FOUNDATION FOR AUDIT QUALITY

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Regulatory updates for the month of May 2023

9 June 2023

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Regulatory updates for May 2023

The regulatory updates publication issued by the Foundation for Audit Quality (FAQ) highlights the latest developments in accounting, auditing and regulatory developments in India and internationally.

In this edition

Key updates covered in this publication are as follows:

Recently, the Securities and Exchange Board of India (SEBI) issued a circular, introducing the Legal Entity Identifier (LEI) system for issuers that have listed or are planning to list non-convertible securities, securitised debt instruments and security receipts. This unique global identifier for legal entities participating in financial transactions aims to create a global reference data system that uniquely identifies every legal entity, in any jurisdiction, which is a party to a financial transaction basis a unique 20-character code.

Additionally, on 25 May 2023, the International Accounting Standards Board (IASB) issued certain amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures*. Some key new disclosure requirements introduced in this regard include:

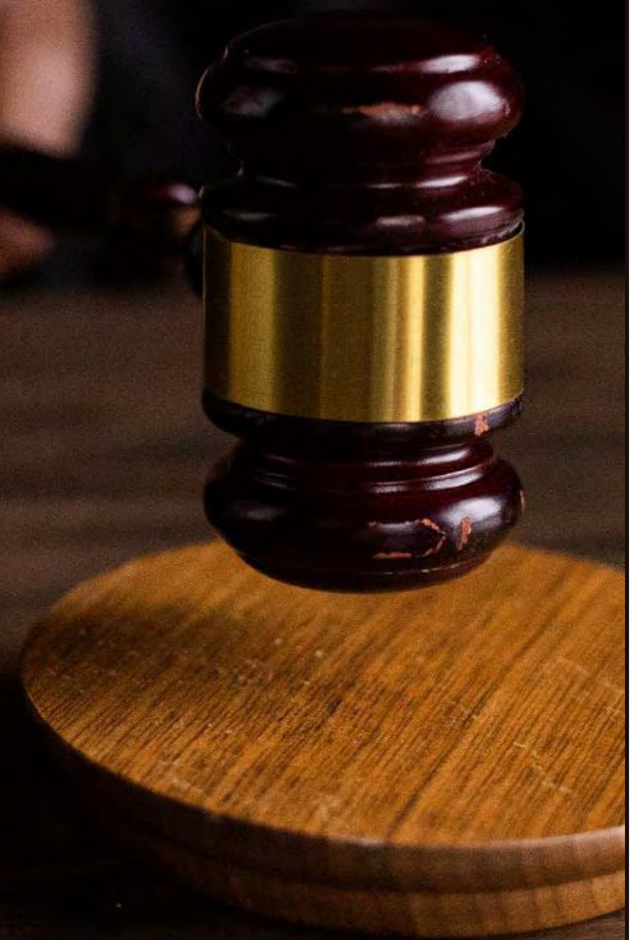
IAS 7

- Terms and conditions of supplier finance arrangements
- Amount of liabilities that are part of the arrangements, further divided into amounts for which the suppliers have already received payment from the finance providers, and specifying the position of liabilities at the balance sheet date
- Range of payment due dates, etc.

IFRS 7

- The amendments have added supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

This issue of the regulatory updates publication covers some of the important updates on accounting and regulatory matters and other discussion/consultation papers and publications for the period from **1 May 2023 to 31 May 2023**. It also highlights some of the action points that auditors may consider when applying the relevant provisions.



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Updates from MCA

Overdue financial statements and annual reports

Rule 4 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 (the Rules) lays down the procedure to be followed by a company for making an application to remove its name from the register of companies.

