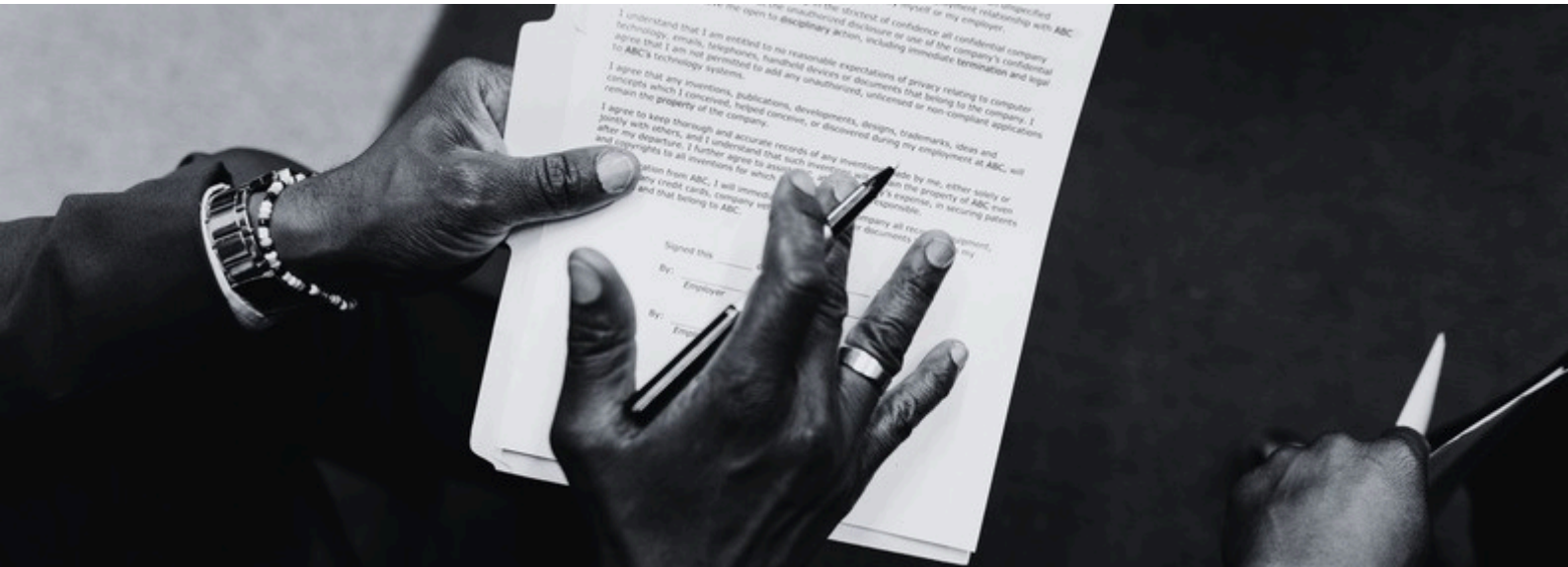


MANUPATRA WEEKLY WRAP

11th - 16th May 2026



Case Laws

ARBITRATION

Hirani Developers vs. Nehru Nagar Samruddhi CHS Ltd. & Anr. Etc., Dated: 13.05.2026 (MANU/SC/0474/2026; 2026 INSC 484)

The Supreme Court has held that when a later contract incorporates all terms and conditions of an earlier agreement “body and soul,” the **arbitration clause contained in the original agreement also becomes part of the subsequent contract**, even without an express reference to arbitration. The bench held that the Bombay High Court erred in rejecting the plea for appointment of an arbitrator solely because the later agreement did not expressly refer to arbitration.

CONSTITUTION

Padam Mehta & Anr. vs. State of Rajasthan & Ors., Dated: 12.05.2026 (MANU/SC/0461/2026; 2026 INSC 476)

The Supreme Court, while ordering the Rajasthan government to provide Rajasthani as a school subject and enable its use as a medium of instruction, observed that a **child’s right to education in their mother tongue flows from Article 19(1)(a) of the Constitution**. The Court noted that freedom of expression is meaningful only when a child can comprehend, internalize, and process information in a familiar language.

Supreme Court: Arbitration clause from earlier agreement becomes part of later contract when previous agreement is adopted body and soul, even without separate reference to arbitration

Supreme Court: Every child possesses fundamental rights under Article 19(1)(a) to receive education in their mother tongue.

