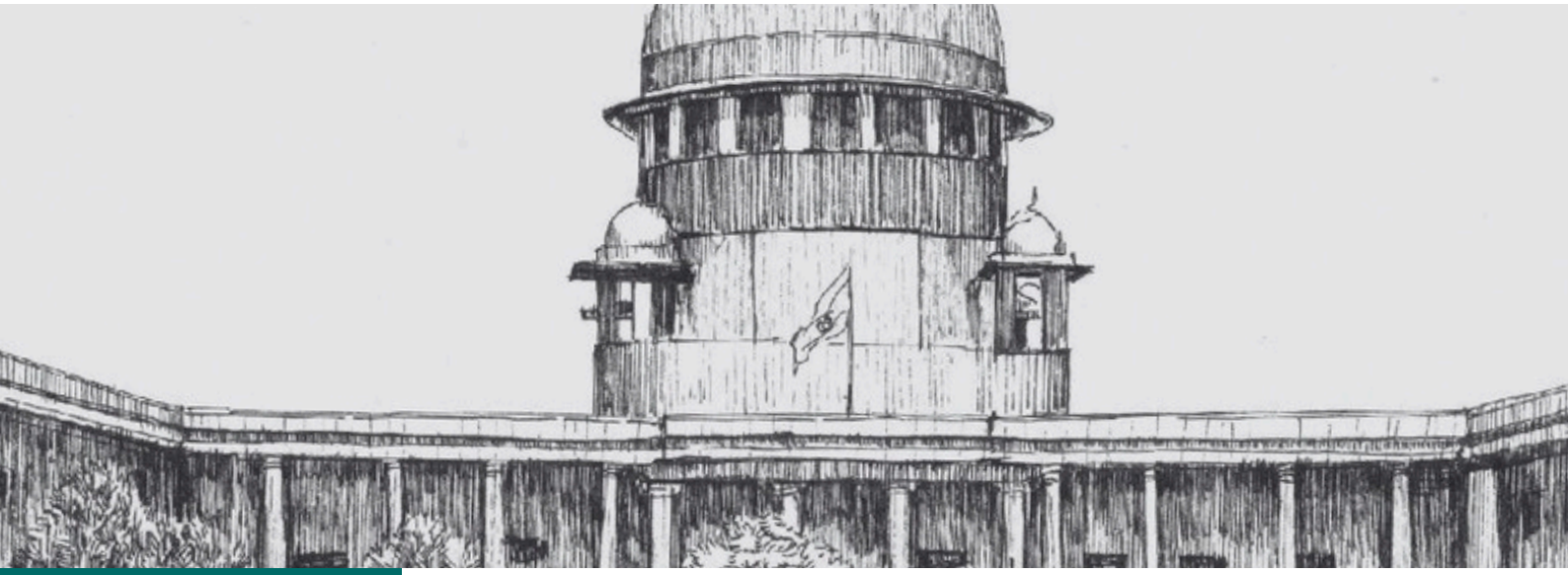
MANUPATRA WEEKLY WRAP

5th - 10thJanuary 2026



Case Laws

ARBITRATION

Bhadra International (India) Pvt. Ltd. & Ors. vs. Airports Authority of India, *Dated: 05.01.2026 (MANU/SC/0002/2026; 2026 INSC 6)*

The Supreme Court held that mere participation in arbitral proceedings does not amount to a waiver of the right to challenge an arbitrator's eligibility under Section 12(5) of the Arbitration and Conciliation Act, 1996. The Court clarified that such a waiver can only arise from a **clear and express written agreement and cannot be inferred** from conduct.

Supreme Court: Participation in arbitration alone cannot bar challenge to arbitrator's eligibility unless there is clear, written, and express waiver.

CIVIL

NAK Engineering Company Pvt. Ltd. vs. Tarun Keshrichand Shah & Ors., *Dated: 05.01.2026 (MANU/SC/0011/2026; 2026 INSC 8)*

The Supreme Court upheld the Bombay High Court's order that held, **the plaintiff, as *dominus litis*, cannot be forced** to add a party as a defendant when no relief is claimed against them. The bench observed that while plaintiffs must ensure all necessary parties are included at their own risk, they cannot be compelled to array a party against their wishes.

Supreme Court: Plaintiff, being *dominus litis*, cannot be forced to implead person as defendant against their will.

Supreme Court: Power to condone delay rests solely with courts and cannot be exercised by tribunals unless explicitly authorised by statute.

The Property Company (P) Ltd. vs. Rohinten Daddy Mazda, *Dated: 07.01.2026 (MANU/SC/0032/2026; 2026 INSC 33)*

The Supreme Court has ruled that tribunals, including the Company Law Board, cannot condone delays in filing appeals unless explicitly authorised by statute. A bench observed that the Limitation Act, 1963, applies only to proceedings before courts and **not to quasi-judicial bodies, unless expressly empowered**.

CRIMINAL

Supreme Court: In UAPA cases, bail hearings are limited to examining whether prosecution has made out *prima facie* case; defence is not to be considered at this stage.