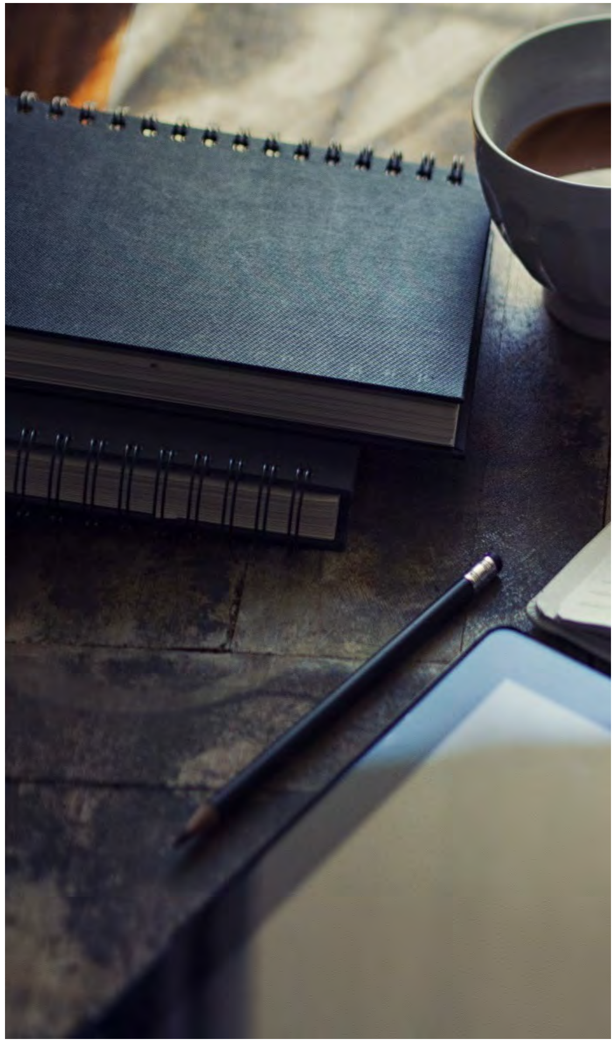
On 17 April 2023, the Ministry of Corporate Affairs (MCA) had issued certain amendments to Rule 4 of the Rules. The amendments revised sub-rule (1) and inserted a new sub-rule (3A). These amendments have recognised the Centre for Processing Accelerated Corporate Exit (C-PACE[1]) as the authority for removing the name of a company from the register of companies and have made it mandatory for companies to make an application to C-PACE for removal of a company's name under Section 248(2)[2] of the Companies Act, 2013 (the Act).

Subsequently, on 10 May 2023, MCA issued the Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2023, making further amendments to Rule 4(1). The amendments specify following requirements for a company while filling an application to remove its name from the register of companies:

- The company should not file an application unless the company has filed its overdue financial statements under Section 137[3] of the Act and overdue annual returns under Section 92[4] of the Act up to the end of the financial year in which the company ceased to carry out its business operations
- In case the company intends to file an application after the Registrar of Companies (RoC) has initiated steps to remove its name, then it can only file the application after filing all pending financial statements under Section 137 of the Act and all pending annual returns under Section 92 of the Act
- Once the Registrar of Companies (Registrar) has issued a notice for publication[5] pursuant to action initiated under Section 248(1) of the Act, then in such a case the company would not be allowed to file the application under this sub-rule.

Effective Date: The amendments have come into force from the date of their publication in the Official Gazette, i.e., 10 May 2023.

To access the text of the amendments, please click here



[1] The C-PACE has been set up to centralise the process of striking off of companies, promote ease of doing business and the ease of exit for companies

[2] Section 248: Power of registrar to remove name of company from register of companies

[3] Section 137: Copy of financial statement to be filed with registrar

[4] Section 92: Annual return

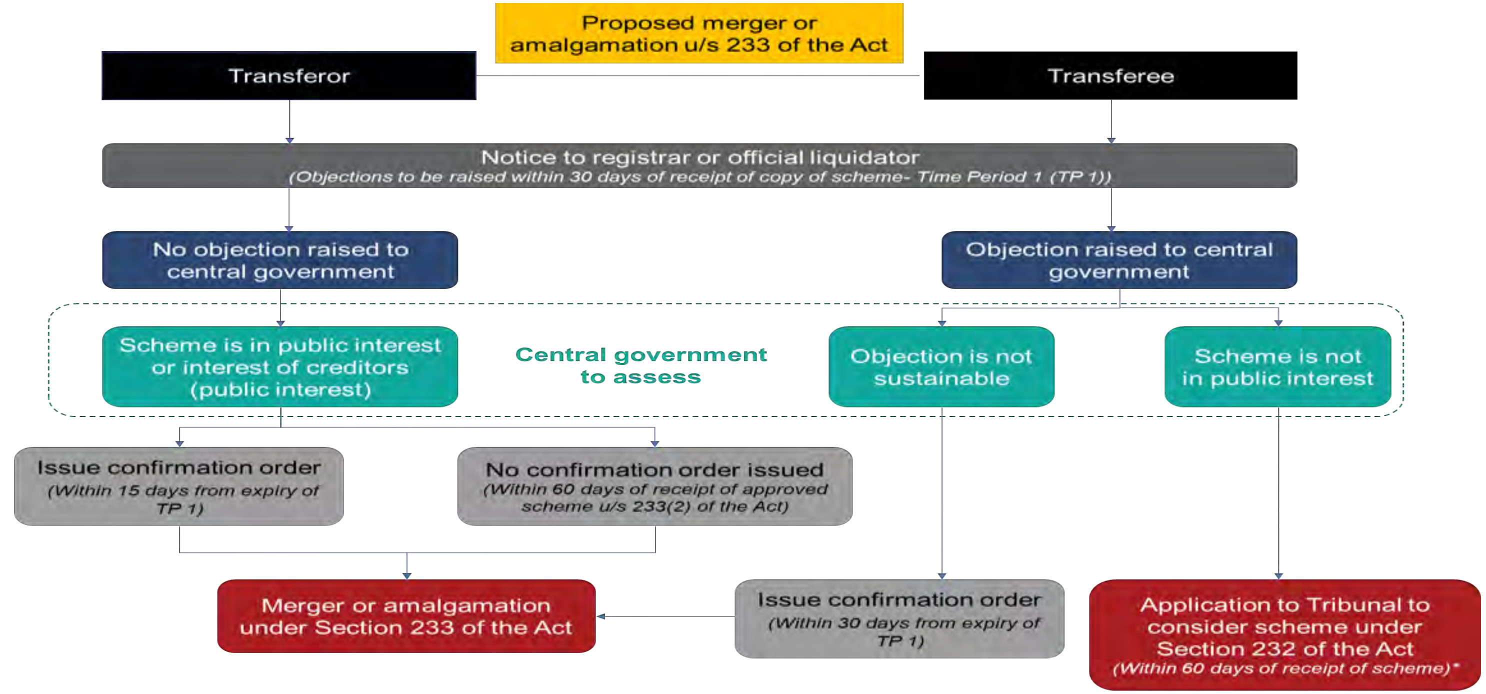
[5] As per Section 248(5) of the Act, at the expiry of the time mentioned in the notice (sent by the registrar, mentioning his intention to remove the name of the company from the register of companies), the registrar may, unless cause to the contrary is shown by the company, strike off the name of the company from the register of companies. The registrar will also publish a notice thereof in the Official Gazette, and on the publication in the Official Gazette of this notice, the company shall stand dissolved.

