

Knowledge Round-up – 14th October 2016

Withdrawal of two guidance notes on accounting – 07th October 2016

The ICAI has withdrawn the following two guidance notes on accounting:

- GN(A) 9 (Issued 1994) - Guidance note on availability of revaluation reserve for issue of bonus shares;
- GN(A) 20 (Issued 2005) - Guidance notes on accounting for fringe benefits tax.

[Click here](#) for announcement.

Withdrawal of application guide on the provisions of Schedule II to the Companies Act, 2013 - 07 October 2016

The ICAI has withdrawn the 'Application guide on the provisions of Schedule II to the Companies Act, 2013' from the date the 'Guidance note on accounting for depreciation in companies in the context of Schedule II to the Companies Act, 2013', became applicable (i.e. for accounting periods beginning on or after 01 April 2016, though its earlier application was encouraged).

[Click here](#) for announcement.

Employees' State Insurance (Central) Second Amendment Rules, 2016 – 06th October 2016

The Central Government has issued Employees' State Insurance (Central) Second Amendment Rules, 2016 ('amendment rules') to further amend the Employees' State Insurance (Central) Rules, 1950 ('the principle rules').

The amendment rules has provided new Rule 51B, which provides that in areas where the Employees' State Insurance Act, 1948 ('the Act') is implemented for the first time, the rates of employer's and employee's contribution for the initial **twenty-four months** from such date of implementation, will be as under:

- **Employer's contribution** - A sum (rounded to the next higher rupee) equal to **three per cent** of the **wages payable** to an employee; and
- **Employee's contribution** - A sum (rounded to next higher rupee) equal to **one per cent** of the **wages payable** to an employee.

The amendment rules also provides that on completion of twenty-four months from the date of implementation of the Act,

the rate of contribution as provided under Rule 51 of the principle rules will be applicable.



The amendment rules are effective from 06 October 2016.

[Click here](#) for amendment rules.

Exclusively listed companies of De-recognized/Non-operational/exited Stock Exchanges placed in the Dissemination Board - 10 October 2016

SEBI vide its [circular](#) dated 30 May 2012 issued guidelines facilitating the exit of Derecognized/Non-operational stock exchanges and exit to the shareholders of exclusively listed companies (ELCs) by allowing them to get listed on nationwide stock exchanges. It also provided that ELCs which fail to obtain listing on any other stock exchange will cease to be a listed company and will be moved to a Dissemination Board (DB) by the exiting stock exchange.

SEBI has now issued circular providing clarifications on raising of further capital and the process of exit of ELCs from the DB.

Click [here](#) for [circular](#).

International

ISA 250 (Revised) - Consideration of Laws and Regulations in an Audit of Financial Statements - 05 October 2016

The International Auditing and Assurance Standards Board ('IAASB') has issued ISA 250 (revised), Consideration of Laws and Regulations in an Audit of Financial Statements ('amended standard'). The International Ethics Standards Board for Accountants (IESBA) introduced new requirements to the Code of Ethics for Professional Accountants (the IESBA Code) addressing non-compliance with laws and regulations (NOCLAR), which becomes effective on 15 July 2017. In response to the new requirements addressing NOCLAR, IAASB has made limited amendments to ISA 250 (Revised) and related conforming amendments to other International standards.

The amended standard and related conforming amendments to other International standards will be effective for audits of financial statements for periods beginning on or after 15 December 2017.

[Click here](#) for press release.

[Click here](#) for amended standard.