

# TBA BULLETIN

December 01 to December 07

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

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## ANTITRUST

- UK's antitrust authority orders Facebook to sell Giphy, which it had acquired in May 2020

## BFSI

- Finance Ministry amended the National Bank for Financing Infrastructure and Development Act, 2021
- International Financial Services Centres Authority has issued a consultation paper on IFSCA (Insurance Web Aggregator) Regulations, 2021

## IBC

- IBBI empowers adjudicating authority to pick Insolvency Professionals
- RBI has initiated CIRP against Reliance Capital Ltd.

## TECH

- Centre opposes petition challenging Rule 3 and 4 of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021
- UK Government introduced the Product Security and Telecommunications Infrastructure Bill

## ANTITRUST

### INTERNATIONAL

#### **UK watchdog orders Facebook owner Meta to sell Giphy**

- Facebook proprietor Meta has been asked by the UK competition authorities to sell famous animated pictures platform Giphy. This is UK's first such move against the Big Tech in its endeavour to strengthen regulations of the sector.
- The Competition and Markets Authority (CMA) said it had observed that last year's procurement of Giphy would diminish rivalry between online media stages.
- Report of the Independent examination on Facebook-Giphy for the CMA said that the restriction among Facebook and Giphy has effectively eliminated an expected challenger in the showcase promoting market. It

likewise referenced that by requiring Facebook to sell Giphy, we are securing many web-based media clients and advancing contest and development in computerized promoting.

**Source:** [Link](#)

## **BFSI** **NATIONAL**

### **National Bank for Financing Infrastructure and Development (Removal of Difficulties) Order, 2021**

- The Ministry of Finance has issued the [National Bank for Financing Infrastructure and Development \(Removal of Difficulties\) Order, 2021](#) which came into force on December 1, 2021.
- The following amendments have been made to the Act, 2021 namely: -
- In Section 15(1) which specify “The Board shall constitute a Nomination and Remuneration Committee, a Risk Management Committee and an Audit Committee, each consisting of a minimum of three directors with independent directors forming a majority.”
- The following proviso shall be inserted namely: - “Provided that, the first Nomination and Remuneration Committee shall

consist of the Chairperson and the directors nominated by the Central Government under clause (d) of sub-section (1) of section 6”.

**Source:** [Link](#)

### **IFSCA invites comments on proposed IFSCA (Insurance Web Aggregator) Regulations, 2021**

- International Financial Services Centres Authority (IFSCA) has invited comments on the proposed IFSCA (Insurance Web Aggregator) Regulations, 2021.
- It is recommended that administrative structure for enrolment and tasks of Insurance Web Aggregators might be set up empowering enlistment of Insurance Web Aggregators in the IFSC, zeroing in on advancement of retail protection business from the IFSC.
- The proposed IFSCA (Insurance Web Aggregator) Regulations, 2021, inter-alia, specified:
- Who can set-up IFSC Insurance Web Aggregator Intermediary Office (IIIO) in IFSC: A company or LLP incorporated in India; or a body corporate incorporated under the law of any country outside India.
- Conditions of registration including requirement of Minimum capital, Net-worth and Professional Indemnity policy.

- The consultation paper along with the draft regulations are available [here](#) for comments.

**Source:** [Link](#)

## **IBC** **NATIONAL**

### **IBBI engages adjudicating authority to pick IPs from panel to check delays**

- The Insolvency and Bankruptcy Board of India (IBBI) has said to make a board of Insolvency Professionals (IPs), which would be refreshed at regular intervals. The board has additionally pre-arranged a calculation to put the IPs on a board in a specific request. The IP with the least volume of continuous cycles will get a score of 100 and will be at the highest point of the board. The IP with the most elevated volume of continuous cycles will get a score of nothing.
- Both the National Company Law Tribunal (NCLT) and DRT might pick any name from the board for arrangement of interim resolution professional (IRP) outlet, RP for a CIRP, liquidation process, insolvency resolution or bankruptcy process relating to corporate debtors, and personal guarantors to corporate debtors, as required.
- Section 16(3)(a) of the IB Code requires the adjudicating

authority to make a reference to the board for recommendation of an IP, who may act as an IRP in cases where an operational creditor has made a CIRP application and has not proposed an IRP.