Regulatory updates

Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023

Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 deals with the approval procedure of merger and amalgamation of certain companies. On 15 May 2023, MCA issued the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023 (the amendment), thereby introducing certain amendments to Rule 25.

The amendment aims to streamline the approval process for mergers and ensure clarity with respect to deemed approvals in certain cases as given below. This is also depicted by way of a flow chart below.



* If no application is filed by the central government within 60 days of receipt of the scheme, it would be deemed that it does not have any objection to the scheme

(Source: Foundation for Audit Quality's analysis, 2023)

Regulatory updates

- **No objection received (Rule 25(5)):** The amendment provides that if no objection/suggestion is received from the Registrar of Companies (registrar)/official liquidator, within a period of 30 days by the Central Government (CG), and if the CG is of the opinion that the scheme is in the interest of public or creditors, then CG can issue a confirmation order of such a scheme of merger or amalgamation in **Form No. CAA.12** within a period of 15 days after the expiry of the said 30 days. However, if the CG does not issue a confirmation order within 60 days, it will be deemed that there is no objection, and a confirmation order will be issued by the CG
- **Objections received from the registrar (Rule 25(6)):** The amendment states that if objections or suggestions are received from the registrar/official liquidator, within the prescribed period of 30 days, then the CG must undertake the following action:

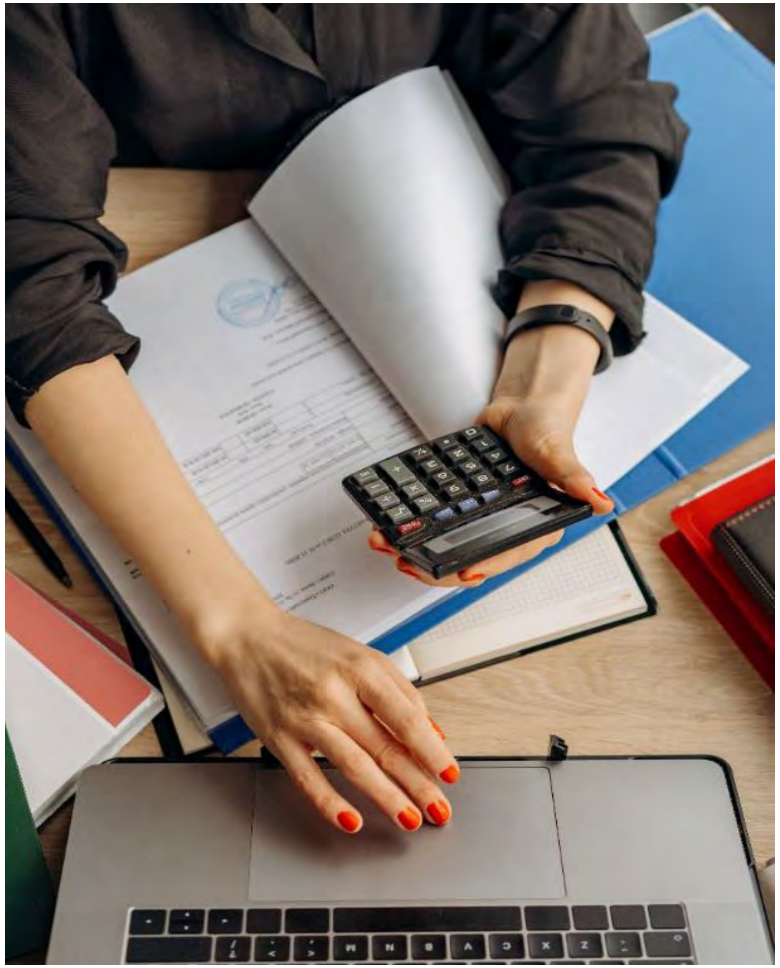
  - Issue a confirmation order within 30 days, if the CG is of the opinion that the objections/suggestions are unsustainable, and the scheme is in the interest of public or creditors
  - If CG is of the opinion that the scheme is against the interest of public or creditors, then it can file an application before the Tribunal within 60 days, stating the objections/opinion, requesting the Tribunal to consider the scheme under Section 232[6] of the Act.