CRIMINAL

Allahabad High Court:

Disposing of non-vegetarian leftovers in river Ganga can offend Hindu religious beliefs and sentiments

Delhi High Court:

Remaining completely silent in face of continued attacks on judiciary may weaken public confidence in justice system, as unchecked criticism can affect perception of judicial integrity.

Delhi High Court:

Merely stating generic reasons for arrest in arrest memo cannot replace requirement of communicating specific grounds of arrest to accused.

Supreme Court:

Caste-based insults inside private residence may not constitute offence under Scheduled Castes and Scheduled Tribes Act

Supreme Court:

Absence of eyewitness is not fatal if surrounding circumstances clearly establish guilt in murder case

Mohd. Azad Ali & Ors. vs. State of U.P., Dated: 15.05.2026 (MANU/UP/0693/2026; 2026:AHC:113234)

The Allahabad High Court has observed that consuming non-vegetarian food during a gathering and allegedly **throwing non-vegetarian food remains into the river could offend the religious sentiments of Hindus**. The Court granted bail to eight men accused and noted that the accused had shown “genuine remorse” through sworn affidavits.

Central Bureau of Investigation vs. Kuldeep Singh & Ors., Dated: 14.05.2026 (MANU/DE/3661/2026; 2026:DHC:4293)

The Delhi High Court has initiated criminal contempt proceedings against AAP leaders, holding that **“judicial silence” cannot amount to surrender before contemptuous conduct**. The Court observed that the Court was faced with a choice between silence and discharge of its constitutional duty, and proceeded with contempt action after finding a “calculated campaign of vilification” against the judiciary during the **excise policy case** proceedings. The Court further held that while judges must remain composed and decide matters strictly in accordance with law, organised and targeted attacks on a presiding judge cross the line from fair criticism into interference with the administration of justice.

Brijesh Kothia vs. State (NCT of Delhi), Dated: 13.05.2026 (MANU/DE/3615/2026; 2026:DHC:4222)

The Delhi High Court has granted bail to an accused in an NDPS case, holding that an **arrest memo containing only general reasons for arrest cannot substitute the constitutionally required “grounds of arrest,”** which must be specific to the accused. The Court observed that failure to provide written grounds of arrest within the mandated timeline renders both the arrest and subsequent remand illegal.

Gunjan @ Girija Kumari & Ors. vs. State (NCT of Delhi) & Anr., Dated: 11.05.2026 (MANU/SC/0459/2026; 2026 INSC 468)

The Supreme Court has quashed proceedings under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act against an accused who was alleged to have used caste-based abuses inside a private house, holding that the **essential ingredient of the offence was not made out**. A bench observed that the FIR did not disclose that the incident occurred at a place “within public view,” which is mandatory for offences under Section 3(1)(r) and 3(1)(s) of the Act. The Court clarified that even if the incident occurs in a private place, it must still be accessible to public gaze to satisfy the legal requirement.

Mitesh @ T.V. Vaghela vs. The State of Gujarat, Dated: 11.05.2026 (MANU/SC/0460/2026; 2026 INSC 469)

The Supreme Court has upheld the conviction of a murder accused, holding that the absence of an **eyewitness is not fatal to the prosecution case where the chain of surrounding circumstances**, along with the deceased’s dying declaration, clearly establishes guilt. A bench refused to interfere with the concurrent findings of the Trial Court and High Court.

Supreme Court: Students shifted to other private colleges after their original institution lost recognition cannot claim government-regulated fees.

Supreme Court: Residential plot sale deeds are not valid benchmarks for fixing compensation for industrial land acquired under land acquisition proceedings.

Supreme Court: Compensation under motor accident claims must be paid independently of any mediclaim reimbursement received by claimant

J&K&L High Court: Preventive detention under Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances invalid if based only on pending FIRs despite bail and no recovery of commercial quantity narcotics

EDUCATION

Soumya Ranjan Panda & Ors. vs. Subhalaxmi Dash & Ors., Dated: 14.05.2026 (MANU/SC/0475/2026; 2026 INSC 488

The Supreme Court has ruled that students transferred from the defunct Sardar Rajas Medical College and Hospital (SRMCH) to other private medical colleges after the institution **lost recognition cannot claim the benefit of subsidised government medical college fees**, observing that they cannot receive a “windfall” at the expense of the accommodating institutions. A bench permitted recovery of outstanding dues at the fee rates applicable at SRMCH and directed release of nearly ₹14 crore secured from the Selvam Educational and Charitable Trust to the three private colleges that admitted the transferred students.

