Manupatra Weekly Wrap

08th –13th Dec 2025

CASE LAWS

Arbitration	
Supreme Court: Arbitrator's term ends after 18 months; substituted arbitrator must take over on extension	*Mohan Lal Fatehpuria Vs. M/s Bharat Textiles & Ors., Dated: 10.12.2025 (MANU/SC/1655/2025;2025 INSC 1409)* The **Supreme Court** held that under Section 29A(4) of the Arbitration Act, an arbitrator's mandate automatically ends if the 18-month period lapses without an extension request. When the court later grants an extension, Section 29A(6) mandates that a substituted arbitrator must resume the proceedings.

Insurance	
Supreme Court: COVID-19 Insurance Covers All Doctors; Recognizes Their Sacrifice	*Pradeep Arora Ors. Vs. Director, Health Department, Govt. of Maharashtra & Ors., Dated: 11.12.2025 (MANU/SC/1661/2025; 2025 INSC 1420)* The **Supreme Court** recognized the broad requisition of healthcare workers during the pandemic and affirmed that the PM Garib Kalyan insurance scheme applies to all such frontline professionals, subject to proof of COVID-19-related service.

Contempt of Court	
Supreme Court: Contempt power cannot be used to shield judges or suppress criticism	*Vineeta Srinandan Vs. High Court of Judicature at Bombay on Its Own Motion, date: 10.12.2025 (MANU/SC/1654/2025;2025 INSC 1408)* The **Supreme Court** emphasized that the authority to punish contempt is not meant to silence critics or protect judges personally. Highlighting that the power to punish includes the power to forgive, the Court noted that mercy should guide the judiciary when a contemnor demonstrates genuine remorse.

Criminal	
Supreme Court: Exception 4 to Section 300 IPC not applicable in one-sided attacks	*Surender Kumar Vs. State of Himachal Pradesh, DateD: 09.12.2025 (MANU/SC/1658/2025;2025 INSC 1412)* The **Supreme Court** held that if an accused initiates violence unprovoked, with no mutual exchange of blows, the provision of culpable homicide not amounting to murder cannot be used to claim a lesser sentence.
Allahabad High Court: Withdrawal of Prosecution under S. 321 CrPC Requires Independent Scrutiny, State Govt's Intent Not Binding	*Chhote Lal Kushwaha and 3 Others Vs. State of U.P. and Another, Dated: 11.12.2025 (MANU/UP/3520/2025;2025: AHC:222499)* The **Allahabad High Court** observed that a "mere expression of intention" by the State Government to withdraw a prosecution does not bind the court and does not override the statutory requirement of independent scrutiny by the Public Prosecutor and the judiciary.
Supreme Court: Police can freeze bank accounts in corruption cases under S.102 CrPC	*The State of West Bengal Vs. Anil Kumar Dey, Dated: 10.12.2025 (MANU/SC/1660/2025;2025 INSC 1413)* The **Supreme Court** held that investigating agencies have the authority to freeze the bank accounts of individuals facing proceedings under the Prevention of Corruption Act, 1988, by invoking Section 102 of the CrPC (now Section 106 of the Bharatiya Nagarik Suraksha Sanhita).

Family	
Delhi High Court: Concealment of income may affect maintenance, but not right to residence under DV Act	*Sahiba Sodhi Vs. The State Nct of Delhi & Anr, Dated: 09.12.2025 (MANU/DE/9699/2025;2025: DHC:11064)* The **Delhi High Court** held that even if a wife is denied monetary maintenance for concealing her income, she remains entitled to a residence order under the Domestic Violence Act.

Good and Services Tax	
Bombay HC: GST replaced Ad Tax but Municipal License Fees on hoardings remain valid	*Manoj Madhav Limaye & Ors. Vs. State of Maharashtra & Anr. date: 10.12.2025 (MANU/MH/8470/2025;2025:BHC-AS:54180-DB)* The **Bombay High Court** ruled that the implementation of the Goods and Services Tax (GST) does not strip municipal corporations in Maharashtra of their authority to impose license fees on hoardings and sky-signs. The court clarified that while GST replaced advertisement tax, it does not affect regulatory charges levied under municipal law.

