

NDA Update – MCA amendments relating to Independent Director (ID)

MCA had earlier amended the Companies (Appointment and Qualification of Directors) Rules requiring every individual who had been appointed as an ID in a company to apply for inclusion of his name in the data bank maintained by Indian Institute of Corporate Affairs (IICA) and to pass an online proficiency self assessment test conducted by the Institute within a period of **one year** from the date of inclusion of his name in the data bank.

Vide a notification dated 18-12-2020, the time limit of passing the test within **one year** has been amended to **two years**.

Further, certain exceptions from passing the test were provided to the individual who has served for a period of not less than 10 years as on the date of inclusion of his name in the databank as director or KMP of listed public company or an unlisted public company having share capital of Rs 10 crores or more. The time period of **ten years has been revised to three years** and more positions have been added besides the director or KMP as mentioned above.

http://www.mca.gov.in/Ministry/pdf/FifthAmdtRules_18122020.pdf