Gulfisha Fatima vs. State (Govt. of NCT of Delhi), *Dated: 05.01.2026 (MANU/SC/0009/2026; 2026 INSC 2)*

The Supreme Court, in refusing bail to Umar Khalid and Sharjeel Imam in the *Delhi riots conspiracy case*, held that under the **Unlawful Activities Prevention Act (UAPA)**, bail proceedings are not intended for scrutinizing defences or evaluating evidence. The Court emphasized that its role is confined to examining whether the prosecution's material, accepted at face value, *prima facie* contains the essential elements of the alleged offence.

Delhi High Court: Person who forces child to touch his private parts is guilty of aggravated sexual assault under POCSO Act.

Dharmendra Kumar vs. State Govt. of NCT of Delhi, *Dated: 05.01.2026 (MANU/DE/0003/2026; 2026:DHC:34)*

The Delhi High Court held that making a minor child touch another person's private parts **with sexual intent** constitutes aggravated sexual assault under Section 10 of the POCSO Act, 2012. The Court set aside the accused's conviction under Sections 354, 354A, and 354B IPC, holding that the conduct was fully covered and adequately punished under the provisions of the POCSO Act.

Supreme Court: Judge cannot be assumed to be biased merely because litigant's relative is police officer or member of court staff.

Prasanna Kasini vs. The State of Telangana & Anr., *Dated: 06.01.2026 (MANU/SC/0017/2026; 2026 INSC 30)*

The Supreme Court quashed the Telangana High Court's transfer order moving a criminal case from Sangareddy to Hyderabad, ruling that **allegations of judicial bias cannot rest merely on the official status** of a litigant's relatives.

Supreme Court: Being cleared in disciplinary proceedings does not automatically prevent criminal prosecution for same allegations in all cases.

The Karnataka Lokayuktha, Bagalkote District, Bagalkot vs. Chandrashekar & Anr., *Dated: 06.01.2026 (MANU/SC/0019/2026; 2026 INSC 31)*

The Supreme Court has ruled that exoneration in departmental disciplinary proceedings does not automatically preclude criminal prosecution, particularly in corruption cases involving trap operations. The Court emphasized that **disciplinary and criminal proceedings function independently** and are **governed by different standards of proof.**

Rajasthan High Court: Court observed that rape by father is grave offence beyond ordinary criminality and daughter's testimony need not be corroborated to secure conviction.

***Manoj vs. State of Rajasthan & Anr.**, Dated: 08.01.2026 (MANU/RH/0004/2026; 2026:RJ-JD:740-DB)*

The Rajasthan High Court dismissed an appeal against a rape conviction under the POCSO Act, holding that the **victim-daughter's testimony was the best possible evidence**, as there was no reason for her to falsely implicate her own father.

Supreme Court: Under Negotiable Instruments Act for dishonoured cheques cannot be entertained after limitation period unless delay is formally condoned.

***S. Nagesh vs. Shobha S. Aradhya**, Dated: 06.01.2026 (MANU/SC/0026/2026; 2026 INSC 27)*

A bench of the Supreme Court ruled that courts cannot take cognizance of cheque dishonour complaints filed belatedly without first condoning the delay. The Court set aside the Karnataka High Court's decision, which had validated the trial court's cognizance of a complaint filed with a **two-day delay**, stating that such action was clearly erroneous under Section 138 of the NI Act.

Delhi High Court: Absence of formal arrest does not prevent authorities from seeking handwriting samples under Section 311A of CrPC.

***Ravinder Singh Gandoak vs. State (Govt. of NCT of Delhi)**, Dated: 05.01.2026 (MANU/DE/0014/2026; 2026:DHC:37)*

The Delhi High Court has ruled that a Magistrate may direct a person to provide handwriting or signature samples under Section 311A of the CrPC even in the absence of a formal arrest. The Court clarified that while Section 311A empowers Magistrates to order specimen handwriting or signatures for investigation or proceedings, the **proviso does not mandate a formal arrest as a precondition for issuing such directions.**

Supreme Court: Preventive detention cannot be used as substitute for bail; authorities must demonstrate genuine threat to public order.

***Roshini Devi vs. The State of Telangana & Ors.**, Dated: 08.01.2026 (MANU/SC/0046/2026; 2026 INSC 41)*

The Supreme Court quashed a preventive detention under the Telangana 'Goonda Act', ruling that labeling someone a "habitual drug offender" is insufficient unless it is shown how their actions specifically threaten public order. A bench observed that **merely registering three offences does not justify detention unless material proves** the narcotics involved were dangerous to public health.

Allahabad High Court: High educational qualifications do not prevent wife from receiving maintenance; Court acknowledged challenges of resuming work after years spent on household duties.

***Smt. Suman Verma & Anr. vs. State of U.P. & Anr.**, Dated: 08.01.2026 (MANU/UP/0001/2026; 2026:AHC:4275)*

The Allahabad High Court has held that a wife cannot be denied maintenance under Section 125 CrPC solely because she is highly qualified or possesses vocational skills, as this does not prove she is earning. The court observed that a husband cannot rely on his wife's qualifications to evade his legal obligation, and **potential to earn is different from actual gainful employment**.

Delhi High Court: Security guards performing their official duties cannot be prosecuted for wrongful restraint or outraging modesty merely for restraining individuals.