Insolvency	
Supreme Court: NCLT can forfeit full deposit if liquidation asset purchaser defaults	*M/s. Shri Karshni Alloys Private Limited Vs. Ramakrishnan Sadasivan, Dated: 10.12.2025 (MANU/SC/1657/2025;2025 INSC 1411)* The **Supreme Court** held that if a buyer fails to pay for assets acquired in a judicially supervised liquidation sale, the full deposit may be forfeited. It clarified that Section 74 of the Indian Contract Act, 1872 is inapplicable, as no contractual relationship exists between the purchaser and the liquidator.
Supreme Court: Debt Acknowledgment and Post-Notice Payments Defeat Pre-Existing Dispute Defence under S. 9 IBC	*M/s. Saraswati Wire and Cable Industries Vs. Mohammad Moinuddin Khan and others, Dated: 10.12.2025 (MANU/SC/1653/2025;2025 INSC 1410)* The **Supreme Court** held that for a 'pre-existing dispute' to block a Corporate Insolvency Resolution Process under Section 9, it must be genuine and backed by credible evidence. Mere claims intended to delay CIRP, especially when the debtor has acknowledged the debt and made payments after the notice, are not valid.
Bombay High Court: SARFAESI sale cannot continue post-ibc moratorium without sale certificate	*Arrow Business Development Consultants Pvt Ltd Vs. Union Bank of India & Ors, Dated: 10.12.2025 (MANU/MH/8461/2025;2025:BHC-AS:54045-DB)* The **Bombay High Court** ruled that a secured creditor cannot carry out a SARFAESI sale once an interim moratorium under the Insolvency and Bankruptcy Code is in effect. It held that Union Bank of India was not entitled to issue a sale certificate or accept balance payments after the borrower's insolvency proceedings began.

Narcotics	
Supreme Court: NDPS – seizure valid despite no independent witnesses or section 52A lapses	*Jothi @ Nagajothi Vs. The State, Rep. by the Inspector of Police, Date: 11.12.2025 (MANU/SC/1665/2025;2025 INSC 1417)* The **Supreme Court** upheld the conviction of a woman for possessing 23.5 kg of ganja, stating that the lack of independent witnesses does not weaken the prosecution if police evidence reliably proves recovery and conscious possession. Procedural lapses under Section 52-A of the NDPS Act are not fatal unless they affect the integrity of the contraband.

Service	
Delhi HC: GRAP does not guarantee work-from-home for govt employees; scientist's plea dismissed	*Shubham Verma Vs. Centre for Development of Telematics C Dot and Ors, Dated: 09.12.2025 (MANU/DE/9693/2025;2025: DHC:11239)* The **Delhi High Court** held that GRAP guidelines are regulatory in nature and do not grant employees an enforceable right to work from home. The court dismissed the plea for WFH and other reliefs, but permitted the petitioner to seek a transfer out of Delhi on medical grounds, to be considered sympathetically by the employer.

Supreme Court: Resignation Ends Pension, Not Gratuity: SC Clarifies Post-Service Benefits	*Ashok Kumar Dabas (Dead Through Legal Heirs) Vs. Delhi Transport Corporation, Dated: 09.12.2025 (MANU/SC/1652/2025;2025 INSC 1404)* The Supreme Court held that resignation leads to forfeiture of past service, disentitling an employee from pensionary benefits. However, legal heirs remain entitled to gratuity under the Payment of Gratuity Act, 1972, and to leave encashment, where the employer is not exempt from the Act.
Supreme Court: No upgradation claim after accepting compassionate appointment	*The Director of Town Panchayat & Ors. Vs. M. Jayabal & Anr. Etc., Dated: 12.12.2025 (MANU/SC/1668/2025;2025 INSC1423)* The **Supreme Court** held that a person who has accepted a compassionate appointment cannot later claim they were entitled to a higher post at the outset.
Supreme Court: Woman can approach ICC of her own workplace against harassment by outsider	*Dr. Sohail Malik Vs. Union of India & Anr., Dated: 10.12.2025 (MANU/SC/1656/2025;2025 INSC 1415)* The **Supreme Court** held that if a woman faces sexual harassment at her workplace by someone employed elsewhere, she can file a complaint with the Internal Complaints Committee (ICC) of her own organization, rather than that of the harasser's workplace.

NEWS

Civil	
13.12.2025	Due to the severe air quality in Delhi, the **Supreme Court** registry issued a circular advising lawyers and litigants to opt for video conferencing for hearings, if possible, given the current weather conditions.
12.12.2025	InterGlobe Aviation Ltd, the operator of India's largest airline IndiGo, has approached the **Delhi High Court** seeking a refund of over ₹900 crore paid as customs duty on aircraft engines and parts that were re-imported into India following overseas repairs.
10.12.2025	During a PIL hearing on the Indigo crisis and widespread flight cancellations, the **Delhi High Court** acknowledged the Centre's efforts but expressed concern over the impact on passengers and the economy. The court also directed that Indigo must strictly adhere to compensation provisions for stranded passengers, with oversight from the Ministry of Civil Aviation and DGCA.
09.12.2025	The **Supreme Court** questioned how individuals who applied for citizenship under the Citizenship Amendment Act (CAA) 2019 could be provisionally included in the voter list before their citizenship status is finalized.

