

1. **The Ministry of Corporate Affairs has notified the Companies (Significant Beneficial Owners) Rules, 2018:** These Rules come in the context of Section 90 of the Companies Act, 2013 which deals with 'Register of significant beneficial owners in a company'. Under these rules, **Significant Beneficial Owner** has been defined, which means *an individual referred to in sub-Section (1) of section 90 holding ultimate beneficial interest of not less than ten per cent.) read with sub-section [10J of section 89, but whose name is not entered in the register of members of a company as the holder of such shares, and the term 'significant beneficial ownership' shall be construed accordingly.*

*Explanation:*

of For the purpose of this clause, the significant beneficial ownership, In case Persons other than individuals or natural persons, shall be determined as under:-

- (i) where the member is a company, the significant beneficial owner is the natural person, who, whether acting alone or together with other natural persons, or through one or more other persons or trusts, holds not less than ten per cent. Share capital of the company or who exercises significant influence or control in the company through other means;
- (ii) where the member is a partnership firm, the significant beneficial owner is the natural person, who, whether acting alone or together with other natural persons, or through one or more other persons or trusts, holds not less than ten per cent. of capital or has entitlement of not less than ten per cent. of profits of the partnership;
- (iii) where no natural person is identified under (i) or [ii), the significant beneficial owner is the relevant natural person who holds the position of senior managing official;
- (iv) where the member is a trust through trustee the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with not less than ten per cent. interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership

*Explanation:*

It is hereby clarified that instruments in the form of global depository receipts, compulsorily convertible preference shares or compulsorily convertible debentures shall be treated as shares for the purpose of this clause.

2. **Certain further provisions of the Companies (Amendment) Act, 2017 comes into force:**

Clause (iii) of section 21 & 22, 24, 25, 26, 71 of the Companies (Amendment) Act, 2017 comes into force with effect from 13th June, 2018.

Section in the Companies	Corresponding Section in the Principal
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(Amendment) Act, 2017	Act, i.e. Companies Act, 2013
Clause (iii) of section 21 – Beneficial Interest in Share to include a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to exercise or cause to be exercised any or all of the rights attached to such share; or) receive or participate in any dividend or other distribution in respect of such share.	Section 89- Declaration in respect of beneficial interest in any share
Section 22 - Register of significant Beneficial owners in a company	Section 90 - Investigation of beneficial ownership of shares in certain cases
Omission of Section 24	Section 93 - Return to be filed with Registrar in case promoters' stake changes
Section 25	Amendment of Section 94 (Place of keeping and inspection of registers, returns, etc)
Section 26	Amendment of Section 96 - Annual general meeting
Section 71	Amendment of section 216 - Investigation of ownership of company

**3. AS 11 – Treatment of disposal of interest in non-integral foreign operation amended:**

In the Companies (Accounting Standards) Rules, 2006, in the ANNEXURE under the heading “ACCOUNTING STANDARDS” under the Accounting Standard (AS) 11, no part of the deferred foreign exchange gain or loss is recognised at the time of a write-down.