***Manoj Mishra vs. State (GNCTD)**, Dated: 05.01.2026 (MANU/DE/0008/2026; 2026:DHC:32)*

The Delhi High Court clarified that security guards acting in the discharge of their official duties cannot be held criminally liable for wrongful restraint or outraging modesty and allowed the petition to quash proceedings under Sections 341 and 354 IPC against two **guards employed at a property involved in a family possession dispute.**

Supreme Court: Multiple complaints can be filed for dishonour of several cheques issued in same transaction.

***Sumit Bansal vs. M/s MGI Developers and Promoters & Anr.**, Dated: 08.01.2026 (MANU/SC/0042/2026; 2026 INSC 40)*

The Supreme Court has observed that dishonour of multiple cheques arising from the same transaction can give rise to separate prosecutions under Section 138 of the Negotiable Instruments Act, 1881, and cannot be dismissed solely on the **ground of multiplicity**. A Supreme Court bench set aside the Delhi High Court's order, which had quashed the complaints claiming parallel prosecutions were impermissible.

ELECTION

Himachal Pradesh High Court: Elections to Panchayati Raj Institutions (PRIs) cannot be postponed beyond their constitutionally mandated five-year term.

***Dikken Kumar Thakur & Anr. vs. The State of Himachal Pradesh & Ors.**, Dated: 09.01.2026 (MANU/HP/0069/2026; 2026:HHC:2737)*

The Himachal Pradesh High Court clarified that Disaster Management Act, 2005 orders cannot override the State Election Commission's authority or delay Panchayati Raj elections. The Court stressed that **elections must be held within five years under Article 243E**. The Division Bench observed that governance institutions should act in coordination, rather than independently, to avoid conflicts that compromise public interest and constitutional requirements.

INDIRECT TAX

Supreme Court: Law does not change simply because of composition of bench changes; decisions by coordinate benches remain binding.

***Adani Power Ltd. & Anr. vs. Union of India & Ors.**, Dated: 05.01.2026 (MANU/SC/0003/2026; 2026 INSC 1)*

The Supreme Court ruled that a court cannot **ignore an earlier binding decision** simply **because a different bench is hearing** the case. Criticizing the Gujarat High Court, the Court held that settled legal principles must be followed to maintain consistency and certainty in the law and accordingly granted customs duty exemption to Adani Power.

Supreme Court: Excavators, dumpers, and similar machinery used inside factory premises are not considered motor vehicles for the purpose of road tax.

***UltraTech Cement Ltd. vs. The State of Gujarat & Ors.**, Dated: 08.01.2026 (MANU/SC/0044/2026; 2026 INSC 43)*

The Supreme Court has ruled that **Heavy Earth Moving Machinery (HEMM) and construction equipment** such as excavators, dumpers, loaders, and dozers **used exclusively within factory or enclosed premises** do not qualify as "motor vehicles" under Section 2(28) of the Motor Vehicle Act, and therefore are not liable for road tax.

Delhi High Court: NCLT has jurisdiction to hear cases involving fraud and debt disputes under Insolvency and Bankruptcy Code (IBC)

Supreme Court: Studying in government-run institute does not confer right to employment in government service, Court clarified while rejecting plea of "legitimate expectation."

INSOLVENCY

Roseland Buildtech Pvt. Ltd. vs. Vihaan 43 Reality Pvt. Ltd. & Ors., *Dated: 05.01.2026 (MANU/DE/0011/2026; 2026:DHC:44)*

The Delhi High Court held that the NCLT is empowered to hear cases concerning fraud, forgery, debt, and assignment validity under the IBC, 2016. The Court observed that civil courts cannot derail ongoing insolvency proceedings through separate lawsuits and further highlighted that the IBC vests extensive jurisdiction in the NCLT under Sections 60(5), 65, and 75 and **expressly excludes civil court intervention under Sections 63 and 231**.

SERVICE

State of Uttar Pradesh & Ors. vs. Bhawana Mishra, *Dated: 08.01.2026 (MANU/SC/0037/2026; 2026 INSC 38)*

The Supreme Court has ruled that mere admission to and completion of a course in a government institute does not create a legitimate expectation of automatic government appointment, especially when policies and recruitment frameworks change. The Court observed that candidates acquire no vested right to employment merely from past practices, **particularly when subsequent policy changes and a surge in eligible candidates alter the recruitment scenario**.

News

CIVIL

08.01.2026

The **Supreme Court** reserved its judgment on a writ petition filed by Allahabad High Court Justice Yashwant Varma. Justice Varma has challenged the Lok Sabha Speaker's decision to constitute an inquiry committee under the Judges (Inquiry) Act, 1968, following an impeachment motion initiated against him.

06.01.2026

The **Supreme Court** recommended that the Haryana government adopt a lenient approach and consider withholding sanction to prosecute Ashoka University Professor Ali Khan Mahmudabad in a criminal case stemming from his social media posts related to Operation Sindoor, suggesting the move as a gesture of one-time magnanimity.

The **Delhi High Court** has granted the Central government eight weeks to examine allegations that some of the 650 lawyers empaneled to represent it before the Supreme Court have not cleared the All-India Bar Examination (AIBE), a mandatory requirement for practicing law in India.

CONSTITUTION

09.01.2026

The **Delhi High Court** has directed the Delhi government and the Lieutenant Governor (LG) to respond to a series of petitions filed by minority schools, which have challenged the constitutional validity of a new state law requiring government approval for fee hikes in private schools.