Land Acquisition	
10.12.2025	The **Supreme Court** extended the deadline for the Special Investigation Team by two months to finalize its investigation into the alleged provision of excessive compensation to landowners in Noida.

Media and Entertainment	
08.12.2025	The **Supreme Court** dismissed a petition by X (formerly Twitter) seeking the consolidation of multiple FIRs filed against it across various states for allegedly promoting a "Khalistan" tweet. The bench, noting the passage of time and the lack of representation from several states, closed the case after some states updated the court on the status of the FIRs and complaints.

Service	
10.12.2025	Defending its policy of granting one paid menstrual leave per month, the Karnataka government informed the **Karnataka High Court** that the initiative fosters a more inclusive, supportive, and equitable work environment for women, allowing them to study, work, and live with dignity.

Education	
12.12.2025	The **Supreme Court** strongly criticized a petition challenging its earlier ruling that grants minority schools exemption from the Right to Education (RTE) Act. Justices BV Nagarathna and R. Mahadevan expressed outrage, calling it an attempt to undermine the judiciary. The Court imposed a cost of ₹1 lakh, questioning how lawyers were advising clients to file petitions against the Court's own judgments.

Excise	
11.12.2025	The Government has notified the Central Excise (Amendment) Act, 2025, bringing into force a significant increase in excise duty on tobacco and related products, sharply raising tax rates on items such as cigarettes, cigars, hookah and chewing tobacco to curb consumption and bolster public health.

Goods and Services Tax	
10.12.2025	Parliament clears the Manipur GST (Second Amendment) Act, 2025 to harmonise state tax law with central GST reform.

Banking	
08.12.2025	The **Supreme Court** directed Punjab National Bank and State Bank of India to submit affidavits confirming whether there are any loans or defaults, following a claim that the CIBIL score has been wrongly marked negative since 2020.

Labour and Industrial	
13.12.2025	The **Delhi High Court** has observed that airline pilots are considered "workmen" under Section 2(s) of the Industrial Disputes Act, 1947, as their work is skilled and technical in nature.

NOTIFICATION UPDATES

Ministry of Finance	
Notification No.: SO5684(E), Dated: 08.12.2025, MANU/EAFF/0058/2025	The Government of India has issued a notification designating SEBI as an authorised agency under the IT Act and IT Rules, empowering it to direct online platforms to remove or restrict misleading or unlawful securities-related content and thereby strengthen digital investor protection.
Notification No.: GSR891(E), Dated: 10.12.2025, MANU/FNSV/0021/2025	The Banking Regulation (Co-operative Societies) Amendment Rules, 2025, introduced by the Ministry of Finance, amends the 1966 rules to define "ineligible director" and outlines procedures for determining directors who must cease office. It also updates various forms and clauses related to the Reserve Bank's notifications and the State Bank of India.
Notification No.: GSR890(E), Dated: 10.12.2025, MANU/FNSV/0022/2025	The Banking Regulation (Companies) Amendment Rules, 2025, issued by the Ministry of Finance, amends the Banking Regulation (Companies) Rules, 1949. Key changes include the omission of references to "subsidiary banks" and updates to forms and clauses to reflect current financial institutions and reporting dates.
Notification No. : GSR889(E), Dated: 10.12.2025, MANU/REVU/0060/2025	The Narcotic Drugs and Psychotropic Substances (Amendment) Rules, 2025, issued by the Ministry of Finance, amends the 1985 rules to update forms and conditions related to the import and export of narcotic drugs. The amendments specify procedures for import certificates, conditions for manufacturing formulations for export, and requirements for analytical purposes, ensuring compliance with security and reporting protocols.

Reserve Bank of India	
Circular No. : A.P. (DIR Series) Circular No.18, Dated: 08.12.2025, MANU/APDR/0021/2025	The Reserve Bank of India has revised regulations allowing individuals, except citizens of Pakistan or Bangladesh, to export and import Indian currency to and from Nepal and Bhutan. Individuals can carry currency notes up to INR. 100 in any amount and notes above INR. 100 up to INR. 25,000. These changes are part of the Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2025.
Press Release No. : 2025-2026/1684, Dated: 11.12.2025, MANU/RPRL/0868/2025	The RBI's recent amendment directs that banks must link Cash Credit (CC), Current, and Overdraft (OD) accounts for borrowers with an outstanding limit of ₹5 crore or more. Borrowers cannot open new current accounts in banks unless they maintain their CC/OD accounts with that bank.

