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MCA UPDATES FOR THE MONTH OF SEPTEMBER 2019

RULES

1. National Financial Reporting Authority (NFRA) Amendment Rules 2019 (September 05, 2019)

The Ministry of Corporate Affairs (MCA), has notified the National Financial Reporting Authority (Amendment) Rules, 2019. The amendment includes notification of the eForm in which the auditor shall file the annual return with NFRA. The due date for filing such eForm has also been changed to 30th November of every year instead of 30th April as prescribed earlier. Further, for the purpose of Rule 3 (1)(c), an explanation has been added for “banking company” which includes ‘corresponding new bank’ as defined in section 2(d) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, and section 2(b) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and ‘subsidiary bank’ as defined in section 2(k) of the State Bank of India (Subsidiary Bank) Act, 1959. An Auditor has to provide a statement of the quality control policies and procedures of the Auditor for its auditing practice during the reporting period while filing the Form NFRA - 2.

For More Information: -

http://www.mca.gov.in/Ministry/pdf/NFRA_05092019.pdf

2. National Company Law Tribunal (Salary, Allowances and Other Terms and Conditions of Service of President and other Members) Amendment Rules, 2019.
(September 23, 2019)

MCA has notified the National Company Law Tribunal (Salary, Allowances and Other Terms and Conditions of Service of President and other Members) Amendment Rules, 2019 which shall come into force on the date of their publication in the Official Gazette i.e 23-09-2019. The Initial posting of an NCLT Member shall be done by the Central Government in consultation with the President and subsequent transfers to different Benches shall be done by the President having regard to the capacity or otherwise of the Member for the purpose of his posting, including his efficiency, disposal, and other relevant factors. Further, an NCLT Member shall not be posted at a place where either he had earlier been practicing or where any of his parents, spouse or other close relation is practicing as an Advocate or a Chartered Accountant, Company Secretary or Cost Accountant in Company Law matters. ordinarily, a Member shall not be transferred before completion of three years at a station except on administrative grounds in consultation with the Central Government or on personal request basis.

For More Information: -

<http://egazette.nic.in/WriteReadData/2019/212712.pdf>

3. Companies (Appt and Qualification of Dir) 4th Amendment Rules 2019
&
Companies (Registration Offices and Fees) 5th Amendment Rules 2019
(September 30, 2019)

MCA has notified that the last date for filing DIR-3 KYC for the financial year 2018-19 has been extended till 14th October 2019 and accordingly notified the Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2019 which shall come into force on the date of their publication in the Official Gazette. Amendments are made in the Rule 12A, after the fourth proviso, a Note has been inserted, to provide the extension for the financial year ending on 31st March, 2019, the individual shall submit e-form DIR-3 KYC or web form DIR-3 KYC-WEB, as the case may be, on or before the 14th October, 2019. The eForm DIR-3 KYC is to be filed by an individual who holds DIN and is filing his KYC details for the first time or by the DIN holder who has already filed his KYC once in e form DIR-3 KYC but wants to update his details. Further, web service DIR-3-KYC-WEB is to be used by the DIN holder who has submitted DIR-3 KYC eform in the previous financial year and no update is required in his details.

For More Information: -

http://www.mca.gov.in/Ministry/pdf/Companies4thAmendRules_30092019.pdf
http://www.mca.gov.in/Ministry/pdf/Companies5thAmendRules_30092019.pdf

ORDERS

1. Constitution of the Company Law Committee **(September 18, 2019)**

MCA has constituted a Company Law Committee to improve ease of doing business, fostering improved corporate compliance and to address emerging issues impacting the working of corporates in the country. The government has created a committee to look at recategorization of certain offences under the Companies Act as civil offences as well as review other provisions of the Companies Act and the Limited Liability Partnerships Act 2008.

