

Knowledge Round-up – 22nd Aug 2016

Companies (Share Capital and Debentures) Fourth Amendment Rules, 2016

MCA had issued a circular clarifying that unless otherwise provided by RBI, the provisions of Chapter III of the Companies Act, 2013 ('2013 Act'), which deals with, Prospectus and allotment of securities, and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 would not apply to issue of rupee denominated bonds made exclusively to overseas investors in accordance with applicable sectoral regulatory provisions. MCA has issued Companies (Share Capital and Debentures) Fourth Amendment Rules, 2016 ('Amendment Rules') amending Rule 18 in this regard.

These amendment rules are effective from 12 August 2016.

Click [here](#) for amendment rules.

FAQs on SEBI (Alternative Investment Funds) Regulations, 2012

SEBI has issued Frequently Asked Questions ('FAQs') in order to address the queries of various market participants on the applicability and interpretation of SEBI (Alternative Investment Funds) Regulations, 2012. These FAQs provides clarifications inter alia, on following:

- Categories in which an applicant can seek registration as an Alternate Investment Funds ('AIF');
- Legal forms in which an AIF can be set up;
- Limit specified under AIF regulations for number of investors;
- Investment conditions for AIFs;
- Reporting requirements to SEBI for AIFs.

Click [here](#) for press release.

Click [here](#) for FAQs.

FAQs on Liaison/ Branch / Project Offices of foreign entities in India

RBI has issued FAQs to address some common queries on Liaison Offices (LO)/ Branch Offices (BO)/ Project Office (PO) of foreign entities in India. The FAQs, inter alia, cover the following:

- Actions that AD bank is required to take in case of any adverse reporting in Annual Activity Certificate (AAC) of LO/ BO or non-submission of AACs;
- Acquisition of property by LO/ BO/ PO;
- Permissible credits and debits to INR account of the Project Office;
- Whether the credit facility can be provided in foreign currency for PO;
- Requirement to register with/ report to police authorities.

Click [here](#) for FAQs.

Income-tax (20th Amendment) Rules, 2016

Central Board of Direct Taxes has issued Income-tax (20th Amendment) Rules, 2016 ('Amendment Rules') to further amend Income-tax Rules, 1962. The amendment rules provides that in Form 10A, Application for registration of charitable or religious trust or institution under section 12A of the Income-tax Act, 1961, Permanent Account Number of author(s)/ founder(s) and trustee(s)/ manager(s) also needs to be reported.

The amendment rules are effective from 09 August 2016.

Click [here](#) for amendment rules.

Exposure Draft on Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)

ICAI has issued revised Exposure Draft on Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016) ('Draft GN').

The purpose of the draft GN is to provide guidance on assurance engagements which require a professional accountant in public practice (practitioner) to issue reports other than those which are issued in audits or reviews of historical financial information as described in the Framework for Assurance Engagements. It also includes the Illustrative formats of audit reports and certificates for special purposes.

The last date for submission of comments is 10 September 2016.

Click [here](#) for Draft GN.