Securities and Exchange Board of India	
Circular No. : HO/19/34/11(5)2025-AFD-POD1/I/188/2025, Dated: 08.12.2025, MANU/SMIS/0091/2025	The Securities and Exchange Board of India (SEBI) has amended regulations to introduce AI-only schemes for Accredited Investors and provide additional relaxations for Large Value Funds (LVFs). Existing AIFs can convert these new schemes with investor consent, and specific compliance and reporting requirements are outlined.

Circular No. : HO/13/19/13(2)2025-ITD-1_VIAP/I/187/2025, Dated: 08.12.2025, MANU/SMIS/0092/2025	The Securities and Exchange Board of India (SEBI) issued a clarification on its earlier digital accessibility circulars aimed at making investor-facing digital platforms of all regulated entities (REs) compliant with requirements under the Rights of Persons with Disabilities Act, 2016. The clarification (Circular No. HO/13/19/13(2)-2025-ITD-1_VIAP/I/187/2025) confirms that the "Investors' Right to have digital accessibility" must be included in all relevant Investor Charters and revises compliance deadlines and procedures.
Circular No. : HO/38/30/12(1)2025-MIRSD-SEC-FATF, Dated: 10.12.2025, MANU/SSMD/0024/2025	The Government of India (via SEBI's circular dated 10 December 2025) has relaxed the requirement that Non-Resident Indians (NRIs) must be physically located in India for re-KYC (Re-Know Your Customer) procedures. Under the amended rules, NRIs can now complete their periodic re-KYC entirely through digital means from overseas without geotagging from within India, though digital verification tools must still use safeguards like random action prompts, time-stamping, GPS location checks matching the client's address proof country, and anti-spoofing measures to ensure authenticity.
Notification No.: SEBI/LAD-NRO/GN/2025/287, Dated: 09.12.2025, MANU/SREG/0064/2025	The Securities and Exchange Board of India (SEBI) has issued the Real Estate Investment Trusts (REITs) (Third Amendment) Regulations, 2025, to enhance the regulatory framework for REITs. The amendments focus on improving transparency, governance standards, and operational flexibility for REITs.
Notification No.: SEBI/LAD-NRO/GN/2025/287, Dated: 09.12.2025, MANU/SREG/0065/2025	The Securities and Exchange Board of India (SEBI) has introduced the Infrastructure Investment Trusts (InvITs) (Fourth Amendment) Regulations, 2025, aimed at enhancing the operational framework for InvITs.
Unique Identification Authority of India	
Notification No.: HQ-30011/5/2025-AU-HO, Dated: 09.12.2025, MANU/NMIC/0318/2025	The Aadhaar (Authentication and Offline Verification) Amendment Regulations, 2025 update the rules for Aadhaar authentication by introducing improved offline verification methods, refining definitions, and strengthening compliance requirements so that identity verification becomes more secure, privacy-protective, and less dependent on physical Aadhaar copies.
Ministry of Environment, Forest and Climate Change	
Press Information Bureau, Dated: 08.12.2025, MANU/PIBU/1382/2025	The document outlines guidelines and measures for Waste-to-Energy plants, including standards for emissions and ash management, and mandates the installation of Online Continuous Emission Monitoring Systems. It also discusses the National Clean Air Programme and guidelines for consent under pollution control acts, aiming to improve air quality and streamline regulatory processes.
Ministry of Home Affairs	
Press Information Bureau, Dated: 10.12.2025, MANU/PIBU/1401/2025	The Government of India prioritizes preventing and controlling crimes against women and children through various measures, including financial assistance for Women Help Desks, emergency response systems, Safe City Projects, and the National Database on Sexual Offenders. New laws have been implemented to enhance protection and prosecution, and initiatives like Fast Track Special

	Courts and One Stop Centres provide integrated support. The Ministry of Women & Child Development also operates helplines and awareness programs to ensure safety and support for victims.

Ministry of Communications	
Press Information Bureau, Dated: 10.12.2025, MANU/PIBU/1395/2025	The Telecom Regulatory Authority of India (TRAI) and the Reserve Bank of India (RBI) have launched a Digital Consent Acquisition (DCA) pilot to digitize and standardize consent for promotional communications. This initiative involves selecting customers from nine telecom service providers and eleven banks, allowing them to digitally manage and revoke consents for promotional messages. The pilot aims to address gaps in legacy consent practices and test the readiness of a unified digital consent platform before a nationwide rollout.