For More Information: -

http://www.mca.gov.in/Ministry/pdf/ConstitutionCLC_18092019.pdf

CIRCULARS

1. General Circular 10/2019 **(September 24, 2019)**

The Ministry of Corporate Affairs has extend the last date of filing of e-Form BEN-2 without additional fees on account of certain new aspects which require further examination and clarification. The matter has been examined and it is hereby informed that the time limit for filing e-form No. BEN-2 is extended upto 31.12.2019 without payment of additional fee and thereafter fee and additional fee shall be payable. Consequent to the extension in the date of filing of e-Form BEN-2, the date of filing of Form BEN-1 may be construed

For More Information: -

http://www.mca.gov.in/Ministry/pdf/GeneralCircular_24092019.pdf

General

1. **MCA has notified an update regarding the incorporation of Nidhi companies on the MCA portal that Stakeholders are advised not to file applications for incorporation of Nidhi companies for the time being, on account of certain changes required in eform SPICe.** Stakeholders will be duly informed as soon as the proposed changes are carried out. Inconvenience caused is regretted.
2. **MCA has notified on its website that the Central Government has made further amendments to Schedule III to the Companies Act, 2013 vide Notification dated 11th October 2018.** As per the said notification, Division III has been inserted in respect of Financial Statements for a Non-Banking Financial Company (NBFC) whose financial statements are drawn up in compliance with the Companies (Indian Accounting Standards) Rules, 2015. The changes to AoC-4 Non-XBRL form necessitated by insertion of Division III in Schedule III of CA 2013 are under development and the revised form exclusively for such class of companies would be made available for filing purposes soon. Once the form is deployed in MCA21 portal for filing purposes, a suitable notice would be published and adequate time would be given for filing the form without levying additional fees. Stakeholders may kindly take note and plan accordingly.
3. **The Ministry of Corporate Affairs (MCA), has notified that the Costing Taxonomy, 2019 to cater to the annual filing of CRA-4 (Cost audit report) for FY 2018-19 is under development.** The companies which are required to file CRA-4 (Cost audit report) for FY 2018-19 are required to use Costing Taxonomy 2019 only. Those who have already filed CRA-4 (Cost Audit Report) using the existing Costing Taxonomy 2015 for FY 2018-19 are NOT required to file afresh. However, those companies which are yet to file their Cost Audit Reports are requested to await deployment of Costing Taxonomy 2019 on MCA21 portal. Once the Costing Taxonomy 2019 is deployed, sufficient time would be given for filing CRA-4 without levying additional fee. Stakeholders may kindly take note and plan accordingly.
4. **The MCA has released the updated FAQs related to DIR-3 KYC on its website.** It has been clarified that for the Financial year 2018-19 - Any person who has been allotted "Director Identification Number (DIN/DPIN)" on or before 31st March 2018 and the status of such DIN is 'Approved', needs to file form DIR-3 KYC to update KYC details in the system on or before 5th October 2018. For the Financial year 2019-20 onwards - Every Director who has been allotted DIN on or before the end of the financial year, and whose DIN status is 'Approved', would be mandatorily required to file form DIR-3 KYC before 30th September of the immediately next financial year. After the expiry of the respective due dates, the system will mark all non-compliant DINs against which DIR-3 KYC form has not been filed as 'Deactivated due to non-filing of DIR-3 KYC'.
TO REFER THE REVISED FAQS, PLEASE CLICK HERE.

5. **IBBI has issued a circular regarding extension of the last date for filing of forms for the purpose of monitoring corporate insolvency resolution processes and performance of insolvency professionals under the Insolvency and Bankruptcy Code, 2016 and the regulations made thereunder.** It is observed that a large number of insolvency professionals have filed Forms, which were due on or before 15th September, 2019, in respect of corporate insolvency resolution processes (CIRPs) conducted by them, by the close of business today, that is, 30th September, 2019, as required under the aforesaid Circular. IBBI has decided to allow the filing of Forms, which are due on or before 30th September, 2019 in respect of CIRPs, both closed and ongoing, by 15th October, 2019. 3. It is reiterated that the authorisation for assignment shall be issued by the IPAs only to those insolvency professionals, who have filed all the Forms that have become due on the date of the issue of authorisation.

Hope the information will assist you in your Professional endeavours. In case of any query / information, please do not hesitate to write back to us at E: pcschinki@gmail.com and M: +91 9050320565.

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Best Regards '



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