LAND ACQUISITION

Project Director, National Highways Authority of India vs. Alfa Remidis Ltd. & Ors., Dated: 12.05.2026 (MANU/SC/0469/2026; 2026 INSC 480)

The Supreme Court has held that, under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, **compensation for acquired land must be determined strictly on the basis of comparable “similar type” land**, and a residential sale deed from an adjoining village cannot be used to assess the value of industrial land acquired for highway expansion. A bench observed that the arbitrator erred in relying on a residential land transaction to fix the market value of industrial property, as the two categories of land are fundamentally different and do not satisfy the mandatory requirement under Section 26(1)(b) of the Act.

MOTOR VEHICLES

New India Assurance Company Ltd. vs. Dolly Satish Gandhi & Anr., Dated: 15.05.2026 (MANU/SC/0479/2026; 2026 INSC 498)

The Supreme Court has held that **reimbursement received under a Mediclaim or health insurance policy cannot be deducted from compensation awarded in motor accident** cases under the Motor Vehicles Act, observing that the two arise from separate legal rights. A bench rejected the contention of New India Assurance Company Limited that allowing both would amount to “double benefit,” clarifying that Mediclaim reimbursement is a contractual benefit earned through payment of premiums, whereas compensation under the Motor Vehicles Act is a statutory entitlement arising from the wrongful act causing the accident.

NARCOTICS

Rajan Singh @ Rahul Jamwal vs. Union Territory of Jammu and Kashmir & Ors., Dated: 11.05.2026 (MANU/JK/0313/2026)

The High Court of Jammu & Kashmir and Ladakh has held that preventive detention under the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988 (PITNDPS) **cannot be imposed mechanically on the basis of pending FIRs where the detenu has already been granted bail**, particularly when no commercial quantity of narcotics was recovered and there is no allegation of violation of bail conditions. Hearing a *habeas corpus* plea filed by the detenu’s wife challenging the detention order passed by the Divisional Commissioner, Jammu, the Court observed that such reliance on pending cases reflected non-application of mind and rendered the detention legally unsustainable.

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Supreme Court: Daughters' inheritance rights that existed prior to the 2005 amendment remain unaffected by changes introduced to Hindu Succession Act

Supreme Court: Contractual appointments cannot be made against vacancies meant for regular recruitment, terming such practice clearly unlawful.

Gauhati High Court: Disputes relating to Employee State Insurance (ESI) coverage and contribution liability cannot be adjudicated in writ jurisdiction by bypassing statutory mechanism provided under law.

Supreme Court: Tenant's defence cannot be struck off mechanically without hearing and examining whether rent default was wilful or bona fide

PROPERTY

B.S. Lalitha & Others vs. Bhuvanesh & Others, Dated: 15.05.2026 (MANU/SC/0483/2026; 2026 INSC 499)

The Supreme Court has clarified that the 2005 amendment to the Hindu Succession Act granting **daughters coparcenary rights by birth does not limit their independent right to inherit a deceased father's property** as Class I heirs when he dies intestate. A bench held that a partition carried out only among sons cannot defeat daughters' succession rights in the father's share of the property. The Court also ruled that Section 6(5), which protects partitions effected before December 20, 2004, cannot be used to extinguish daughters' lawful inheritance claims.

SERVICE

Lokendra Kumar Tiwari vs. Union of India & Ors., Dated: 13.05.2026 (MANU/SC/0472/2026; 2026 INSC 487)

The Supreme Court has ruled that appointing a candidate on a contractual basis against a regular vacancy advertised for permanent recruitment is **“patently illegal and unconstitutional” when no justification is provided for such differential treatment**. A bench allowed an appeal by an Assistant Professor whose contractual appointment at the Indian Institute of Information Technology Allahabad was later revoked, directing that he be regularised within four weeks with continuity of service but without back wages.

M/s Hotel Brideway & Anr. vs. Union of India & 3 Ors., Dated: 12.05.2026 (MANU/GH/0408/2026; 2026:GAU-AS:6561)

The Gauhati High Court has ruled that disputes concerning Employee State Insurance (ESI) coverage, number of employees, contribution liability, and the factual basis of orders passed under Section 45A of the Employees' State Insurance Act, 1948 **must ordinarily be adjudicated before the Employees' Insurance Court under Section 75, and cannot be directly raised in writ jurisdiction by labelling them as jurisdictional issues**. The Court further held that an erroneous factual foundation does not automatically render an order without jurisdiction, and where an effective statutory remedy exists, parties must ordinarily pursue that mechanism instead of invoking writ jurisdiction.