INTERNATIONAL UPDATES

AUSTRALIA

Capital Market

Federal Court allows pecuniary penalties to be used to compensate class action plaintiffs

The Federal Court has used section 1317QF of the Corporations Act 2001 for the first time to direct that a pecuniary penalty imposed in a regulatory action may be applied to compensate plaintiffs in a related class action. The decision in Australian Securities and Investments Commission v Noumi Limited (No. 5) [2025] FCA 1524 confirms that courts must consider how penalties affect victims' ability to recover losses and may prioritise compensation. This marks a shift towards closer alignment between public enforcement and private claims, likely affecting settlement strategies and overall enforcement dynamics.

Company and Commercial

SMEs face new responsibilities and opportunities under sustainability reporting rule

Changes introduced by the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 require reporting entities to disclose climate-related information under section 296D of the Corporations Act 2001, pulling many small and medium sized enterprises into wider supply-chain reporting duties. Materiality assessments will depend on each business's context, and entities must develop governance structures, climate risk assessments and scenario analyses. Although adoption involves cost, early compliance may strengthen supply-chain positioning, improve investor appeal and enhance resilience.

Mergers and Acquisitions

Australia prepares for mandatory merger notification regime from 1 January 2026

Australia will adopt a mandatory and suspensory merger control framework under the Treasury Laws Amendment (Mergers and Acquisitions Reform) Act 2024. Transactions meeting thresholds in the Competition and Consumer (Notification of Acquisitions) Determination 2025 must be notified to the Australian Competition and Consumer Commission, and completion cannot occur until clearance is granted. Draft guidance published in March 2025 explains the regulator's intended assessment approach. Businesses should adjust deal timelines, prepare supporting information early and anticipate more rigorous competition analysis.

Digital Finance

ASIC releases updated guidance on digital disclosures

The Australian Securities and Investments Commission has updated Regulatory Guide 221 to modernize expectations for digital financial services disclosures. The revisions aim to ensure that digital formats remain clear, accessible and suited to modern delivery channels. The update followed consultation with industry and reflects current consumer behaviour across digital platforms.

CANADA

Capital Market

Regulators propose updates to disclosures of non-International Financial Reporting Standards measures

The Canadian Securities Administrators have proposed amendments to National Instrument 52-112 in light of International Financial Reporting Standard 18, which requires management-defined performance measures to appear within financial statements. The proposed amendments expand the definition of non-International Financial Reporting Standards measures, clarify prominence rules and allow certain disclosures to be incorporated by reference. The consultation is open until February 2026.

Patent

Federal Court of Appeal clarifies principles on claim construction and double patenting

In NCS Multistage Inc v Kobold Corporation, the Court reaffirmed that independent claims cannot be interpreted by importing limitations from dependent claims. The Court also clarified how obviousness-type double patenting should be assessed under Canada's first-to-file regime and set out expectations for fair lump-sum cost awards. The ruling offers important guidance for future patent litigation.

Tax

Comparison of voluntary disclosure programmes in Canada and the United States

Canada's revised Voluntary Disclosures Program under Information Circular IC00-1R7, effective October 2025, simplifies access to penalty relief and introduces a two-tier system for "unprompted" and "prompted" applications. The programme can provide relief from penalties and criminal prosecution for taxpayers correcting past non-compliance. The changes are particularly relevant in cross-border transactions where due diligence identifies historical errors.

Budget 2025 shortens deadline for contemporaneous transfer pricing documentation

The federal budget proposes reducing the time for taxpayers to provide contemporaneous transfer pricing documentation from approximately ninety days to thirty days after a request by the Canada Revenue Agency. The change is intended to discourage delays in documentation preparation and ensure taxpayers maintain complete analyses at the time of filing.

HONG KONG

Company and Commercial

Court ruling on NewJeans–ADOR dispute clarifies boundaries of agency control

The Seoul Central District Court ruled in case 2024가합113399 that the exclusive management contract between NewJeans and ADOR remains valid until June 2029. The dispute escalated after allegations of breach and distrust following changes in ADOR's leadership. ADOR obtained an injunction restricting independent performances and endorsement deals by the group, with significant financial penalties for breaches. Although the members later indicated their intention to return, only two were formally reinstated. The case highlights the legal complexities around artist mobility, control of branding and enforceability of long-term management contracts.

Artificial Intelligence

Hong Kong outlines regulatory roadmap for artificial intelligence and innovation in insurance

At Insurtech Insights Asia 2025, the Secretary for Financial Services and the Treasury detailed upcoming regulatory initiatives, including updated supervisory guidance on artificial intelligence expected in early 2026. The Insurance Authority is also developing over thirty open application programming interface use cases to enhance industry interoperability, expanding digital insurer pathways through its fast-track system and strengthening the cybersecurity framework. These initiatives aim to position Hong Kong as a leading risk-management and insurance innovation center.