  Further, if the CG does not issue a confirmation order or file an application within a period of 60 days of the receipt of the scheme under Section 233[7] of the Act, then it would be deemed that it has no objection to the scheme and a confirmation order should be issued accordingly.

Effective Date: The amendments would come into force w.e.f. 15 June 2023.

To access the text of the amendment, please click here

[6] Section 232: Merger and amalgamation of companies
[7] Section 233: Merger or amalgamation of certain companies



Updates from SEBI

Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) is a unique 20-character code — like a bar code — used across markets and jurisdictions to uniquely identify a legally distinct entity that engages in a financial transaction.

On 3 May 2023, the Securities and Exchange Board of India (SEBI) issued a circular, introducing the Legal Entity Identifier (LEI) system for issuers that have listed or are planning to list non-convertible securities, securitised debt instruments and security receipts.

Presently, the Reserve Bank of India (RBI) directions mandate non-individual borrowers having aggregate exposure of above INR25 crore, to obtain an LEI code. SEBI has stated the following timelines for the issuers to obtain and report LEI code:

Category of security	Relevant regulation	Applicability	Timeline
Non-convertible securities	SEBI (Issue and listing of Non-convertible Securities) Regulations, 2021	Issuer proposing to issue and list non-convertible security	On or after 1 September 2023
		Issuer having outstanding listed non-convertible security as on 31 August 2023	On or before 1 September 2023
Securitised debt instruments and security receipts	SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008	Issuer proposing to issue and list securitised debt instruments or security receipts	On or after 1 September 2023
		Issuer having outstanding listed securitised debt instruments and security receipts as on 31 August 2023	On or before 1 September 2023

Regulatory updates

Further, the requirement of LEI for issuers proposing to list or that have outstanding municipal debt securities will be specified in future. Entities can obtain the LEI code from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF).

Effective Date: The requirements are effective immediately.

To access the text of the circular, please click here

Action Points for Auditors

Auditors may highlight this requirement to all relevant companies that they audit as part of their discussion with management.

SEBI issues additional requirements for issuers of transition bonds

In February 2023, certain amendments had been issued to the provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (NCS Regulations), w.r.t. widening the definition of **'Green Debt Security' (GDS)**, thereby encompassing 'transition bonds' as one of the sub-categories of GDS. According to the NCS Regulations, 'transition bonds' comprise of 'funds raised for transitioning to a more sustainable form of operations, in line with India's Intended Nationally Determined Contributions.'

Further, on 6 February 2023, SEBI had issued the revised disclosure requirements for such issuances. In this regard, with a view to facilitate transparency and informed decision-making among the investors and to ensure that the funds raised through transition bonds are allocated towards the purpose for which they are raised, SEBI vide a circular dated 4 May 2023 prescribed certain additional disclosure requirements for the issuance and listing of transition bonds. These include:

- **GB-T denotation:** For differentiating transition bonds from other categories of GDS, an issuer should disclose the denotation **GB-T** in the offer documents on cover page as well as in the type of instrument field in term sheet. The same should also be disclosed in the centralised database for corporate bonds/debentures
- **Transition plans:** Details of transition plans such as interim targets, project implementation strategy, usage of technology and overseeing mechanism must be disclosed in the offer document
- **Revision in the transition plan:** Revised transition plan accompanied by an explanation for each revision should be disclosed to the stock exchanges
- **Disclosure in annual report:** Details of transition plan along with a brief on the progress of its implementation should be disclosed in the annual report.

Effective Date: The provisions of this circular have come into effect from 4 May 2023.

To access the text of the circular, please click here

Action points for auditors

Auditors of companies that are in the process of issuing transition bonds or have already issued transition bonds may highlight these requirements to all relevant companies as part of its discussion with management and/or those charged with governance.

Updates from RBI

Cessation of LIBOR: The final leg to LIBOR transition

Before 2021, the London Inter-Bank Offered Rate (LIBOR) was seen as one of the most significant numbers, been used as an interest rate benchmark across various contracts in multiple currencies. However, with questions on its integrity and reliability being raised globally, in 2017, the Financial Conduct Authority (FCA) had announced that post 2021, corporates and banking institutions should adopt Alternative Reference Rates (ARRs) in place of LIBOR.

