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DSK Legal Knowledge Center

Updates on

- Miscellaneous Updates

## MISCELLANEOUS UPDATES

### A. Registration of Clinical Trial with the Clinical Trial Registry<sup>1</sup>

The Directorate General of Health Services, Office of Drugs Controller General (India) has made registration of clinical trials, with the Clinical Trial Registry, mandatory w.e.f. June 15, 2009, which will be applicable for clinical trials initiated after June 15, 2009.

For more information please refer to  
<http://cdsco.nic.in/CTRegistration.doc>

### B. Effective Date of Implementation of provisions of Drugs and Cosmetics (Amendment) Act, 2008

The Central Government has, vide notification dated August 10, 2009<sup>2</sup>, appointed August 10, 2009 as the effective date of implementation of the Drugs and Cosmetics (Amendment) Act, 2008.

### C. Telecommunication: 'Lock-in' period for sale of promoter's equity for Unified Access Services License

The Department of Telecommunications has, vide notification dated July 23, 2009<sup>3</sup>, reserving the right of the licensor to

<sup>1</sup> F.No. 12-01/09-DC-(Pt-32)

<sup>2</sup> SO2076(E)

<sup>3</sup> No.20-100/2007-AS-I

modify at any time the terms and conditions of the license, amended (with immediate effect) the Schedule to the License Agreement for Unified Access Services (“UAS”) by providing the following conditions for sale of equity of the UAS licensee company:

- (a) Lock-in-period for sale of equity of a person whose share capital is 10% or more in the UAS licensee company on the effective date of UAS license and whose net-worth has been taken into consideration for determining the eligibility for grant of UAS license and certain circumstances wherein the said restriction shall not apply; and
- (b) permission to the UAS licensee company to issue additional equity share capital by way of private placement/ public issues subject to compliance with certain restrictions.

For more information please refer to

[http://www.dot.gov.in/as/2009/Ammendment\\_lock-in-Period.pdf](http://www.dot.gov.in/as/2009/Ammendment_lock-in-Period.pdf)

#### D. Insurance: Role of Appointed Actuaries

The Insurance Regulatory and Development Authority (“IRDA”), vide its circular dated August 13, 2009<sup>4</sup>, has enhanced the role

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<sup>4</sup> No: 27/IRDA/ACTL/NON-LIFE/2009-10

of appointed actuaries for general insurers. Certain measures have been taken which include the following:

- o Appointed Actuary is required to prepare the financial condition report of the non-life insurance company (necessary guidance shall be issued shortly). The report is to comment from the financial year ending March 31, 2009; and
- o The CEO of a general insurance company is required to send a letter to the IRDA on or before September 15, 2009 stipulating that necessary arrangements are in place in order for the Appointed Actuary to undertake responsibilities as stipulated in the said circular.

The said circular comes into effect from October 1, 2009.

For more information please refer to

[http://www.irdaindia.org/cironnonlife/cir\\_actl\\_130809.htm](http://www.irdaindia.org/cironnonlife/cir_actl_130809.htm)

#### E. Insurance Qualification of the Corporate Agent

IRDA had issued ‘Guidelines for Corporate Agents Qualifications’ vide circular dated July 3, 2009<sup>5</sup>. In response to the clarifications and extension of above relaxation sought by insurers, IRDA,

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<sup>5</sup> Ref: IRDA/AGENTS/ORG/17/July 2009

[http://www.irdaindia.org/ati/corporate\\_agent\\_guidelines\\_fi\\_030609.htm](http://www.irdaindia.org/ati/corporate_agent_guidelines_fi_030609.htm)

vide order dated August 6, 2009<sup>6</sup>, has stipulated that the insurer can consider the qualification mentioned in the said circular for the Chief Insurance Executive, the designated officer and other specified person pending the three days workshop (to be finalized shortly). The said guidelines must be incorporated on or before March 31, 2010.

For more information please refer to

[http://www.irdaindia.org/ati/ins\\_qua\\_corporate060809.htm](http://www.irdaindia.org/ati/ins_qua_corporate060809.htm)

F. Guidelines on Corporate Governance for the Insurance Sector

IRDA has, vide circular dated August 5, 2009<sup>7</sup>, informed all insurers that the guidelines on “Corporate Governance for the Insurance Sector” (“Guidelines”) have been finalized and are placed at Annexure II<sup>8</sup> of the said circular. The companies are required to take necessary action to ensure that the compliance of the Guidelines is in place latest from the financial year commencing April 01, 2010. These final Guidelines are to be placed before the boards of the Company along with an action

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<sup>6</sup> IRDA/ AGENTS/ORD/25/AUG 2009

<sup>7</sup> Ref. IRDA/F&A/CIR/025/2009-10

<sup>8</sup> [http://www.irdaindia.org/Investment/corpo\\_gov\\_anx\\_2\\_050809.pdf](http://www.irdaindia.org/Investment/corpo_gov_anx_2_050809.pdf)

plan towards compliance. A Compliance Report may be furnished to IRDA in due course.

For more information please refer to

<http://www.irdaindia.org/Investment/cir-inv-025-050809.htm>

G. Anti Money Laundering (AML) guidelines

IRDA has, vide circular dated August 24, 2009<sup>9</sup>, reviewed the extant guidelines on AML for Insurers vis-à-vis the 40+9 recommendations of Financial Action Task Force (FATF) carried out in view of the scheduled Evaluation of AML regimen of India by FATF during November-December 2009. The amendments have come into effect from the date of the said circular.

Insurers are required to carry out changes as necessary in their existing AML policy and note it for compliance. The revised AML policy, in accordance with the above mentioned stipulations, must be filed with the IRDA at the earliest but no later than October 31, 2009 and placed before the Board for information.

To review the amendments made please refer to

[http://www.irdaindia.org/circulartoall/cir\\_aml\\_250809.htm](http://www.irdaindia.org/circulartoall/cir_aml_250809.htm)

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<sup>9</sup> 30/IRDA/AML/CIR/AUG-09

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