INDONESIA

Employment and Labour

Constitutional Court resets the limitation period for termination disputes

Decision Number 132/PUU-XXIII/2025 clarifies that the one-year filing period for termination disputes begins only when mediation or conciliation formally fails, rather than when the termination notice is received. Employees were previously disadvantaged because mandatory negotiation steps consumed substantial time. The new interpretation preserves employee rights while maintaining the structured dispute-resolution process.

Government issues new framework for university graduate internship programmes

Ministry of Manpower Regulation Number 8 of 2025, as amended by Regulation Number 11 of 2025, introduces a government-supported internship system using the SIAPkerja platform. Eligible graduates must apply within one year of completing a diploma or undergraduate degree. Companies must register on the platform, submit programme proposals for approval and follow recruitment and reporting requirements. Successful participants receive an internship certificate. The framework aims to ease graduate entry into the labour market and formalise collaboration between businesses and government.

MALAYSIA

Aviation

Courts reaffirm exclusive application of Montreal and Warsaw Conventions

The Malaysian High Court in Wang Bao' An and Others v Malaysian Airline System Berhad [2018] 11 MLJ 585 confirmed that provisions of the Montreal Convention and Warsaw Convention must be interpreted consistently. The Court of Appeal in All Nippon Airways Co Ltd v Tokai Marine and Trading Co Ltd [2013] 4 MLJ 744 similarly held that these conventions exclusively govern claims for passenger injury or death in international air travel. These decisions maintain alignment with international jurisprudence and limit attempts to bring claims outside the conventions.

Cybersecurity

Bank Negara Malaysia strengthens policy on risk management in technology

Bank Negara Malaysia has revised its risk management in technology policy document to extend its scope to non-bank merchant acquirers and intermediary remittance institutions with significant market share. The update enhances resilience to service disruptions, imposes stronger cybersecurity controls, bolsters fraud detection requirements and supports secure adoption of emerging technologies. Most provisions took effect on 28 November 2025.

THAILAND

Banking

Bank of Thailand proposes major updates to repatriation rules to modernise foreign exchange ecosystem

The Bank of Thailand has published proposed relaxations to foreign exchange rules, which currently require Thai residents to repatriate foreign currency promptly and convert or deposit it within three hundred and sixty days. The proposal significantly increases the threshold for exemption and aims to give residents more flexibility for offshore transactions and investments, supporting Thailand's long-term plan to improve its foreign exchange ecosystem.

Mergers and Acquisitions

New investment regulation expands permissible asset classes for insurance companies

The Office of Insurance Commission has issued a consolidated Notification on Investment and Other Business Operations of Life and Non-Life Insurance Companies, effective 1 December 2025. It introduces a risk-proportionality screening system that groups insurers based on financial and risk-management indicators. Insurers passing the standard or special screening may invest in wider asset classes, including hedge funds, private credit funds and venture capital, subject to limits. Insurers that fall short will face restrictions on investment activities.

SINGAPORE

Tax

IRAS issues guidance on classification of foreign entities for Singapore income tax

The Inland Revenue Authority of Singapore has published guidance explaining how foreign entities will be assessed for income tax classification using a resemblance test. Authorities will compare a foreign entity to either a Singapore company or a Singapore partnership based on factors including legal personality, board structure, capital structure, succession rules and profit distribution rights. The classification determines whether the entity is treated as tax-opaque or tax-transparent, affecting how cross-border investment structures are taxed.

NEW ZEALAND

Employment and Labor

Select Committee recommends key amendments to Employment Relations Act

The Select Committee's report on the Employment Relations Act Amendment Bill 2025 proposes expanding the "specified contractor" exception to cover a broader range of working arrangements. It also recommends replacing the existing wage-based threshold for personal grievance claims with a new annual remuneration threshold of two hundred thousand New Zealand dollars. These reforms seek to modernise worker classification and improve access to dispute mechanisms.

Tax

Government outlines proposal for council rates cap to address cost-of-living pressures

The Government plans to introduce a rates cap by 2029, with transition beginning in 2027. A target range of two to four percent per capita will guide annual increases, linked to inflation and gross domestic product. Councils must raise rates by at least the lower limit and may exceed the upper limit only with approval from a new regulator. The aim is to balance affordability with the need to fund essential public services.