Consequently, by 31 December 2021, LIBOR linked to most of the currencies worldwide had ceased permanently, with certain select currencies like USD LIBOR, targeting to finally phase it out by 30 June 2023.

The phasing out of LIBOR *inter alia* has key impact on business, by amendments to existing agreements for insertion of fallback clauses, transition to ARR, etc.. Impacts were also on accounting, for which the MCA[8] has issued certain exemptions, practical expedients and disclosure requirements in two phases- Phase 1 deals with pre-IBOR reform and Phase 2 deals with post-IBOR reforms. With 30 June 2023 being round the corner, regulators are issuing constant reminders to banks/financial institutions and other businesses to complete the transition.

As on date, India has achieved a smooth transition with regard to LIBOR settings that have ceased to be published/become non-representative after 31 December 2021. New transactions are now being predominantly undertaken using ARRs, such as Secured Overnight Financing Rate (SOFR) and Modified MIFOR[9] (Mumbai Interbank Offered Rate).

With effect from 30 June 2023, the publication of remaining five USD LIBOR settings would cease permanently, and accordingly, the MIFOR would also cease to be published. In this regard, RBI vide a press release dated 12 May 2023 has stated that:

- Banks/financial institutions/their customers should not enter into any new transaction that relies on or is priced using the USD LIBOR or the MIFOR
- Banks/financial institutions should take all the necessary steps to ensure insertion of fallback clauses in all remaining legacy financial contracts that reference USD LIBOR or MIFOR
- While certain synthetic LIBOR settings would continue to be published post 30 June 2023, these settings are not meant to be used in new financial contracts
- Banks/financial institutions should develop systems and processes to manage the complete transition away from LIBOR w.e.f. 1 July 2023.

To access the text of the press release, please click here

Action Points for Auditors:

- Auditors of companies should assess whether companies that they audit have any contracts which are referenced to LIBOR that are yet to transition into an ARR.
- Auditors should also assess whether the systems and processes of companies have been appropriately adjusted to link contracts to ARR.

[8] Amendments issued by the MCA is in accordance with the amendments issued by the International Accounting Standard Board to the IFRS.

[9] MIFOR is a domestic interest rate benchmark that is reliant on USD LIBOR. It is published by the Financial Benchmarks India Private Limited (FBIL).

International update

Accounting updates

Accounting updates

Updates from IASB

Amendments issued to IAS 12

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published *Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS* (the Rules). The Rules were introduced with the objective to address the tax challenges arising from the digitalisation of economy by ensuring that large multinational groups[10] pay a minimum amount of tax (i.e., 15 per cent) on income arising in each jurisdiction in which they operate.

Over time, various concerns were raised by the stakeholders regarding the potential implications of the Rules. In particular, uncertainty over the accounting for deferred taxes arising from the Rules was identified as a key challenge area. Thus, in order to address these concerns, the International Accounting Standards Board (IASB), on 9 January 2023, issued an Exposure Draft (ED), *International Tax Reform – Pillar Two Model Rules (Proposed amendments to IAS 12)*. Based on the feedback and representations received from various stakeholders, recently, IASB issued certain amendments to the International Accounting Standard (IAS) 12, *Income Taxes*. These include:

- **Temporary exception to the accounting for deferred taxes arising from the implementation of the Rules:** The amendments specify that an entity should not recognise or disclose information about deferred tax assets and liabilities arising from the implementation of the Rules. However, the entity should disclose the fact that it has applied this exception. The exception[11] would be effective immediately upon issuance of the amendments and retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.*

- **Disclosure requirements:** IASB has specified certain disclosures, which includes both quantitative and qualitative information which would enable users of the financial statements understand the company's exposure to pillar-two income taxes at the reporting date[12]. These would be effective for the annual reporting periods beginning on or after 1 January 2023.

To access the text of the amendments, please click here

[10] The minimum tax rate of 15 per cent would be applicable to multinational groups having consolidated revenues of EUR750 million or more in at least two of the preceding four years
[11] It is mandatory for the companies to apply this temporary exception
[12] Following disclosures are required in this regard:
Once tax law is enacted but before top-up tax is effective:
- **Qualitative information:** How the company is affected by Pillar Two taxes and in which jurisdictions the exposure arises – for example, where the top-up tax is triggered and where it will need to be paid
- **Quantitative information:** The proportion of profits that may be subject to Pillar Two income taxes and the average Effective Tax Rate (ETR) applicable to those profits, or how the average ETR would have changed if Pillar Two legislation had been effective.

After top-up tax is effective: Only one disclosure is required – i.e., current tax expense related to top-up tax.