TENANCY

Dharmendra Kalra & Ors. vs. Kulvinder Singh Bhatia, Dated: 15.05.2026 (MANU/SC/0476/2026; 2026 INSC 492)

The Supreme Court has observed that a tenant's defence cannot be struck off mechanically under Order XV Rule 5 of the Code of Civil Procedure without first determining the “first date of hearing,” ensuring proper service and opportunity of hearing, and examining **whether the default in rent deposit was wilful or bona fide**. A bench held that striking off a tenant's defence is a serious consequence and should be resorted to only in cases of deliberate or contumacious default, after considering whether there has been substantial compliance with the rent deposit requirements.



News

14.05.2026

The **Supreme Court** set aside a Delhi High Court order directing a new sewer line through All India Institute of Medical Sciences premises to tackle waterlogging in Green Park Extension and nearby areas of Delhi.

13.05.2026

The **Delhi High Court** has directed Google and Apple to take strict measures to curb the circulation of obscene and pornographic content through apps present on their app stores, observing that intermediaries must exercise due diligence before permitting such applications to be uploaded.

12.05.2026

The **Supreme Court** has observed that judgments dictated in open court are not final until formally signed, as they can be modified by the bench; only signed orders are enforceable and binding.

16.05.2026

CONSTITUTION

The **President** has promulgated the *Supreme Court (Number of Judges) Amendment Ordinance, 2026*, increasing the sanctioned strength of Supreme Court judges from 33 to 37, excluding the Chief Justice of India.

15.05.2026

CONTEMPT OF COURT

The **Supreme Court**, while hearing a contempt plea over the Delhi High Court's delay in implementing Senior Advocate designation guidelines, has flagged concerns over thousands of fraudulent lawyers with questionable degrees and urged the CBI to take action.

14.05.2026

The **Delhi High Court** Justice Swarna Kanta Sharma recused herself from hearing the CBI's challenge to the discharge of Arvind Kejriwal and five AAP leaders in the *excise policy case*, citing her involvement in criminal contempt proceedings against them over allegedly defamatory and contemptuous social media posts targeting her.

11.05.2026

The **Allahabad High Court** has observed that neither a "wrong order" passed by a judge nor "heated exchanges" between a lawyer and the bench during court proceedings be grounds for initiating criminal contempt proceedings against a judge.

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15.05.2026

13.05.2026

13.05.2026

12.05.2026

13.05.2026

12.05.2026

13.05.2026

12.05.2026

CRIMINAL

The **Supreme Court** has overturned the Delhi High Court's suspension of former BJP MLA Kuldeep Singh Sengar's jail sentence in the 2017 *Unnao rape case*.

The **Supreme Court** has quashed a preventive detention order issued under the Maharashtra Prevention of Dangerous Activities Act, 1981, observing that preventive detention cannot be invoked when ordinary law is sufficient and there is no credible material indicating a threat to public order.

EDUCATION

Karnataka government has withdrawn its 2022 order banning religious symbols, allowing students to wear hijab, turban, sacred thread, Rudraksha, and similar items with school uniforms.

ELECTION

The **Madras High Court**, while restraining TVK MLA Seenivasa Sethupathi from participating in any floor test after his one-vote victory in Tiruppattur, observed that courts can intervene in the election process when a single disputed vote may determine the fate of the government.

ENVIRONMENT

The **Madhya Pradesh High Court** has observed that its earlier ban on cutting the trees without prior permission will not apply to land categories exempted under Section 1A of the Forest (Conservation) Act, 1980.

HUMAN RIGHTS

The **Patna High Court** has observed that forcing recovered mental health patients to remain in mental hospitals due to the unavailability of half-way homes amounts to a violation of human rights under the Mental Healthcare Act, 2017.

MOTOR VEHICLE

The **Supreme Court** has observed that no public service vehicle can get a fitness certificate or permit without installed and verified VLTDs and emergency panic buttons linked to the Vahan database, noting that under 1% of transport vehicles currently comply with Rule 125H of The Central Motor Vehicle Rules, 1989.

The **Supreme Court** remarked that there is effectively no concept of lane driving in India as it dealt with a batch of matters concerning road safety compliance. The court observed that the absence of the same is a major reason behind most road accidents in the country.