UK

Cybersecurity

G7 adopts principles for collective cyber incident response in financial sector

The United Kingdom Treasury has released the G7's principles for coordinated cyber incident response and recovery, developed by the G7 Cyber Expert Group. The principles outline how jurisdictions should establish, use and test collective arrangements, aligning with guidance from the Financial Stability Board. They are non-binding but intended to strengthen cross-border cooperation.

Artificial Intelligence

FCA opens second round of artificial intelligence live testing in January 2026

The Financial Conduct Authority will accept applications for its next artificial intelligence live testing cohort in January 2026, with testing beginning in April. The programme helps firms assess and refine artificial intelligence tools in real market conditions, with support from technical experts. Early projects have focused on consumer-facing applications such as debt assistance, financial guidance and improved complaint handling.

Digital Assets

Property (Digital Assets etc) Act 2025 enacted

The United Kingdom has enacted legislation clarifying that certain digital items may be objects of personal property rights, creating a legal foundation for future digital asset frameworks in commercial and financial markets.

Financial Stability

Bank of England releases December 2025 Financial Stability Report

The Financial Policy Committee has published its latest report, noting elevated valuations in risk-sensitive sectors, particularly companies focused on artificial intelligence. The report outlines ongoing efforts to address market vulnerabilities and includes the minutes of the Committee's meetings in late 2025.

USA

Arbitration

FINRA accelerates arbitration timelines for seniors and medically vulnerable parties

The Financial Industry Regulatory Authority has adopted Rules 12808 and 13808, introducing an accelerated arbitration track for parties aged seventy or older or those with serious medical conditions. Arbitrator appointment and case-processing timelines are shortened, with a target of issuing awards within ten months. The rules apply to cases filed on or after 30 March 2026.

Aviation

Office of Space Commerce seeks feedback on single-agency mission authorisation framework

The Office of Space Commerce is inviting industry input on a unified process for mission authorisations under Executive Order 14335. Applicants for novel space activities may opt into a system that results in a "space commerce certification," intended to streamline authorisation across agencies. Comments are due by 22 December 2025, and final proposals will be submitted in early 2026.

Banking

CFTC announces launch of first leveraged spot cryptocurrency on regulated exchange

The Commodity Futures Trading Commission has confirmed that Bitnomial Exchange will list the first leveraged spot cryptocurrency product on a regulated platform. The initiative is part of the regulator's broader digital assets programme and follows coordinated efforts with the Securities and Exchange Commission to clarify the regulatory path for certain spot products.

Cryptoassets

CFTC announces first listed spot cryptocurrency trading on regulated exchanges

The regulator has confirmed that listed spot cryptocurrency products will begin trading for the first time on United States regulated futures exchanges. The initiative originates from the "crypto sprint" and broader federal digital-asset policy coordination.

SEC to host roundtable on financial surveillance and privacy

The Securities and Exchange Commission's Crypto Task Force will hold a roundtable on 15 December 2025 to discuss policy issues involving financial surveillance, privacy protection and digital-asset oversight. The event will include regulators, policymakers and industry participants.

Cybersecurity

G7 publishes financial-sector principles for collective cyber incident response

The United States Treasury released a paper developed by the G7 Cyber Expert Group outlining core elements for coordinated cyber incident response. The principles mirror the structure of the Financial Stability Board's practices and aim to improve readiness and recovery across financial markets.

IN NEWS

Secured Creditors Come First: Punjab and Haryana High Court Reaffirms Priority Under Section 26E, SARFAESI Act

The **Punjab and Haryana High Court** has once again clarified that debts owed to a secured creditor must be settled before any government dues, when security interests are duly registered under Section 26E of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The ruling came in ***State Bank of India v Sub Registrar, Sub Tehsil Nighdu Karnal and Others (MANU/PH/3796/2025)***, where a Division Bench of Chief Justice Sheel Nagu and Justice Sanjiv Berry addressed continuing litigation on the question of priority of charge despite the statutory position being clear post-notification of Section 26E on 24 January 2020.

Background and Core Issue

State Bank of India approached the Court after a Sub Registrar refused to register a sale deed in favour of the auction purchaser, Mahadev Foods, citing an attachment made in 2018 for alleged tax dues linked to Custom Milling Agreements involving the borrower, Mahavir Cereals. The Bank argued that it could not recover outstanding dues of over ₹6.38 crore due to this refusal.

The borrower had created an equitable mortgage in favour of the Bank in 2013 by depositing title deeds, far earlier than the State's attachment. The sale was conducted under the SARFAESI Act due to default in the loan of ₹8.10 crore.