**Source:** [Link](#)

### **RBI records [application](#) to start bankruptcy procedures against Reliance Capital**

- The RBI has filed an application for initiation of [Corporate Insolvency Resolution Process](#) (CIRP) against Reliance Capital Limited (RCL). RBI has initiated the insolvency process under the Insolvency and Bankruptcy Code, 2016 (IB Code) at the Mumbai Bench of the NCLT.
- The RBI filed an application for initiation of CIRP against Reliance Capital Ltd., under Section 227 r/w clause (zk) of sub-section (2) of Section 239 of the IB Code, 2016 r/w Rules 5 and 6 of the IBC (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019.
- RBI had superseded the Board of Anil Ambani's Reliance Group promoted company RCL over defaults in meeting various payment obligations to its creditors and serious governance

concerns which the board was not able to address effectively.

- RCL owes Rs 21,781.01 crores, including interest, as on October 31 to lenders. The firm has also defaulted in the repayment of inter-corporate deposits taken from various parties aggregating to Rs 562 crores and interest amounting to Rs 120 crores for which maximum days of default ranges from 510 days to 567 days.

**Source:** [Link](#)

## **TECH** **NATIONAL**

### **Centre backs the new IT Rules 2021 as it faces legal test in Bombay HC.**

- The Information Technology ([Intermediary Guidelines and Digital Media Ethics Code](#)) Rules, 2021 were introduced with the intents that it will empower ordinary users, enhance their digital safety and make intermediaries accountable.
- The guidelines accommodate governing rules via online media organizations by setting courses of events for expulsion of unlawful content, the affidavit reads. Furthermore, in no way do the rules obstruct on the right to speak freely and articulation.
- Petition has challenged Rules 3 and 4. These two rules lay down

due diligence requirements and grievance redressal mechanism to be provided by intermediaries. But, the petitioner argues, they provide sweeping powers to social media intermediaries to remove or block access to information based on the complaints of private persons.

- One of the main challenges that the petition has raised was that the IT Rules are contrary to fundamental rights such as 'right to equality', 'freedom of speech and expression' and 'privacy' as enshrined under Articles 14, 19 and 21 of the Constitution of India.
- The Centre opposed for reasons:
- New rules are neither discriminatory nor arbitrary. Regulated parties should know what is required of them so they may act accordingly.
- Content removal can only be via orders of courts, the government, or its agencies. This is so that no regulator or enforcement agency acts whimsically.
- Privacy, under Article 19, is not an absolute fundamental right. It can be intruded upon, especially when an important countervailing interest is superior to it.
- Classification of social media intermediaries and significant social media intermediary's basis 50 lakh registered users is not arbitrary and is based on global practices. Such classification by

itself does not give the government discretion to enforce any arbitrary and authoritarian decisions.

- Altogether, 17 writ petitions have been recorded across high courts testing the IT Rules, 2021.

**Source:** [Link](#)

## **INTERNATIONAL**

### **UK government to safeguards people's personal tech as it introduces the Product Security and Telecommunications Infrastructure Bill (PSTI)**

- The UK government has announced a [Product Security and Telecommunications Infrastructure Bill](#) with better security to individuals' cell phones, TVs and other advanced gadgets from programmers.

- Key highlights:
- The Bill seeks to prevent the sale of consumer connectable products in the UK that do not meet security requirements.
- The new legislation will require manufacturers, importers and distributors of digital tech which connects to the internet or other products that they adhere to new cyber security standards.
- The Bill will permit the public authority to boycott general default passwords, power firms to be straightforward to clients regarding what they are doing to fix security defects in connectable items and make a superior public detailing framework for weaknesses found in those items, etc.

**Source:** [Link](#)

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