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Notification Updates

Reserve Bank of India

The Reserve Bank of India has cancelled the **Certificates of Registration (CoR) of 150 Non-Banking Financial Companies (NBFCs)**, mainly due to regulatory non-compliance and failure to meet operational conditions. Most affected firms were based in Delhi and West Bengal, with others from states including Haryana, Telangana, Karnataka, Bihar, and Madhya Pradesh. These companies, engaged in lending, leasing, and investment activities, are now barred from operating as NBFCs or conducting any regulated financial business, reflecting RBI's continued push to strengthen oversight and discipline in the non-banking financial sector.

The Reserve Bank of India has revised the **framework for non-bank entities to facilitate outward remittance services through Authorized Dealer Category-I banks**. The RBI will no longer grant specific approvals for tie-ups, and Authorized Dealers must comply with new guidelines for cross-border remittances using third-party online platforms. The guidelines emphasize compliance, transparency, customer protection, and data privacy.

The Reserve Bank of India has **cancelled the licence of Sarvodaya Co-operative Bank Ltd., Mumbai**, due to inadequate capital, non-compliance with regulatory requirements, and concerns over depositor interests. The bank is prohibited from conducting banking activities, and depositors are entitled to insurance claims up to INR. 5,00,000 from the Deposit Insurance and Credit Guarantee Corporation.

The Reserve Bank of India announced the redemption price for premature redemption of the **Sovereign Gold Bond 2018-19 Series-III**, due on May 13, 2026. The redemption price is based on the average closing price of gold of 999 purity over the three business days preceding the redemption date.

Press Release No.:
2026-2027/257,
Dated: 14.05.2026,
MANU/RPRL/0281/2026

Circular No.: A.P. (DIR
Series) Circular No.10,
Dated: 13.05.2026,
MANU/APDR/0017/2026

Press Release No.: 2026-
2027/247,
Dated: 12.05.2026,
MANU/RPRL/0279/2026

Press Release No.: 2026-
2027/246,
Dated: 12.05.2026,
MANU/RPRL/0278/2026

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Notification No.:
IBBI/2026-
27/GN/REG/140,
Dated: 13.05.2026,
MANU/NMIC/0119/2026

Press Information
Bureau,
Dated: 14.05.2026,
MANU/PIBU/0677/2026

Press Information
Bureau,
Dated: 12.05.2026,
MANU/PIBU/0665/2026

Notification No.:
SO2493(E),
Dated: 14.05.2026 ,
MANU/LEGL/0004/2026

Press Information
Bureau, Dated:
11.05.2026,
MANU/PIBU/0663/2026

Press Information
Bureau,
Dated: 13.05.2026,
MANU/PIBU/0673/2026

Insolvency and Bankruptcy Board of India

The **Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2026** primarily update the framework for **Insolvency Professional Agencies (IPAs)** to enhance governance, accountability, and operational efficiency. The amendments aim to align IPA functioning with evolving regulatory standards, improve professional conduct, and ensure robust monitoring of insolvency professionals to support smoother insolvency and bankruptcy processes in India.

Ministry of Commerce & Industry

India has been included in the **EU's revised draft list** for continued **export of aquaculture products to the European market from September 2026**, following compliance with EU regulations on antimicrobial use. This inclusion reflects the EU's confidence in India's regulatory systems and is expected to boost India's seafood export sector.

Ministry of Science & Technology

National Technology Day was celebrated at CSIR with the transfer of 13 indigenous technologies developed by CSIR-CBRI to industries and start-ups. The event highlighted the significance of technology dissemination for innovation-led development and emphasized the role of such initiatives in advancing India's vision of self-reliance and sustainable development.

Ministry of Law and Justice

The Anand Marriage Act, 1909, will be **enforced in Sikkim** starting from **June 1, 2026**, as per the notification by the Ministry of Law and Justice.

PIB

The Viksit Bharat-G RAM G Act, 2025, is a rural employment and development legislation that guarantees 125 days of unskilled wage employment to rural households, replacing Mahatma Gandhi NREGA from July 2026. It aims to align rural development with the vision of Viksit Bharat @2047 by promoting productive rural assets and ensuring seamless transition and uninterrupted employment during the changeover. The Act will be implemented nationwide with effect from 01/07/2026.