Action Points for Auditors:

Pillar Two taxes is a significant reform undertaken by the OECD, with an aim to transform the sphere of international taxation and address certain ambiguities arising out of the digitalisation of the economy. Under this, the ultimate parent entity of the group would be required to pay top-up tax, in the jurisdiction in which it is domiciled, with respect to profits of its subsidiaries that are taxed below 15 per cent. Thus, auditors of companies which would be impacted by Pillar Two reforms and are required to prepare their financial statements in accordance with IFRS should take note of the amendments introduced. Auditors should also engage with such companies for complying with the disclosure requirements in the financial statements for the year ending 31 December 2023.

Accounting updates

Amendments pertaining to supplier finance arrangements

On 25 May 2023, the International Accounting Standards Board (IASB) issued certain amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures*. The amendments have been issued basis the agenda decision issued by the IFRS Interpretations Committee in December 2020 and the subsequent Exposure Draft (ED) on supplier finance arrangement[13], issued by the IASB. Some of the key amendments and clarifications introduced are illustrated using the given diagram:

Supplier Finance Arrangements (SFA)

Applicability

SFA which have all the following characteristics

- A finance provider pays the amounts that a company (the buyer) owes to its suppliers
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid, and
- The company is provided with the extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

Arrangements for financing receivables or inventory are excluded from the scope.

Disclosures under

IAS 7

- Terms and conditions of SFA
- Liabilities that are part of the arrangements:
  - For which the suppliers have received payment
  - Position of liabilities at the balance sheet date
- Range of payment due dates, and
- Type and effect of non-cash changes in the carrying amounts of the financial liabilities

IFRS 7

- SFA has been added as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities

(Source: Foundation for Audit Quality's analysis, 2023)

[13] Supplier finance arrangements are also referred to as supply chain finance, trade payables finance or reverse factoring arrangements

Accounting updates

Effective date: The amendments are effective for the periods beginning on or after 1 January 2024[14], with early application permitted.

Action Points for Auditors:

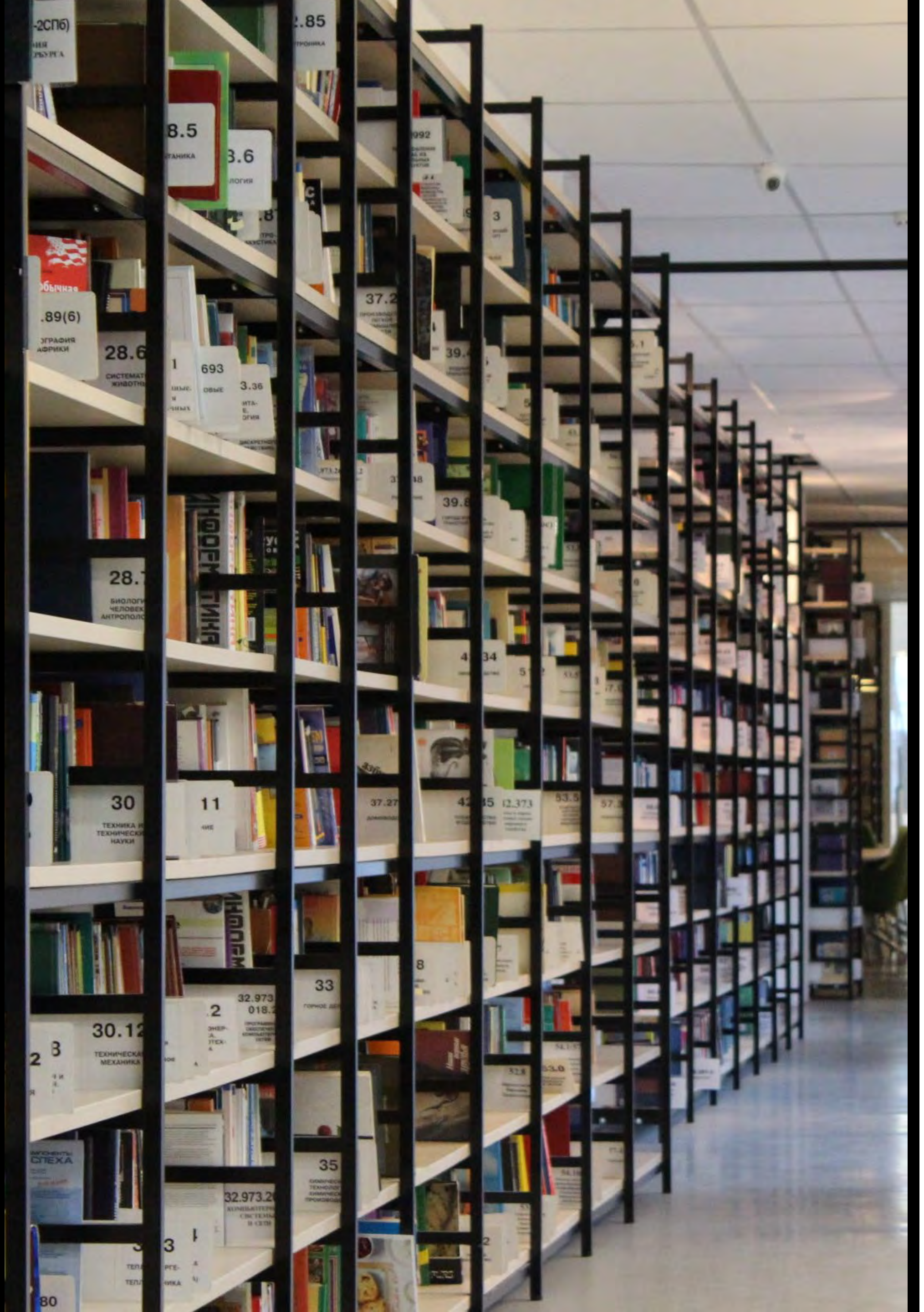
Companies may be required to collate certain additional information for complying with the new disclosure requirements, for example the carrying amount of financial liabilities for which suppliers have already received payment from finance providers. Thus, auditors should actively engage with the companies who have an IFRS reporting, regarding the amendments introduced for ensuring smooth transition to the new requirements.