The **Delhi High Court** has dismissed a petition challenging the constitutional validity of The Election Symbols (Reservation and Allotment) Order, 1968, which governs the allocation of electoral symbols to political parties and candidates. The petition was filed by the Hind Samrajya Party, seeking to declare the 1968 order null and void and requesting a restraint on the Election Commission of India from implementing its provisions.

06.01.2026

The **Madhya Pradesh High Court** has issued a series of directions in response to a petition concerning a severe public health emergency in Indore. The case highlights the supply of unsafe and contaminated drinking water in affected areas, which has led to widespread illness and fatalities.

CRIMINAL

09.01.2026

The **Calcutta High Court** has observed that abusing a person by calling them by their caste name, such as "Adivasi" or "Santhal", in public view with intent to humiliate can constitute an offence under the SC/ST (Prevention of Atrocities) Act, 1989.

08.01.2026

The Enforcement Directorate has filed a petition in the **Calcutta High Court**, alleging obstruction of its ongoing money-laundering investigation into the *2020 coal scam* and interference by West Bengal Chief Minister Mamata Banerjee during search operations. The agency claimed the interference occurred during raids conducted earlier in the day at premises linked to the Indian Political Action Committee (I-PAC).

06.01.2026

The **Supreme Court** has directed the immediate release of an accused who was detained under the National Security Act in connection with a caste discrimination case. The case involved a young man from the Other Backward Classes (OBC) community who was allegedly coerced into washing another person's feet.

The **Supreme Court** has expressed strong disapproval of a petition filed by a lawyer challenging Section 44(1)(c) of the Prevention of Money Laundering Act (PMLA). The Supreme Court observed that the plea appeared to be an attempt by "affluent persons" facing trial in the *AgustaWestland scam case* to "bypass the system."

A **Delhi court** has approved a request for forensic analysis of the voice sample of the *Unnao rape* survivor in connection with her *gang rape case* from June 2017, when she was underage.

05.01.2026

The **Supreme Court** has dismissed bail applications of Umar Khalid and Sharjeel Imam in the *Delhi riots conspiracy case*, observing that available evidence indicates a *prima facie* offence under the Unlawful Activities (Prevention) Act, 1967.

The **Delhi High Court** has issued notice to the Central Bureau of Investigation (CBI) on a petition filed by former Bihar Deputy Chief Minister Tejaswi Yadav challenging a trial court order that framed criminal charges against him and his family members in the alleged *IRCTC scam case*.

The **Allahabad High Court** has held that the issuance of a proclamation under Section 82 CrPC against an accused does not completely bar the court from considering their application for anticipatory bail.

ELECTION

05.01.2026

The **Supreme Court** has directed the Bar Council of India (BCI) to take necessary steps to amend relevant provisions to ensure adequate representation of specially abled lawyers in future elections.

ENVIRONMENT

06.01.2026

The **Supreme Court** came down heavily on the Commission for Air Quality Management (CAQM), accusing it of adopting an "unserious" stance in tackling Delhi NCR's ongoing air pollution crisis. The court has ordered the statutory body to immediately call a coordinated meeting of subject matter experts and submit a detailed report for court records as well as public disclosure.

FAMILY

08.01.2026

The **Karnataka High Court** has quashed a case filed under Section 498A of the Indian Penal Code by a woman against her husband and in-laws, observing that the law does not criminalize marital incompatibility or imperfect marriages.

INSOLVENCY

05.01.2026

NCLT Kochi held that allegations of fraud or wrongful trading are not limited by time, and directors cannot evade liability by claiming the conduct occurred long ago, directing the suspended directors of a Kochi-based insolvent company to jointly contribute Rs 11.95 crore to its assets.

INTELLECTUAL PROPERTY RIGHTS

07.01.2026

The **Office of the Controller General of Patents, Designs and Trade Marks** (CGPDTM) has issued a public advisory cautioning stakeholders about online platforms allegedly involved in illegal advertising and solicitation of legal services related to trademarks. The CGPDTM stated it has taken serious cognizance of multiple entities that are advertising and soliciting legal work through digital platforms a practice that violates provisions of the Advocates Act, 1961 and the Bar Council of India Rules.

MINES AND MINERALS

05.01.2026

The **Madhya Pradesh High Court** has dismissed a petition alleging illegal sand mining and improper allotment of mining leases, stating that the petitioner failed to establish their *locus standi*. The court further noted that the petition appeared to be filed with the intention of settling personal scores with a specific individual.

PROPERTY

07.01.2026

The **Delhi High Court** has instructed the Municipal Corporation of Delhi (MCD) to survey constructions around Jama Masjid and remove any illegal encroachments, buildings, or stalls. The order followed a public interest litigation (PIL) filed by Old Delhi residents seeking the removal of encroachments in MCD-owned public parks and other illegal constructions near Jama Masjid.

Notification Updates

Notification No.: 01/2026,
Dated: 05.01.2026
MANU/CBDT/0001/2026

Ministry of Finance

The Central Government specifies in bar Holding RSC Limited as a **pension fund eligible for tax exemption** on investments made in India until March 2030, subject to conditions like filing returns, maintaining segmented accounts, and not participating in day-to-day operations of investees. Violation of these conditions will result in ineligibility for tax exemption.

