

TBA BULLETIN

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

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ANTITRUST

- CCI ordered probe on Apple's business practices in India

IBC

- Insolvency Law Committee proposes amendments to the IBC to speed up the resolution process and protect against unnecessary transactions

SEBI

- SEBI introduces new Preferential Allotment Rules to tighten up the IPO process

TAXATION

- CBDT publishes the Income-tax (35th Amendment) Rules, 2021

ANTITRUST NATIONAL

Apple's commercial activities in India are being investigated by the CCI

- The CCI has launched an inquiry into Apple's business practises in India, stating that it believes the iPhone maker has broken antitrust rules.
- The inquiry came after a non-profit group claimed earlier in 2021 that Apple was abusing its dominant position in the app market by forcing developers to utilise its proprietary in-app purchase mechanism.
- According to the CCI, Apple's rules presumptively deny potential app developers and distributors market access.

- The charges are identical to those made against Apple in the EU, where officials launched an inquiry into the tech giant in the year 2020/21.
- CCI ordered the team to submit an investigation report within 60 days of receiving the order.
Source: [Link](#)

IBC NATIONAL

Changes to the IBC, 2016 are being proposed by ILC

- The Insolvency Law Committee (ILC) which was established by the Central Government in 2017 has suggested more modifications to enhance the IBC.

- The ILC, in its' four reports, has proposed these revisions.
- A faster admission procedure, a time restriction on resolution plan acceptance, more stricter checks against unnecessary transactions and improper trading, and a formal closing of the voluntary liquidation process are among the other improvements.
- Though insolvency courts are required to rule on petitions filed as part of the corporate insolvency resolution procedure (CIRP) within 14 days but to avoid this delay, the ILC has suggested that financial creditors submit only documents authenticated by information utilities when establishing a corporate debtor's default.
- On avoidable transactions and wrongful trading, resolution plans to contain:
 1. Who would pursue such proceedings after the approval of the plan?
 2. The mechanism in which projected recoveries from proceedings are distributed.
- On timely approval of resolution plans, resolution proposals that have already been authorised by the creditors' committee should not be prolonged excessively. The NCLT should be given 30 days to approve or reject a settlement plan. If a plan is delayed in being resolved, the

tribunal should keep track of the reasons for the delay.

- Additionally, the ILC is looking for a precise framework for contributing to and using the IBC fund, since the existing form of the IBC fund fails to incentivize donations to the fund with a restricted number of uses of the money.

Source: [Link](#)

SEBI NATIONAL

SEBI approves changes in IPO and Preferential Allotment Rules

- SEBI has tightened disclosure rules for raising funds from the primary market. It has altered the regulations, to promote transparency in preferential allotments while making share sales easier to sweep up.
- The key changes to IPO and preferential allotment are:
- **IPO:** A 35% spending cap on future inorganic expansion and general company purposes from the entire amount obtained in the IPO is applicable in cases where the corporation has not identified any acquisition or investment targets.
- is limited to A 25% cap on amount spent on items for which the corporation has not selected an acquisition or investment

- objective from the total money collected.
- A minimum price band of 105% of the floor price will come into effect after the change is notified in the official gazette.
- Credit rating agencies can be the watchdogs to determine how the money collected in the IPO is spent.
- Anchor investors can sell 50% of their shares, after 90 days from the IPO. The remaining 50% will continue to be controlled by the present investors with a 30-day lock-in period. The modification will take effect on April 1, 2022.
- **Preferential Allotment:** A valuation report will be required, if there is a change in control and 5% of the fully diluted post-issue share capital is awarded to one company.
- Independent Directors will have to give reasoned recommendations and vote information in case of a change of control in a corporation.
- The lock-in for promoters holding up to 20% of the post-issue paid up capital will be reduced from three years to eighteen months.
- The lock-in for promoters with more than 20% paid-up capital will be reduced to six months from the present one year.

- The lock-in for allotments for non-promoters is reduced from one year to six months.
- A share swap backed by a value report is permitted, as payment for a preferential issue.

Source: [Link](#)

TAXATION **NATIONAL**

In amending the Income-tax Rules of 1962, the CBDT published the Income-tax (35th Amendment) Rules, 2021

- The Central Board of Direct Taxes (CBDT) notified Income-tax (35th Amendment) Rules, 2021 to amend the Income-tax Rules, 1962 and incorporated the following:
 - “16DD. Form of particulars to be furnished along with return of income for claiming deduction under clause (b) of sub-section (1B) of section 10A. The particulars, which are required to be furnished by the assessee along with the return of income under clause (b) of sub-section (1B) of section 10A shall be in Form No. 56FF.”
 - Form No. 56FF is a new filing for claiming deduction from industrial gains under sec. 10A.
 - Form No. 56FF related to particulars to be supplied under clause (b) of sub-section (1B) of section 10A of the Income-tax

Act, 1961, should be added in
Appendix II of the primary

regulations.

Source: [Link](#)

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Sources: SCCOnline, BloombergQuint, and Livemint