Since Ind AS are converged with IFRS, similar amendments would be expected in Ind AS as well.

[14] The amendments provide relief from disclosing certain information in the year of initial application

Discussion/Consultation papers and Publications

- Exposure Drafts/consultation papers – India and international
- Publications – India
- Publications – International



Exposure Drafts/consultation papers – India and international

The table below provides an overview of some important exposure drafts/consultation papers released by various regulators during this month:

Regulator	Publication	Particulars
IRDAI	**Exposure Draft on remuneration of non-executive directors and Key Managerial Persons (KMPs) of private sector insurers**	In 2016, the Insurance Regulatory and Development Authority of India (IRDAI) had issued the framework for remuneration of non-executive directors/chief executive officer/whole time director/managing director of private sector insurers (the framework). On 2 May 2023, IRDAI has issued an Exposure Draft (ED), thereby proposing to replace the extant guidelines of the framework. The ED aims to: a. Bring the remuneration of other KMPs[15] also within the ambit of the proposed guidelines, and b. Provide better clarity to the extent of variable pay with respect to the total remuneration of directors and KMPs, variable pay deferral, malus and claw back provisions, accounting, disclosures, etc. Some key aspects discussed in the ED include: • **Remuneration policy:** It has been provided that the process of framing/reviewing the remuneration policy should be completed within three months of the issuance of the guidelines in this behalf • **Components of remuneration structure:** The remuneration policy should cover all aspects of the remuneration structure[16] and the remuneration policy should be **reviewed annually by the Nomination and Remuneration Committee (NRC)** • **Disclosures:** Certain quantitative and qualitative disclosures have been mandated in the notes to accounts forming part of the annual report: **Effective date:** The revised guidelines have been proposed to be made applicable for the remuneration payable to KMPs from **F.Y. 2023-24**. The comment period ended on 15 May 2023. To access the text of the ED, please click here

[15] KMP, in relation to an insurer, means-member of the core management team of an insurer including all whole-time directors/managing directors/CEO and the functional heads below MD/CEO, the CFO, appointed actuary, chief investment officer, chief risk officer, chief compliance officer, chief underwriter, chief operating officer, chief marketing/sales officer, chief technical officer, Company Secretary, and any other KMPs as identified by the insurer

[16] Aspects of the remuneration structure include fixed pay (including allowances), perquisites, retirement benefits, variable pay including incentives, bonus, share linked instruments, joining/sign on bonus and severance package. Further, it has been specified that all these details should be incorporated in a single document.

Exposure Drafts/consultation papers – India and international

Regulator	Publication	Particulars
SEBI	**SEBI consultation paper on expanding the definition of Qualified Institutional Buyers (QIB) for debt securities**	SEBI received various representations to expand the definition of 'QIB' in order to increase the potential investor base for issuers of debt securities and for further developing the debt markets. In this regard, on 16 May 2023, SEBI issued a consultation paper on expanding the definition of QIB for debt securities (the consultation paper). Some of the entities which have been proposed to be covered within the definition of QIB include: - Multistate cooperatives with net worth of more than INR500 crore - Non-Banking Financial Companies (NBFC) and Housing Finance Companies (HFCs) regulated by RBI - Regulatory authorities, autonomous bodies, authorities, boards or commissions or agencies, authorities, organisations or entities established, owned or controlled by the Central Government or a State Government - Reinsurance companies regulated by IRDAI - SEBI regulated entities with net worth of more than INR500 crore subject to guidelines specified by SEBI, etc. The comment period ended on 29 May 2023. To access the text of the consultation paper, please click here