Ministry of Electronics & IT

The Ministry of Electronics and Information Technology **launched the IP Catalyst initiative and its digital platform to enhance India's intellectual property and innovation ecosystem in the Electronics and IT sector**. The initiative aims to support the entire innovation lifecycle, from research to market deployment, by facilitating collaboration among startups, MSMEs, academia, and industry. The platform will provide unified access to IP and commercialization support services, promoting the transition from patents to products and economic growth.

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**Press Information
Bureau,**
Dated: 14.05.2026,
MANU/PIBU/0679/2026

**Notification No. S.O.
2517(E),**
Dated: 14.05.2026,
MANU/LABR/0070/2026

**Notification No. TD 147
TDO 2025,**
Date: 12.05.2026,
MANU/SNKE/0134/2026

**Notification No. FD 06
PES 2025,**
Date: 12.05.2026,
MANU/SNKE/0135/2026

Ministry of Textiles

The rebuttal addresses a recent **media report on textile recycling in India**, emphasizing that while isolated non-compliance issues exist, the portrayal of India's textile sector as environmentally negligent is misleading. It highlights India's robust textile recycling network, significant material recovery rates, and ongoing efforts to enhance sustainability and regulatory compliance. The document underscores the sector's contribution to livelihoods and resource efficiency, while acknowledging challenges and the progress made in adopting advanced recycling technologies and practices.

Ministry of Labour and Employment

Ministry of Labour and Employment has issued notification under the Occupational Safety, Health and Working Conditions Code, 2020 which **mandates that no worker shall be required or allowed to work continuously for more than five hours without a break** of at least thirty minutes. The provision comes into effect from the date of publication of the notification.

Transport

The Government of Karnataka has notified the **Karnataka Motor Vehicles (Amendment) Rules, 2026** under Sections 138 and 210D of the Motor Vehicles Act, 1988 to amend the existing Karnataka Motor Vehicles Rules, 1989. The amendment introduces significant reforms relating to urban mobility, pedestrian safety, non-motorised transport infrastructure, and scientific road design standards. The Rules aim to improve road safety, encourage sustainable transportation, and create more accessible public infrastructure.

Finance (Excise)

The Government of Karnataka has notified the **Karnataka Excise (Lease of the Right of Retail Vend of Wine or Fortified Wine) (Amendment) Rules, 2026** under Section 71 of the Karnataka Excise Act, 1965 to amend the existing Karnataka Excise (Lease of the Right of Retail Vend of Wine or Fortified Wine) Rules, 2008. The amendment introduces changes to Rules 2, 7, and 8 of the 2008 Rules with the objective of streamlining the licensing and regulation framework governing the retail vend of wine and fortified wine in the State.



International Updates

AUSTRALIA

The **Australian Securities and Investments Commission** released multiple regulatory updates in April and May 2026 covering **digital assets, sustainability reporting, cyber resilience, financial market reforms, and beneficial ownership compliance**. The regulator confirmed that new laws will bring **digital asset platforms and tokenised custody services** within the financial services licensing framework from April 2027. ASIC also announced consultations on amendments to several regulatory guides dealing with **financial markets, derivative trade repositories, and benchmark administrators**. In collaboration with the **Australian Accounting Standards Board**, ASIC launched workshops to help companies prepare for **mandatory sustainability reporting obligations** commencing for financial years beginning on or after 1 July 2026. ASIC further reissued **Regulatory Guide 43 Financial Reporting and Audit Relief** under the **Corporations Act 2001**, consolidating prior guidance and reflecting legislative changes introduced since 2011.

The **Australian Prudential Regulation Authority** has called on banks, insurers, and superannuation trustees to significantly improve their management of **artificial intelligence related risks** after a supervisory review found that governance systems are failing to keep pace with rapid adoption of emerging technologies. APRA highlighted concerns regarding **board level technical understanding, operational resilience, cybersecurity, concentration risks, and fragmented compliance frameworks**. The regulator clarified that while no new prudential standards are being introduced immediately, regulated entities are expected to strengthen controls under existing prudential obligations. APRA also finalised amendments to **Prudential Standard CPS 230 Operational Risk Management**, providing limited exemptions for certain non traditional service provider arrangements where contractual compliance is impractical.

The **Australian Transaction Reports and Analysis Centre** announced new supervisory campaigns targeting the country's **virtual asset sector** as Australia prepares to implement strengthened anti money laundering reforms. The regulator stated that it will closely examine whether crypto businesses, including over the counter crypto cash service providers and local digital exchanges, are effectively managing **money laundering and terrorism financing risks**.

