

January 2016

MAHESWARI & CO. 
Advocates & Legal Consultants



NEWSLETTER

Insurance Sector to attract over Rs 12,000 Crore FDI in 2016:

Predicting to flow as a direct consequence from the passage of Insurance Laws (Amendment) Bill which raised the foreign investment ceiling from 26 per cent to 49 per cent last year, the ASSOCHAM has predicted that the insurance sector shall attract over Rs 12,000 Crore of Foreign Investment in the year.



The investment push has come as a result of liberalisation of foreign investment ceiling from 26 per cent to 49 per cent last year through the passage of Insurance Laws (Amendment) Bill.

The Bill was passed by Parliament in March clearing decks for foreign entities to increase their stake in private sector insurance companies.

AXA of France, Bupa of the UK, Nippon Life Insurance of Japan had recently announced raising stake in their respective joint ventures, among others.

India to remain bright spot of global economy: World Bank

In the Global Economic Prospect Report of the World Bank, which was released this month, the World Bank has predicted that India will continue to be the bright spot of the global economy and is projected to grow at a robust 7.8 per cent in fiscal 2016-17, more than a percentage point higher than China's.

The report predicts that despite a slower growth rate, India shall be a gleaming spot as Chinese growth is projected to slow further.



“In contrast to other major developing countries, growth in India remained robust, buoyed by strong investor sentiment and the positive effect on real incomes of the recent fall in oil prices,” the World Bank said.

The Report further read that, the Reserve Bank of India, has rebuilt reserves while net FDI flows have remained positive.

Prime Minister unveils the Startup Action Plan

The Startup India Initiative, which was launched by the Indian Prime Minister earlier in the year has now been provided a Road Map. Within five months of the launch of the initiative, the Startup Action Plan was unveiled by the PM, Mr. Narendra Modi.

The Action Plan witnessed significant provisions, including compliance regime based on self certification, to reduce the regulatory burden and only a single form shall be required to set up a startup which can be done online on a portal or through a mobile app.



The Government has promised to make IPR Procedure transparent and a panel to provide for legal support and assistance in patent application. There'll be 80% rebate on filing patent applications for startups.

Fast-tracking closure of business has been included in 'The insolvency and Bankruptcy Bill 2015' to facilitate faster exits.

Exemptions shall be given from Capital Gains Tax along with extension of existing capital gain tax exemption for investment in newly formed MSMEs by individuals to all startups. **Also, startups set up after April 1, 2016 shall be exempted from income-tax for a period of three years.**

Experts have predicted that the narrowing the gap between tax treatment of listed and unlisted shares will be beneficial to investors wanting to invest in start-ups and shall certainly help to boost investments including foreign investment in start-ups.

Now, only two documents required for taking import-export code

To facilitate the ease of doing business and lessen paperwork, the Commerce Ministry reduced the number of mandatory documents for taking import-export code to two.

"Only two documents are required to be uploaded /submitted along with the digital photograph while applying for IEC," the Directorate General of Foreign Trade (DGFT) said in a notification.

Earlier several documents including complete details of the entity seeking the IEC, details of the proprietors or partners or directors/managing trustee of the entity and details of the signatory applicant were required.



The Ministry has worked with different departments to reduce paperwork in a bid to cut transaction cost for exporters and improve the ease of doing business.

The Ministry also said that "only" online application for IEC or modification in IEC can be made by applicants through digital signature with effect from April 1 this year.

Corporate Office

B-7/1, Safdarjung Enclave Extn.
New Delhi - 110029

India

T. +91 11 26101906, 41354615

F. +91 11 26171201

E. info@maheshwariandco.com

Mumbai

Level 8, Vibgyor Towers, C-62
Block-G, Bandra Kurla Complex
Mumbai – 400098
India
T. +91 22 40907271

Lucknow

IIInd Floor, YMCA Complex
13 Rana Pratap Marg,
Lucknow – 226001
Uttar Pradesh
T. +91 522 2209390
F. +91 522 2209749

Network Offices

Bangalore

Chennai

Hyderabad

Pune

Kolkata

www.maheshwariandco.com