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SEBI Presents a Detailed Framework on Beneficial Owners of Foreign Portfolio Investors.

Markets regulator Sebi on 10th April, 2018 presented a detailed framework in order to identify and verify beneficial owners of foreign portfolio investors. Beneficial owner includes the natural person, who ultimately owns or controls a foreign portfolio investor. Under the proposed framework the beneficial ownership of foreign portfolio investors having structure of company or trust should be identified on controlling ownership interest and control basis. As per Sebi beneficial ownership in case of partnership firm and unincorporated association of individuals should be identified on ownership or entitlement basis. Sebi also directed Category II and III of foreign portfolio investors to provide list of their beneficial owners in order to bring consistency. These foreign portfolio investors also need to disclose to Sebi about name and address of the beneficial owner; whether they are acting alone or together through one or more natural persons as group, with their name and address; tax residency jurisdiction; beneficial owner group's percentage shareholding capital or profit ownership in the foreign portfolio investor.

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The Payment of Gratuity (Amendment) Act, 2018 Comes Into Force.

The Payment of Gratuity (Amendment) Act, 2018 has received the Presidential assent on 28 March 2018 and has been notified by Ministry of Labour and Employment, Government of India on 29 March 2018. This Act ensures harmony amongst employees in the private sector and Public Sector Undertakings/Autonomous Organizations under Government who are not covered under CCS (Pension) Rules.

These employees will be entitled to receive higher amount of gratuity at par with their counterparts in Government sector. Before the implementation of 7th Central Pay Commission, the ceiling under CCS (Pension) Rules, 1972 was Rs. 10 Lakh. However, with implementation of 7th Central Pay Commission, in case of Government servants, the ceiling has been raised to Rs. 20 Lakhs.

The Government after considering the factors such as inflation and wage increase in case of employees engaged in private sector decided that the private sector employees shall also be entitled with revised gratuity. Accordingly, the Government initiated the process for amendment to Payment of Gratuity Act, 1972 to increase the maximum limit of gratuity to

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such amount as may be notified by the Central Government from time to time.

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