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Some important changes happened in the Corporate and Legal world in the month of September, 2019:

1. Relaxation of additional fees and extension of last date of filing of Form BEN-2 and Form BEN-1 under the Companies Act, 2013

- ~ The Ministry of Corporate Affairs had received representations from the stakeholders regarding extension of the last date for filing of e-Form BEN-2 without additional fees on account of certain new aspects.
- ~ The matter was been examined and it is hereby informed that the **time limit for filing e-form No. BEN-2 is extended up to 31st December, 2019 without payment of additional fee** and thereafter fee and additional fee shall be payable.

Impact: The extension granted was a relief for the stakeholders.

2. Amendment of the National Financial Reporting Authority Rules, 2018

Ministry of Corporate Affairs vide notification dated 5th September, 2019 has amended National Financial Reporting Authority (NFRA) Rules, 2018. These rules may be called as National Financial Reporting Authority (Amendment) Rules, 2019 and shall come into force from the date of publication in the Official Gazette.

- ~ In Rule 2(1)(g) which refers to definition of Division, after “a division”, the words, “including the one headed by the chairperson or a full-time member”, shall be inserted.
- ~ In Rule 3(1)(c) which refers to Classes of companies and bodies corporate governed by the Authority, following explanation shall be inserted:

“Explanation.- For the purpose of this clause, “banking company” includes ‘corresponding new bank’ as defined in clause (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) and clause (b) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980) and ‘subsidiary bank’ as defined in clause (k) of section 2 of the State Bank of India (Subsidiary Bank) Act, 1959 (38 of 1959).”



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~ In Rule 5 which refers to Annual return, due date of filing annual return being on or before 30th April every year in such form as may be specified by the Central Government shall be substituted by on or before 30th November every year in Form NFRA-2.

~ In Rule 11(5) which refers to Disciplinary proceedings, following proviso shall be inserted:

“Provided that where the disposal does not take place within the said period, the Division shall record the reasons for not disposing off the show-cause notice within the said period, and the chairperson, may, after taking into account the reasons so recorded, extend the aforesaid period by such additional period not exceeding ninety days as he may consider necessary:

Provided further that the chairperson may, if he thinks fit, grant the said extension of period more than once.”

Impact: Minor changes were taken place in the rules for the betterment of the stakeholders.

3. Amendment of the Companies (Appointment and Qualification of Directors) Rules, 2014

~ Ministry of Corporate Affairs vide notification dated 30th September, 2019 has amended the Companies (Appointment and Qualification of Directors) Rules, 2014.

~ These rules may be called the Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2019 and shall come into force from the date of publication in the Official Gazette.

~ **The date of filing of Form DIR 3 KYC or DIR 3 KYC WEB is extended from 30th September, 2019 to 14th October, 2019.**

Impact: Due date for filing form DIR 3 KYC and Form DIR 3 KYC WEB was extended from 30th September, 2019 to 14th October, 2019.



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4. Amendment of the Companies (Registration officers and fees) Rules, 2014

- ~ Ministry of Corporate Affairs vide notification dated 30th September, 2019 has amended the Companies (Registration officers and fees) Rules, 2014.
- ~ These rules may be called the Companies (Registration Offices and Fees) Fifth Amendment Rules, 2019 and shall come into force from the date of publication in the Official Gazette.
- ~ **No additional filing fees shall be payable for e-form DIR 3 KYC or DIR 3 KYC WEB till 14th October, 2019 as the date of filing the form was extended.**

Impact: No penalty shall be levied on Form DIR 3 KYC or DIR 3 KYC WEB if filing is done by the due date. After the due date, penalty of Rs. 5,000/- shall be levied.

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We suggest readers to draw their conclusions after taking into consideration various other relevant sections, rules to be notified from time to time and applicable Secretarial Standards, Accounting Standards and Guidance notes and other notifications, circulars and amendments notified from time to time.

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