in India subject to the aggregate remittance including amount of premium does not exceed the limits prescribed by RBI under the Liberalised Remittance Scheme (LRS) from time to time: -
 1. Non-Resident Indian (NRI).
 2. Unit located in IFSCs.
 3. Unit located in SEZs.

4. Person resident outside India.

- The IIO may avail services of an intermediary (hereinafter referred as 'Intermediary') for sourcing of insurance business whether from double taxation avoidance (DTA) India or from outside India.
- The IIO shall make disclosures of all related party transactions in its audited financial statements.
- The IIOs who has established place of business or branch in the IFSC shall comply with Corporate Governance norms as specified by its home country regulatory or supervisory authority.

Source: [Link](#)

ARBITRATION

NATIONAL

Future Retail approaches Delhi HC to vacate status quo status on transaction

- After denial by the Singapore tribunal to vacate the status quo on the Rs 27,513 transaction with Reliance Retail ventures Ltd, Future retail approach Delhi HC
- The Delhi HC has agreed to hear Future Retail's petition against the Singapore tribunal's order in its fight against Amazon.
- In its appeal before the Delhi HC, Future Retail sought:
 - Staying and setting aside the operation of the arbitral

tribunal's order upholding the status quo on the transaction.

- Allowing the company to conduct meeting of shareholders and creditors as directed by the NCLT earlier.
- Delhi HC has asked Amazon for a reply to be filed on Future Group's petition within four weeks. The matter will come up in January next year.

Source: [Link](#)

INTERNATIONAL

Russia receives temporary win from Dutch Supreme Court as \$50 B pay out to oil giant Yukos scrapped

- In what is considered to be world largest arbitration award, Dutch SC scraps \$50 B to Russian oil giant Yukos shareholders which began after former shareholders of bankrupted Yukos accused the Kremlin of taking down the company to silence its CEO.
- The decision quashed a lower court ruling, effectively setting aside a \$50 B award made to the former shareholders in 2014 and sending the case to another court in Amsterdam to consider Russian claims that the shareholders committed fraud in the original arbitration hearings.

Source: [Link](#)

COMPANY NATIONAL

Cairn Energy Plc. announced settlement of \$1.06 B with India bringing end to long running tax dispute

- Cairn Energy announced undertakings with the Government of India allowing them to settle controversial tax dispute. The settlement sees India refunding \$1.06 B in return for the oil and gas company drop all legal proceedings against the country. Therefore, the settlement will allow Cairn to pay shareholders a special dividend by early 2022.
- The settlement is under the Taxation Laws (Amendment) Act, introduced this year to put an end to 17 tax disputes India has with multinational companies like Cairn and Vodafone Plc.
- In September, Cairn said \$700 M would be returned to shareholders via a special dividend and buyback, with the remainder retained to further enhance the producing asset base.
- Cairn stated that to satisfy the conditions of settlement, it will start filing necessary documentation under India's Income Tax rules, intimating the withdrawal of various enforcement actions.

Source: [Link](#)

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