



Ministry of Corporate Affairs notified Companies (Issue of Global Depository Receipts) Amendment Rule, 2020.

Vide notification G.S.R_(E) dated 13.02.2020, MCA made changes in the principle rule of Companies (Issue of Global Depository receipt) Rules, 2014. The amended rule shall apply from the date of publication of this notification (13.01.2020) in the official Gazette.

Please find below the details of amendment in rules:

In **Rule 2 (Definitions)** of Companies (Issue of Global Depository Receipts) Rules, 2014:

- **Definition of Scheme:** "Scheme" means the Depository Receipts Scheme, 2014 or any modification or re-enactment thereof;
- **Clause (aa) inserted after clause (a):** "overseas depository" or "overseas depository bank" shall mean 'foreign depository' as defined in the Scheme.

In **Rule 5 (Manner and Form of Depository Receipts.)** of Companies (Issue of Global Depository Receipts) Rules, 2014:

- **Amended Sub Rule 1:** The depository receipts can be issued by way of public offering or private placement or in any other manner prevalent in the **concerned jurisdiction** and may be listed or traded on the listing or trading platform in the concerned jurisdiction."
- **Amended Sub Rule 3:** The underlying shares shall be allotted in the name of the overseas depository bank and against such shares, the depository receipts shall be issued by the overseas depository bank.

In **Rule 7 (Proceeds of Issue)** of Companies (Issue of Global Depository Receipts) Rules, 2014:

- **Following proviso shall be inserted:**
"Provided that proceeds of issue of depository receipts may be remitted in

an International Financial Services Centre Banking Unit (IBU) and utilised in accordance with the instructions issued by the Reserve Bank of India from time to time.

In **Rule 9 (Non Applicability of Certain Provisions of the Act)** of Companies (Issue of Global Depository Receipts) Rules, 2014:

- **Amended Sub Rule (1):** The provisions of the Act and any rules issued thereunder insofar as they relate to public issue of shares or debentures shall not apply to issue of depository receipts.

[Detailed notification of MCA can be found at the following link.](#)

For any further assistance contact our team at kmt@vkalra.com

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