Exposure Drafts/consultation papers – India and international

Regulator	Publication	Particulars
SEBI	**SEBI consultation paper on proposed review of the definition of Unpublished Price Sensitive Information (UPSI) under SEBI (Prohibition of Insider Trading) Regulations, 2015**	The Unpublished Price Sensitive Information (UPSI) defined under SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) means 'any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not be restricted to, information relating to the following: i. Financial results ii. Dividends iii. Change in capital structure iv. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions v. Changes in key managerial personnel. SEBI, in its board meeting dated 29 March 2023 had approved the proposal for review and rationalisation of the disclosure of material events or information by listed entities. Further, it was observed that certain information/events which are disclosed as material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) and should have been categorised as UPSI were not done so by the listed entities, thus highlighting that companies were not exercising due care in this regard. Consequently, on 18 May 2023, SEBI issued a consultation paper, proposing that the current definition of UPSI be amended and the disclosures as required under Regulation 30 of the LODR Regulations be considered and disclosed as UPSI under the PIT Regulations. The comment period ended on 2 June 2023. To access the text of the consultation paper, please click here

Exposure Drafts/consultation papers – India and international

Regulator	Publication	Particulars
SEBI	**Consultation paper on reduction of timeline for listing of shares in public issue from existing T+6 days to T+3 days**	In November 2018, SEBI introduced Unified Payment Interface (UPI) as an additional payment mechanism with Application Supported by Blocked Amount (ASBA) for retail individual investors and prescribed the timelines for listing within six days of closure of issue (T+6), 'T' being the day of the closure of issue. Over the last few years, SEBI has undertaken a series of systemic enhancements across all the key stakeholders of the Initial Public Offering (IPO) ecosystem to streamline the activities involved in processing of public issues. In this regard, on 20 May 2023, it issued a consultation paper on reduction of timeline for listing of shares in public issue from existing T+6 days to T+3 days. The comment period ended on 3 June 2023. To access the text of the consultation paper, please click here
FASB	**Proposed Accounting Standard Update (ASU) to clarify accounting related to profits interest awards**	Recently, the Financial Accounting Standards Board (FASB) proposed an ASU intended to improve Generally Accepted Accounting Principles (GAAP) by adding illustrative guidance to help entities determine whether profits interest and similar awards should be accounted for as a share-based payment arrangement within the scope of Topic 718, *Compensation – Stock Compensation*. The ASU is open for comments up to 10 July 2023. To access the text of the ASU, please click here

Publications – India

The table below provides an overview of some important publications released by various regulators during this month:

Regulator	Publication	Particulars
ICAI	**Sustainability Reporting Maturity Model (SRMM Version 2.0)**	Recently, the Institute of Chartered Accountants of India (ICAI) updated the Sustainability Reporting Maturity Model to SRMM Version 2.0 to incorporate the changes introduced via SEBI Business Responsibility and Sustainability Report (BRSR) circular dated 10 May 2021. SRMM Version 2.0 offers the possibility for each corporate complying with BRSR to individually assess its position *vis a vis* various sustainability reporting maturity levels and achieve its vision of sustainable business. Level 1, Level 2, Level 3 and Level 4 of sustainability maturity of corporates have been defined based on the total range of scores obtained by a corporate in a financial year as per the proposed BRSR scoring mechanism. Through this, corporates can self-evaluate their current level of maturity on the SRMM and identify areas where more focus is required and develop a road map for upgrading to a higher level of maturity. This would include formulation of strategies/processes for internal controls and data collection to progress towards achievement of sustainable goals and thus, move to a higher level of sustainable reporting. To access the text of the SRMM, please click here
ICAI	**Technical Guide on Accounting for Not-for-Profit Organisations (NPOs)**	With the introduction of Framework for Social Stock Exchange (SSE) by SEBI, there was a need to prescribe comprehensive guidance on the accounting by NPOs, including the applicability of Accounting Standards (AS) for NPOs. In this regard, to recommend such guidance and update the formats of financial statements being prepared by NPOs, ICAI, through the Accounting Standards Board (ASB) recently revised the Technical Guide on Accounting for NPOs (the technical guide). The technical guide incorporates the updated accounting treatments/ provisions of AS along with the formats of financial statements that have also been reviewed and updated. To access the text of the technical guide, please click here

Publications – International

The table below provides an overview of some important publications released by various regulators during this month:

Regulator	Publication	Particulars
IASB	**IFRS for SMEs Accounting Standard educational material: the effects of climate-related matters on financial statements**	Recently, IASB released the educational material to illustrate how IFRS for SMEs Accounting Standard requires companies to consider climate-related matters that have a material effect on the financial statements. The material contains a non-exhaustive list of examples when companies may need to consider climate-related matters in their financial statements and is aimed at supporting the consistent application of the IFRS for SMEs Accounting Standard. To access the text of the education material, please click here

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