Press Release No. : 2025-2026/1866,
Dated: 06.01.2026,
MANU/RPRL/0016/2026

Reserve Bank of India

The Reserve Bank of India has released a draft of prudential norms titled **Reserve Bank of India (Prudential Norms on Dividend and Remittance of Profit) Directions, 2026** for stakeholder feedback by 5 February 2026. The draft introduces a revised framework for how banks in India declare dividends and remit profits (including by foreign banks' branches), proposing a new methodology to compute the maximum eligible dividend payout and linking dividend declaration to prudential conditions such as capital adequacy and compliance requirements.

Notification No. : SEBI/LAD-NRO/GN/2026/291,
Dated: 07.01.2025,
MANU/SREG/0001/2026

Securities and Exchange Board of India

The SEBI (Stock Brokers) Regulations, 2026 represent a comprehensive overhaul and modernization of the earlier 1992 framework governing stock brokers in India. The new rules streamline and simplify regulatory language, remove outdated provisions, and introduce clearer definitions and structured chapters, making the regulations easier to follow. They allow stock brokers greater operational flexibility, including the ability to carry out activities under other financial sector regulators' frameworks (like RBI or IRDAI) while ensuring appropriate oversight.

Circular No. : HO/24/13/12(4)2025-IMD-POD-1/I/2062/2026, Dated: 08.01.2026, MANU/SMIS/0002/2026

The Securities and Exchange Board of India (SEBI) has issued a circular detailing **compliance reporting formats for Specialized Investment Funds** (SIFs). The circular mandates that all reporting requirements applicable to mutual funds also apply to SIFs, with modifications to the Compliance Test Report and Half-Yearly Trustee Report formats. The provisions aim to ensure uniformity and clarity in compliance reporting for SIFs.

Press Release No. : 03/2026, Dated: 08.01.2026 - MANU/SPRL/0001/2026

SEBI has introduced a **new Digital Signature Certificate functionality** within the Common Application Form portal to streamline the FPI registration process, allowing applicants to apply for DSCs directly while submitting their CAF. This development aims to ease the onboarding of FPI clients by integrating the FPI Registration and DSC application into a single process.

Ministry of Environment, Forest and Climate Change

Notification No. : SO84(E), Dated: 06.01.2026, MANU/ENVT/0001/2026

The Ministry of Environment, Forest and Climate Change, has **notified an Eco-Sensitive Zone (ESZ) around the Kaimur Wildlife Sanctuary** to serve as a buffer to **protect biodiversity, forests, and ecological functions** of the sanctuary. This ESZ designation aims to regulate and restrict environmentally damaging activities in the area surrounding the sanctuary boundary, ensuring conservation of flora, fauna and habitat, and guiding sustainable development—by prohibiting or controlling polluting industries, large-scale constructions and other disruptive operations within the zone.

Ministry of Agriculture & Farmers Welfare

Press Information Bureau, Dated: 07.01.2026, MANU/PIBU/0019/2026

The government is seeking public comments on the **Draft Pesticides Management Bill, 2025**, which aims to replace the Insecticides Act, 1968. The bill focuses on ensuring quality pesticide supply, decriminalizing minor offenses, and enhancing transparency and traceability for farmers. Stakeholders can submit their suggestions by early February 2026.

PIB Headquarters

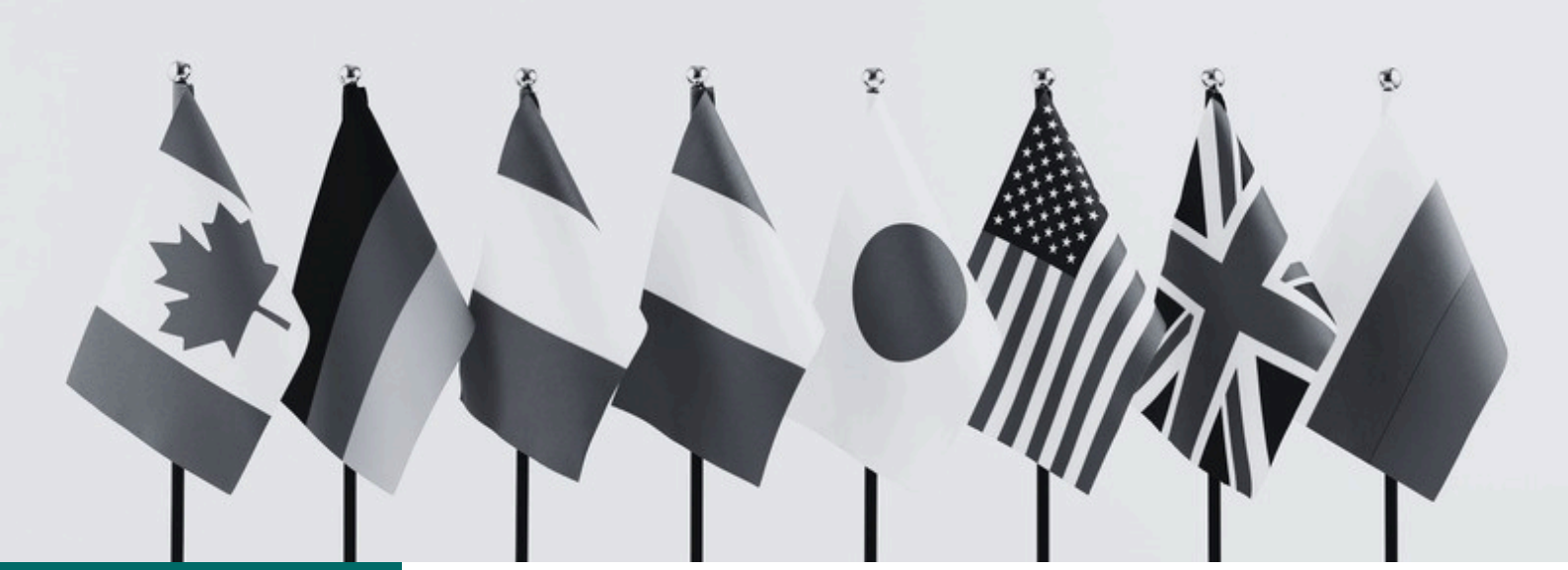
Press Information Bureau, Dated: 04.01.2026, MANU/PIBU/0010/2026