Court's Findings

The Court observed that before the Amendment Act 44 of 2016, which introduced Section 26E, priority was not expressly codified. However, once Section 26E was notified, registered security interests are to be honoured above all other debts and government revenues, except where the Insolvency and Bankruptcy Code, 2016 applies.

In the present case, the Court noted that Section 26E could not be the sole basis for determining priority because the provision came into effect in 2020. Even so, the State failed to show any statute creating a first charge in its favour. Dues arising from Custom Milling Agreements were contractual in nature and not statutory charges.

The Court also clarified that a rapat entry in revenue records cannot defeat an existing mortgage right.

The Bench directed the Sub Registrar to register the sale deed and quashed the charge recorded in favour of the District Food and Supply Department. The State was given liberty to recover its dues only after the Bank's secured debt is satisfied or through any method permissible in law.

AI Training and Copyright: DPIIT Panel Recommends Mandatory Blanket Licence for Developers

A committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, has recommended a mandatory licensing framework requiring Artificial Intelligence developers to pay statutory remuneration for using copyright-protected works to train Large Language Models. The working paper reflects extensive consultations with both the technology sector and rights holders and is now open for public comments within thirty days from 8 December 2025 at "***ipr7-dipp@gov.in***".

Key Conclusions of the Panel

Stakeholders from the technology sector advocated for a broad Text and Data Mining exception. However, rights holders supported a voluntary licensing system. The panel concluded that a blanket Text and Data Mining exception would weaken copyright protection, particularly in a market with many small creators who would be unable to protect their works or monitor misuse.

The committee also rejected an "opt-out" system, noting that it would not offer meaningful safeguards for most creators and could reduce the diversity of datasets available for training.

Recommended Hybrid Model

The working paper proposes:

1. A mandatory blanket licence allowing Artificial Intelligence developers to use all lawfully accessed copyright-protected works for training.
2. Statutory remuneration for copyright owners, supported by judicial oversight on royalty rates.
3. A significant reduction in transaction and compliance costs for developers.
4. Establishment of a single non-profit entity to collect and distribute royalties.

The committee suggested this entity be designated under the Copyright Act, 1957, and referred to it as the "Copyright Royalties Collective for AI Training (CRCAT)." Distribution of royalties would rely on a central Works Database where creators can register their works.

Artificial Intelligence developers would also be required to provide high-level disclosures of the categories and nature of content used for training, without revealing confidential or technical specifics.

Industry Position

The National Association of Software and Service Companies (NASSCOM) disagreed with the hybrid model and argued that copyright holders should receive clear statutory protection against Text and Data Mining.

The report arrives at a time when similar questions are before courts. The Delhi High Court is currently examining ***ANI Media Pvt. Ltd. v OpenAI Inc.*** **(MANU/DEOR/66942/2025),** concerning allegations that ChatGPT was trained on ANI's copyrighted content without permission.

Supreme Court Clarifies Limits of Judicial Review in Municipal Fiscal Policy

The **Supreme Court** held that High Courts cannot interfere with municipal fiscal policies, such as revision of property tax, in a Public Interest Litigation unless the policy is shown to be arbitrary or unconstitutional. The judgment came in ***Akola Municipal Corporation and Another v Zishan Hussain Azhar Hussain and Another (MANU/SC/1636/2025)***, where a Bench of Justices Vikram Nath and Sandeep Mehta restored the Corporation's decision to revise its property tax after nearly sixteen years.

Case Background

A PIL filed in 2018 challenged the Akola Municipal Corporation's reassessment of property tax for 2017–2022. The petitioner, a municipal corporator, claimed that the revision was arbitrary and procedurally defective. The High Court quashed the Corporation's resolution, prompting the appeal.

The Corporation explained that property valuation had not been updated since 2001 despite substantial urban expansion, and the revision followed a transparent process involving the Town Planning Department and a consultant-led survey.

Supreme Court's Reasoning

The Court held that municipal bodies must revise taxes periodically to maintain essential civic functions such as sanitation, waste management and infrastructure upkeep. Without timely revisions, they risk becoming financially incapable of performing basic statutory duties.

The Bench noted that the writ jurisdiction of High Courts cannot be used to question fiscal or economic policies in a PIL unless there is a clear constitutional violation. It further observed that the petitioner had bypassed statutory remedies available under the Maharashtra Municipal Corporations Act, and that personal grievances cannot be disguised as public interest.

The Court allowed the appeals, set aside the High Court order and reinstated the Corporation's revised tax rates. It noted that a gradual increase over the sixteen-year period would have exceeded the forty percent rise being challenged and that the long-overdue revision was necessary for effective civic administration.