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Capital Market

ASIC issues major regulatory and cyber security updates for financial markets

Banking

APRA demands stronger governance for artificial intelligence and operational risks

Anti Money Laundering

AUSTRAC intensifies supervision of virtual asset businesses amid major reforms

AUSTRAC Chief Executive Officer Brendan Thomas warned that criminal networks are increasingly using advanced technologies, including **crypto automated teller machines and cross border laundering structures**, to conceal illicit funds. The regulator stressed the need for a **risk based compliance approach**, stronger cooperation between government and industry, and real time information sharing to combat rapidly evolving financial crime methods.

The **Senate Economics Legislation Committee** has recommended the passage of the **Treasury Laws Amendment (Financial Reporting System Reform) Bill 2026**, which proposes a major restructuring of Australia's financial reporting framework. The Bill seeks to merge the **Financial Reporting Council**, the **Australian Accounting Standards Board**, and the **Auditing and Assurance Standards Board** into a new authority called **External Reporting Australia**. The proposed body would oversee both financial reporting and sustainability standard setting functions. While the Committee supported the Bill, Coalition members issued a dissenting report requesting a detailed cost benefit analysis before implementation.

In **Dennison v Brisbane City Council [2026] QSC 83**, the **Supreme Court of Queensland** reaffirmed the broad protection available to public authorities under **section 36 of the Civil Liability Act 2003 (Queensland)**. The case arose after a cyclist suffered catastrophic injuries when he collided with a temporary barricade erected by Brisbane City Council during footpath repair works. Although the Court accepted that the Council owed a duty of care and that visibility at the site was poor, the Council argued that its conduct satisfied the statutory threshold applicable to public authorities. The Court examined whether the barricade and surrounding precautions constituted a breach of duty in light of section 36 of the legislation. The judgment reinforces the significant legal protection granted to public authorities performing operational functions, even in circumstances involving severe personal injuries.

CHINA

China has introduced a comprehensive regulatory framework governing the **clinical study, translation, and application of new biomedical technologies**, including **cell therapy, assisted reproductive technology, and brain computer interface systems**. The reforms follow the issuance of the **Regulations on the Administration of Clinical Study and Clinical Translation and Application of New Biomedical Technologies**, officially issued by the **State Council of the People's Republic of China** as **Order No. 818**, which came into force on 1 May 2026. Prior pilot initiatives in the **Boao Lecheng International Medical Tourism Pilot Zone** in Hainan Province had already established experimental pathways for biomedical innovation under local regulations and implementation measures introduced between 2024 and 2025.

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Finance

Australian Senate backs major financial reporting reform bill

Civil

Queensland Supreme Court upholds statutory protection for public authorities

Healthcare and Life Sciences

China expands regulatory framework for new biomedical technologies

Insolvency and Restructuring

Hong Kong Court sets aside undervalued transaction involving paper claim swap

Information Technology and Data Protection

Japan proposes new legal framework to encourage government and business data sharing

Company and Commercial

Singapore strengthens shareholder protections through Companies Act amendments

Banking

Washington Supreme Court restricts non judicial foreclosure for home equity credit lines

HONG KONG

The **Hong Kong Court of First Instance** has ruled against a transaction that replaced a valuable receivable with what the Court described as a substantially weaker paper claim shortly before the collapse of a corporate group. In **The Joint and Several Liquidators of Shanghai Huaxin Group (Hongkong) Limited (in liquidation) v CSSC Energy (Singapore) Pte Ltd [2026] HKCFI 1780**, the Court set aside a tripartite offset arrangement under **section 265D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)**. The dispute involved a United States Dollar 38 million receivable connected to oil trading transactions between the parties. The Court concluded that the arrangement either extinguished or materially weakened the company's claim shortly before insolvency proceedings commenced.

JAPAN

The Japanese Cabinet has approved legislative proposals designed to expand **government to business and business to business data sharing** in anticipation of growing demand for **artificial intelligence based data use**. The proposed amendments cover the **Act on the Advancement of Government Administration Processes That Use Information and Communications Technology**, commonly known as the **Digital Procedure Act**, as well as amendments to the **Act on the Protection of Personal Information**. Under the proposed framework, businesses may apply for certification of projects that utilize government held data, enabling them to seek access to public sector information while obtaining regulatory guidance regarding compliance with privacy and data protection laws.