World Braille Day highlights Braille as a crucial tool for education and inclusion for visually impaired individuals. India has adopted Bharati Braille as a national standard, supported by legal frameworks like the Rights of Persons with Disabilities Act, 2016, and initiatives such as the Accessible India Campaign and NEP 2020, to promote accessibility and empowerment.

Ministry of Home Affairs

Notification No. : SO118(E), Dated: 08.01.2026, MANU/HOME/0006/2026

The Children's Court (Principal District and Sessions Court), Bhopal has been designated as a National Investigation Agency (NIA) Special Court for the trial of a specific case with statewide jurisdiction in Madhya Pradesh. This decision is part of a broader legal framework to enhance the capacity of courts in handling cases related to national security, terrorism, and other serious offenses under the NIA Act.



International Updates

Banking

Australia moves closer to long-awaited reform of foreign financial service provider licensing

AUSTRALIA

The Australian Government has introduced draft legislation seeking to overhaul the regulatory framework applicable to **foreign financial service providers** operating in Australia. The proposed reforms are contained in Schedule Two of the Treasury Laws Amendment (Genetic Testing Protections in Life Insurance and Other Measures) Bill 2025. While existing relief from the requirement to hold an Australian financial services licence was due to lapse in March 2026, the Australian Securities and Investments Commission has extended the current exemptions until **31 March 2027**. This marks the **third legislative attempt** to reform the regime, following earlier bills that lapsed due to federal elections. The proposed exemptions broadly mirror earlier drafts and aim to replace existing class order relief with a more structured statutory framework.

Banking

Canadian regulators tighten compliance expectations for mortgage lending and securities disclosures

CANADA

Canadian authorities continue to strengthen regulatory oversight across the financial sector. In British Columbia, Bill 29 has expanded the regulatory perimeter for mortgage lenders and brokers as part of broader **anti-money laundering reforms**, bringing real estate financing more firmly within federal and provincial supervision. At the same time, Alberta has amended its securities legislation to protect issuers from **greenwashing claims**, particularly in relation to climate-related disclosures made in good faith. The amendments also respond to growing concerns over **financial influencer activity**, empowering regulators to act against misleading investment promotions. Together, these changes reflect Canada's evolving approach to balancing investor protection with responsible disclosure.

Competition and Antitrust

China evaluates regulatory options in Meta's acquisition of artificial intelligence firm Manus

CHINA

The announced acquisition of artificial intelligence company Manus by Meta has raised complex regulatory questions under China's legal framework. Although Manus completed significant **offshore restructuring**, including relocating its headquarters to Singapore and discontinuing operations in mainland China, Chinese regulators may still examine the transaction under **merger control**, **national security review**, and **technology export control laws**.

Employment and Labour

Shanghai mandates employer responsibility for elder care leave amid demographic pressures

Information Technology and Data Protection

China introduces mandatory audit reporting for personal data involving minors

Patent

China relaxes inventor identification requirements for foreign patent applicants

Trademark

Beijing High Court reinforces standards for trademark similarity in Tommy Hilfiger dispute

Financial Regulation

Hong Kong finalizes licensing framework for virtual asset dealers and custodians

The focus is likely to extend beyond market concentration to include **control over algorithms, data sets, and key personnel** developed in China. This case highlights China's increasing scrutiny of outbound technology transfers and cross-border transactions involving strategic digital assets.

Shanghai has amended its municipal regulations on the protection of elderly rights, placing new expectations on employers to support employees with **elder care responsibilities**. The amendments distinguish between situations involving hospitalization and non-hospitalized care. While flexible arrangements remain discretionary where hospitalization is not involved, employers are expected to provide **paid leave** where an elderly family member requires inpatient treatment. These **reforms respond to China's rapidly aging population and growing social pressure on working caregivers**, particularly in cities with a high concentration of single-child households.

The Cyberspace Administration of China has issued new rules requiring entities that process **minors' personal information** to **conduct annual compliance audits** and **report their status to local authorities**. Separate disclosures are required for data relating to individuals under eighteen years of age and those under fourteen. The first reporting deadline is **31 January 2026**, and submissions must be made through the designated online system. The measures reinforce China's tightening data protection regime and signal heightened enforcement expectations for organizations handling sensitive children's data.

