

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

Rule 6 of the Companies (Appointment and Qualification of Directors) Rules requires every individual who has been appointed as an ID in a company or who intends to get appointed as an ID, 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 **two years** from the date of inclusion of his name in the data bank.

Further, certain exceptions from passing the test were **earlier** provided to the individual who has served for a period of not less than 3 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.

Vide a notification dated 19-08-2021, more relaxations have been provided to certain category of individuals from passing the test.

Now individuals, who are or have been, for at least ten years:

- (A) an advocate of a court; or
- (B) in practice as a chartered accountant; or
- (C) in practice as a cost accountant; or
- (D) in practice as a company secretary,

shall not be required to pass the online proficiency self-assessment test.

<https://egazette.nic.in/WriteReadData/2021/229158.pdf>