SINGAPORE

Singapore has implemented major amendments to the **Companies Act 1967** through the **Corporate and Accounting Laws (Amendment) Act 2025**, with key provisions taking effect on 6 May 2026. The reforms are intended to strengthen **shareholder protections, corporate governance standards, and anti money laundering safeguards**. The amendments clarify approval thresholds required for the variation of class rights, introduce a two tier approval process for selective share buy backs, and revise the method for calculating compulsory acquisition thresholds.

USA

The **Washington Supreme Court** has ruled that a **home equity line of credit agreement** does not qualify as a negotiable instrument under **Article 3 of the Uniform Commercial Code**, significantly limiting the use of non judicial foreclosure proceedings in Washington State. The Court held that lenders cannot rely on the holder provisions contained in the **Washington Deed of Trust Act**, specifically **Revised Code of Washington section 61.24.030(7)(a)**, when attempting to enforce obligations arising from home equity line of credit agreements.

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Securities Regulation

FINRA proposes major expansion of short interest reporting obligations

Company and Commercial

California appoints former federal regulator to lead new business and consumer agency

Texas federal court upholds shareholder ownership threshold for derivative lawsuits

The dispute arose after a borrower challenged foreclosure proceedings initiated by an assignee of a home equity credit line originally issued by Countrywide Home Loans Inc. The Court concluded that because the amount owed under such agreements depends on borrower activity and requires reference to external documents, the agreement cannot constitute a negotiable instrument.

JAPAN

The **Financial Industry Regulatory Authority** has proposed significant amendments to short interest reporting obligations applicable to broker dealers and clearing firms. The proposed reforms would expand the scope of positions reportable under **FINRA Rule 4560 Short Interest Reporting**, including certain securities loan arrangements that are economically equivalent to short positions. FINRA also intends to replace the current twice monthly reporting system with a **weekly reporting framework**, reducing reporting turnaround times and accelerating public dissemination of aggregate short interest data. In addition, the regulator has proposed a new **FINRA Rule 4321 Allocations of Fail to Deliver Positions**, which would require clearing firms to submit monthly reports detailing the allocation of fail to deliver obligations to correspondent firms under **Rule 204 of Regulation SHO** issued by the **United States Securities and Exchange Commission**.

California Governor Gavin Newsom has appointed former **Consumer Financial Protection Bureau Director** and former **Federal Trade Commission Commissioner Rohit Chopra** to lead the newly created **Business and Consumer Services Agency**. The agency, scheduled to begin operations on 1 July 2026, will oversee multiple regulatory bodies including the **Department of Financial Protection and Innovation**, the **Department of Consumer Affairs**, the **Department of Real Estate**, and the **Department of Cannabis Control**. The appointment is considered highly significant because of Chopra's aggressive enforcement background in consumer protection, competition law, and financial regulation. During his tenure at federal agencies, Chopra focused on issues such as **recurring consumer harm, market structure abuses, management accountability, and transparency obligations**.

A federal court in Texas has enforced newly enacted corporate litigation reforms introduced through amendments to the **Texas Business Organizations Code** under **Texas Senate Bill 29**. In **Gusinsky v Reynolds**, the **United States District Court for the Northern District of Texas** dismissed a derivative action brought against the board of Southwest Airlines because the shareholder failed to satisfy the company's mandatory ownership threshold requirement. The reforms permit certain corporations to require shareholder plaintiffs to hold up to 3 percent of common stock before initiating derivative proceedings. The plaintiff, who owned only 100 shares, argued that the threshold was unconstitutional and had been adopted to improperly entrench company directors.



AI in Use

Understanding the sequence of events in a legal matter often means going through multiple documents and manually building a timeline. Most professionals still do this the hard way.

Challenges Faced

- ✗ Reading lengthy judgments, pleadings, and documents to find dates
- ✗ Manually noting events from different files
- ✗ Missing important developments hidden in the documents
- ✗ Spending hours arranging everything chronologically

How Manuworks Makes It Easier

With Manuworks' Timeline Generator, you can automatically create structured timelines from one or multiple documents in seconds.

Step 1: Upload Your Documents

Upload one or multiple files containing case material, judgments, or records.

Step 2: Generate the Timeline

The AI scans the documents, identifies key dates, events, and references, and organizes them automatically.

Step 3: View a Structured Timeline

Instantly see events arranged chronologically with descriptions, sources, and references in a clean timeline format.

No manual extraction.

No sorting dates yourself.

Just a clear, organized timeline created directly from your documents.

Try it now: <https://www.manuworks.ai/dashboard>

Our Product Suite

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 www.manupatra.ai