The China National Intellectual Property Administration has revised its patent filing requirements following concerns raised by international applicants. While Chinese inventors must continue to provide full identity documentation, **foreign inventors are no longer required to submit identification numbers** at the time of filing. Nationality information remains mandatory for all inventors. This clarification reduces privacy and compliance burdens for multinational applicants while preserving verification requirements for domestic inventors.

The Beijing High Court has ruled in favor of Tommy Hilfiger, invalidating a trademark registered by a third party that used **similar color combinations** on apparel products. The court emphasized the importance of assessing overall visual impression, reputation of the prior mark, and **bad faith registration**. The decision overturned an earlier ruling by the China National Intellectual Property Administration and strengthens judicial guidance on evaluating similarity where color schemes form a core brand identifier.

HONG KONG

Hong Kong regulators have concluded consultations on new licensing regimes for **virtual asset dealers and custodians**, marking a significant step toward a comprehensive regulatory framework for digital assets. The proposed regime aligns virtual asset dealing with traditional securities regulation under the Securities and Futures Ordinance, applying the principle of **same activity, same risk, same regulation**. Separate consultations also propose oversight of virtual asset advisers and asset managers. Once enacted, the framework is expected to enhance market confidence and regulatory clarity in the virtual asset sector.

Arbitration and Alternative Dispute Resolution

Indonesia introduces emergency arbitration amid uncertainty over enforcement

Company and Commercial

New regulation strengthens governance framework for state asset management agency Danantara

Tax

Macau introduces targeted tax incentives to build investment funds industry

Environment

South Korea mandates recycled content use and raises recycling fees for plastics

Banking

Thailand issues binding guidelines to strengthen digital fraud prevention

INDONESIA

Indonesia's leading arbitral institution has adopted new rules formally recognizing **emergency arbitration**, allowing parties to seek urgent interim relief before a tribunal is constituted. While this aligns Indonesia with international arbitration practice, uncertainty remains regarding enforceability under Law Number Thirty of Nineteen Ninety Nine. Questions persist over whether emergency arbitrator awards can withstand judicial scrutiny, particularly given statutory provisions allowing annulment of arbitral awards under limited grounds.

Government Regulation Number Thirty Four of Two Thousand Twenty Five establishes detailed rules governing the management of assets by Danantara, Indonesia's newly formed state investment holding entity. The regulation introduces clearer **governance standards**, enhanced reporting obligations, and stronger accountability mechanisms. These reforms aim to professionalize state capital management, improve transparency, and position Indonesia's state-owned assets as commercially driven investment platforms.

MACAU

Macau's 2026 Budget Law introduces significant tax benefits for licensed investment fund managers. Qualifying entities may benefit from **reduced profit tax rates**, **exemptions** on performance-based remuneration, and stamp duty relief. Eligibility is subject to strict conditions, including minimum assets under management, local employment requirements, and operational presence in Macau. The measures are designed to attract fund management activity and support the territory's diversification strategy.

SOUTH KOREA

South Korea has announced strengthened plastics reduction policies requiring manufacturers of polyethylene terephthalate bottles to incorporate a **minimum percentage of recycled materials**. The initial threshold is set at 10 percent for 2026, with gradual increases planned through Two Thousand Thirty. The government has also increased recycling fees for packaging deemed difficult to recycle, reinforcing its broader goal of transitioning toward a circular economy.

THAILAND

The Bank of Thailand has issued mandatory guidelines requiring financial service providers to adopt comprehensive **end-to-end digital fraud management frameworks**. The measures place responsibility on boards and senior management to oversee fraud prevention, monitoring, detection, and customer remediation. Special emphasis is placed on addressing mule accounts and enhancing inter-institutional cooperation to safeguard the integrity of Thailand's financial system.

Trade and Customs

Thailand deploys artificial intelligence to scrutinize exports bound for the United States

Thailand's Ministry of Commerce has launched an artificial intelligence-driven audit system to verify **regional value content compliance** for exports to the United States. The initiative aims to prevent misclassification and avoid exposure to punitive tariffs. Alongside automated verification, exporters will receive targeted training and advisory support to improve compliance with evolving United States trade enforcement standards.

USA

Banking

Federal Deposit Insurance Corporation advances framework for payment stablecoin issuance

The Federal Deposit Insurance Corporation has approved proposed rules governing applications by insured institutions seeking to issue **payment stablecoins** under the Guiding and Establishing National Innovation for United States Stablecoins Act. Only approved subsidiaries of insured depository institutions may issue such stablecoins, subject to regulatory evaluation of risk management, consumer protection, and financial stability considerations. Public comments on the proposal are invited until February 2026.

Securities

United States Securities and Exchange Commission delays short sale and securities lending reporting

The United States Securities and Exchange Commission has further postponed compliance deadlines for institutional short sale and securities lending reporting rules. The delay follows judicial review and the need for additional economic analysis. Revised timelines extend compliance into 2028 and beyond, providing temporary relief to institutional investment managers while preserving the long-term transparency objectives of the reforms.

