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LEXUPDATE

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Recommended by:

Intellectual Property

Government approves National Intellectual Property Rights Policy: “Creative India; Innovative India” – The Government of India has approved the National Intellectual Property Rights (“IPRs”) Policy which is stated will lay the future roadmap for intellectual property in India. The Policy has the following objectives:

- IPR awareness and promotion: Outreach and Promotion - To create public awareness about the economic, social and cultural benefits of IPRs among all sections of society.
- Creation of IPRs - To stimulate the generation of IPRs.
- Strong and effective legal and legislative framework, consistent with national priorities and international obligations and which balance the interests of rights owners with larger public interest.
- Strengthening IP administration and management of IP rights and user oriented services.
- To get value for IPRs by augmenting commercialization.
- To facilitate effective and speedy adjudication and promote awareness and respect for IPRs by strengthening enforcement and adjudication mechanisms for combating IPR infringements.
- Strengthening and expanding human capital development, institutions and capacities for teaching, training, research and skill building in IP.

The National IPR Policy recognizes that India has a well-established TRIPS-compliant legislative, administrative and judicial framework to safeguard IPRs, which meets its international obligations while utilizing the flexibilities provided in the international regime to address its developmental concerns. It reiterates India’s commitment to the Doha Development Agenda and the TRIPS agreement.

CHAMBERS
ASIA



Oil & Gas

Government to launch auction of 67 discovered small fields – The Indian government plans to launch the auction of a total of 67 small oil and gas fields in 46 contract areas on May 25, 2016 (26 on land, 18 offshore in shallow water and two in deep water). Interested parties have been invited to register for the launch. These are discoveries surrendered by stated owned Oil and Natural Gas Corporation Ltd (“ONGC”), and Oil India Limited (“OIL”) due to their size, prohibitive development costs, technological constraints and/or unviable price regimes. These fields will be offered under the new revenue sharing model, under which the bidders will quote revenues to be shares with the Government at the low and high end of price and production band. The auction will be a test of the recent Hydrocarbon Exploration and Licensing Policy of the Government.

Directorate General of Hydrocarbons codifies Good International Petroleum Industry Practices (“GIPIP”) – The Ministry of Petroleum and Natural Gas has approved the GIPIP 2016 for the reference and guidance of all exploration and production operators in India. The Production Sharing Contract prescribes adoption of GIPIP in carrying out petroleum operations efficiently, safely, prudently and in an environmentally sustainable manner. However, until now, there was no codified set of GIPIP standards though safety regulations and standards have been formulated by Oil Industry Safety Directorate. Issues related to codification of GIPIP have also been examined by the Comptroller and Auditor General (“CAG”) during the audit of a block when the CAG stated that the GIPIP is not a clear, unambiguous and self evident “gold standard”, but “reasonable judgment” exercised by operators. The Rangarajan Committee in its report on the “Production Sharing Contract Mechanism in the Petroleum Industry” had also recommended the codification of GIPIP. The approved GIPIP provides guidelines to be followed in the following crucial areas: exploration, discovery, appraisal, declaration of commerciality, field development, production, testing and analysis – reservoir and production, health, safety and environment (HSE)/abandonment and procurement procedures.

Banking

Ownership in private sector banks – The Reserve Bank of India (“RBI”) has fixed ownership limits for all shareholders in private sector banks in India based on categorization of the shareholders under two broad categories viz. (i) natural persons (individuals) and (ii) legal persons (entities/institutions). Further, non-financial and financial institutions, and among financial institutions, diversified and non-diversified financial institutions will have separate limits for shareholding as under:

Category shareholder	of	Promoter group	All shareholders in the long run
			Legal persons

Sub-category of shareholder	All categories of Promoter / Promoter group	#Natural person	#Non-financial institution / entities	Financial institution	
				Non-regulated or non-diversified and non-listed	Regulated, well diversified and listed / supranational institution / public sector undertaking / Government
Proposed shareholding cap	As specified in the February 22, 2013 licensing regulations viz. 15%	10%	10%	15%	40%

Higher shareholding, strategic investments by promoters/non-promoters through capital infusion by domestic or foreign entities/institutions will be permitted on a case to case basis.

In case any promoter / promoter group is eligible for higher shareholding as per the licensing guidelines, then the same will apply and the limits prescribed for all shareholders in the long run in the matrix will not apply.

Shareholders permitted 10% or more in a bank will be subject to a minimum holding period of five year

Feedback

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