

Amendment Notes for CA (Final) November, 2023 Exams

A-1 Amendment in Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014

After amendment, the provisions contained in Rule 14 are as follows:

- (a) Every person who is proposed to be appointed or reappointed as a director shall inform the company about his disqualification under section 164(1) **or 164(2)**. Such intimation shall be filed by him with the company in Form DIR-8 before he is appointed or reappointed as a director.
- (b) **Whenever a company receives an intimation from a director in Form DIR-8, the company shall, within 30 days of such receipt, file Form DIR-9 with the Registrar.**
- (c) Whenever a company commits any of the defaults specified under section 164(2), the company shall immediately (but not later than 30 days from the date of default) file with the Registrar Form DIR-9 furnishing therein the names and addresses of all the directors of the company during the relevant financial years.
- (d) Upon receipt of Form DIR-9, the Registrar shall immediately register such Form and place it in the document file for public inspection.
- (e) Any application for removal of disqualification of directors shall be made in Form DIR-10 and filed before the Regional Director.

Before amendment, the provisions contained in Rule 14 were as follows:

- (a) Every person who is proposed to be appointed or reappointed as a director shall inform the company about his disqualification under section 164(1). Such intimation shall be filed by him with the company in Form DIR-8 before he is appointed or reappointed as a director.
- (b) Whenever a company commits any of the defaults specified under section 164(2), the company shall immediately (but not later than 30 days from the date of default) file with the Registrar Form DIR-9 furnishing therein the names and addresses of all the directors of the company during the relevant financial years.
- (c) Upon receipt of Form DIR-9, the Registrar shall immediately register such Form and place it in the document file for public inspection.
- (d) Any application for removal of disqualification of directors shall be made in Form DIR-10 and filed before the Regional Director.

A-2 Amendment in Rule 3 of the Companies (Registered Valuers and Valuation) Rules, 2017

After amendment, the provisions contained in Rule 3(2) are as follows:

No partnership entity or company shall be eligible to be a registered valuer if-

- (a) it has been set up for objects other than for rendering professional or financial services, including valuation services and that in the case of a company, it is a subsidiary, joint venture or associate of another company or body corporate;
- (b) it is undergoing an insolvency resolution or is an undischarged bankrupt;
- (c) all the partners or directors, as the case may be, are not ~~ineligible~~ **eligible** under clauses (c), (d), (e), (f), (g), (h), (i), (j) and (k) of sub-rule (1);
- (d) three or all the partners or directors, whichever is lower, of the partnership entity or company, as the case may be, are not registered valuers; or
- (e) none of its partners or directors, as the case may be, is a registered valuer for the asset class, for the valuation of which it seeks to be a registered valuer.

(f) it is not a member of a registered valuers organisation:

Provided that it shall not be a member of more than one such registered valuers organisation at a given point of time:

Provided further that the partnership entity or company, already registered as valuers, on the date of commencement of the Companies (Registered Valuers and Valuation) Amendment Rules, 2022, shall comply within 6 months of such commencement with the conditions specified under this clause.

Before amendment, the provisions contained in Rule 3(2) were as follows:

No partnership entity or company shall be eligible to be a registered valuer if-

- (a) it has been set up for objects other than for rendering professional or financial services, including valuation services and that in the case of a company, it is a subsidiary, joint venture or associate of another company or body corporate;
- (b) it is undergoing an insolvency resolution or is an undischarged bankrupt;
- (c) all the partners or directors, as the case may be, are not ineligible under clauses (c), (d), (e), (f), (g), (h), (i), (j) and (k) of sub-rule (1);
- (d) three or all the partners or directors, whichever is lower, of the partnership entity or company, as the case may be, are not registered valuers; or
- (e) none of its partners or directors, as the case may be, is a registered valuer for the asset class, for the valuation of which it seeks to be a registered valuer.

A-3 Insertion of Rule 7A in the Companies (Registered Valuers and Valuation) Rules, 2017

Rule 7A (newly inserted) reads as under:

7A. Intimation of changes in personal details etc., by registered valuer to authority.

A registered valuer shall intimate the authority for change in the personal details, or any modification in the composition of partners or directors, or any modification in any clause of the partnership agreement or Memorandum of Association, which may affect registration of registered valuer, after paying fee as per the Table -I in Annexure V.

A-4 Amendment in Rule 8 of the Companies (Registered Valuers and Valuation) Rules, 2017

After amendment, the provisions contained in Rule 8(1) are as follows:

The registered valuer shall, while conducting a valuation, comply with the valuation standards as notified or modified under rule 18:

Provided that until the valuation standards are notified or modified by the Central Government, a valuer shall make valuations as per-

- (a) internationally accepted valuation standards; *or*
- (b) valuation standards adopted by any registered valuers organisation.

Before amendment, the provisions contained in Rule 8(1) were as follows:

The registered valuer shall, while conducting a valuation, comply with the valuation standards as notified or modified under rule 18:

Provided that until the valuation standards are notified or modified by the Central Government, a valuer shall make valuations as per-

- (a) internationally accepted valuation standards;
- (b) valuation standards adopted by any registered valuers organisation.

A-5 Insertion of Rule 14A in the Companies (Registered Valuers and Valuation) Rules, 2017

Rule 14A (newly inserted) reads as under:

14A. Intimation of changes in composition of governing board, etc. by the registered valuers organisations to the authority.

A registered valuers organisation shall intimate the authority for change in composition of its governing board, or its committees or appellate panel, or other details, after payment of fee as per the Table II in Annexure V.

A-6 Notification issued w.r.t. Section 2(1)(sa) of the Prevention of Money-laundering Act, 2002 (Definition of person carrying on designated business or profession)

Notification No. S.O. 1072(E) dated 7th March, 2023 reas as under:

The following activities in respect of Virtual Digital Assets (VDAs) whether carried out for or on behalf of another person, shall be regarded as an activity by a 'person carrying on designated business or profession':

- (i) Exchange between VDAs and fiat currency***
- (ii) Exchange between one or more forms of VDAs***
- (iii) Transfer of VDAs***
- (iv) Safekeeping or administration of VDAs or instruments enabling control over VDAs***
- (v) Participation in and provision of financial services related to an issuer's offer and sale of a VDA***

Explanation: For this purpose, VDA shall have the same meaning as assigned to it under the Income-tax Act, 1961.