VIETNAM

Insolvency and Restructuring

Vietnam adopts new rehabilitation and bankruptcy framework effective March 2026

Vietnam has enacted a comprehensive new law separating **rehabilitation procedures from bankruptcy proceedings**, offering distressed businesses greater flexibility to restructure. The law introduces procedural refinements, cross-border cooperation mechanisms, and expedited processes. Creditors are encouraged to familiarize themselves with the new framework to better protect their interests once the law takes effect.

Topic of the Week

Speech vs Stardom: Madras High Court Refuses Interim Gag Order Without Proof of Commercial Exploitation

Personality rights cannot silence speech at the interim stage

The Madras High Court has held that **personality rights cannot be invoked to obtain a blanket interim restraint on speech**, unless there is *prima facie* material showing **commercial exploitation of identity**. The ruling came in a suit filed by celebrity chef and entrepreneur T Rangaraj against costume designer Joy Crizildaa, seeking injunctions against social media posts, interviews, photographs, and videos referring to their personal relationship.

Justice N Senthilkumar dismissed the interim applications, observing that merely placing links and images on record does not establish a violation of personality rights. In the absence of **specific pleadings or evidence of commercial gain**, the Court held that injunctive relief would run contrary to the **freedom of speech guaranteed under Article 19 clause (1) sub-clause (a) of the Constitution of India**.

Commercial use is the core of publicity rights

Reiterating settled principles, the Court clarified that **publicity rights are confined to the control of commercial use of one's identity**. Circulation of personal material on social media, without more, does not automatically trigger enforceable personality rights. The Court emphasized that such rights cannot be stretched to suppress individual expression or public discussion.

Disputed facts must go to trial

The Court noted that the authenticity and context of the photographs, videos, and communications relied upon by the defendant were **seriously disputed** and supported by *prima facie* material, including private messages. These issues, the Court held, are matters for evidence at trial and cannot be neutralized through an interlocutory injunction.

Holding that the plaintiff failed to establish a ***prima facie* case**, **balance of convenience**, or **irreparable injury**, the Court dismissed the applications, cautioning against the use of personality rights as a tool to silence opposing narratives.

Arbitration Begins With a Notice, Not a Court Filing: Supreme Court Reaffirms Section 21 as the Sole Trigger

Commencement of arbitration is a statutory even

The Supreme Court has categorically held that **arbitral proceedings commence upon receipt of a notice invoking arbitration**, and not upon the filing of a petition for appointment of an arbitrator. The Court set aside a ruling of the Karnataka High Court which had treated the filing of a petition under **Section 11 of the Arbitration and Conciliation Act, 1996** as the starting point of arbitration.

A Bench comprising Justice Dipankar Datta and Justice Augustine George Masih held that such an approach **distorts the statutory scheme** and directly contradicts **Section 21 of the Arbitration and Conciliation Act, 1996**, which defines commencement with precision.

Sections 9, 11 and 21 read together

The dispute arose from a franchise agreement between Regenta Hotels Private Limited and Hotel Grand Centre Point. After an ad-interim injunction was granted under **Section 9**, the appellant issued a notice invoking arbitration within the prescribed 90 period. The High Court, however, vacated the interim relief on the ground that the petition under Section 11 was filed later.

Rejecting this reasoning, the Supreme Court held that **no judicial proceeding, whether under Section 9 or Section 11, constitutes commencement of arbitration**. The Court emphasized that the legislature consciously delinked arbitral commencement from court intervention.

Addressing Rule 9 sub-rule (4) of the Karnataka Arbitration (Proceedings Before the Courts) Rules, 2001, the Court held that the expression “initiated” must be read consistently with Section 21 of the Act. Any other interpretation would render **Section 9 sub-section (2)** ineffective and open to misuse.

“Face Trial Like Any Other Citizen”: Supreme Court Declines to Entertain PMLA Challenge by Money Laundering Accused

Challenge to vires discouraged during ongoing trial

The Supreme Court has declined to entertain a writ petition filed by advocate Gautam Khaitan challenging the constitutional validity of **Section 44 sub-section (1) clause (c) of the Prevention of Money Laundering Act, 2002**, observing that affluent accused persons often seek to challenge statutory provisions when facing prosecution.

A Bench comprising Chief Justice of India Surya Kant and Justice Joymalya Bagchi made the remarks while dealing with the plea arising from money laundering proceedings linked to the **AgustaWestland VVIP helicopter case**.

Court flags emerging trend

When informed that the petitioner was questioning the vires of the provision during the pendency of trial, the Chief Justice remarked that there is a growing tendency among financially well-placed accused persons to mount constitutional challenges rather than face trial. The Court stated in clear terms that such individuals must **stand trial like any other citizen**.

Issue kept open, petition not entertained

The Court declined to adjudicate the challenge, noting that **similar questions concerning the validity of provisions of the Prevention of Money Laundering Act, 2002 are already pending** before it. The petition was therefore not entertained, with the question of law expressly kept open for consideration in appropriate proceedings.

The Court also recalled that it had earlier refused to entertain a similar challenge raised by a former Chief Minister in relation to the powers of the Enforcement Directorate under the same statute. A review of the judgment in **Vijay Madanlal Chaudhary v. UOI (MANU/MP/0998/2017)** remains pending before the Court.