

**COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) FIFTH
AMENDMENT RULES, 2020**

MCA has issued notification dated 18th December, 2020 to further amend the Companies (Appointment and Qualification of Directors) Rules, 2014.

These rules may be called the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020. These rules shall come into force from the date of publication in the Official Gazette.

Further, these rules published in Official Gazette on 18th December, 2020. For detailed notification, please refer the link:
<http://egazette.nic.in/WriteReadData/2020/223776.pdf>

COMPARATIVE VIEW OF PROPOSED AMENDMENTS IN COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014

RULES/ SUB-RULES	COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014	COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) FIFTH AMENDMENT RULES, 2020	CONCLUSION
Sub- Rule 4 of Rule 6	Every individual whose name is so included in the data bank, shall pass an online proficiency self-assessment test conducted by the institute <i>within a period of one year</i> from the date of inclusion of his name in the data bank.	Every individual whose name is so included in the data bank, shall pass an online proficiency self-assessment test conducted by the institute <i>within a period of Two year</i> from the date of inclusion of his name in the data bank.	Individual is required to pass the online proficiency self-assessment test within a period of two years from the date of inclusion of his name in the data bank.
For first proviso of sub- rule 4 of Rule 6	Provided that an individual shall not be required to pass the online proficiency self-assessment test, when he has served	Provided that an individual shall not be required to pass the online proficiency self-	Exemption to pass the online self-assessment proficiency test by individual has been reduced to

	<p>as a director or key managerial personnel, for a total period of not less than ten years, as on the date of inclusion of his name in the databank, in one or more of the following, namely:-</p> <p>(a) listed public company; or</p> <p>(b) unlisted public company having a paid-up share capital of rupees ten crore or more; or</p> <p>(c) body corporate listed on a recognized stock exchange</p>	<p>assessment test, when he has served for a total period of not less than three years, as on the date of inclusion of his name in the databank-</p> <p>(A) as a director and key managerial personnel, as on the date of inclusion of his name in the databank, in one or more of the following, namely:-</p> <p>a) listed public company; or</p> <p>b) unlisted public company having a paid-up share capital of rupees ten crore or more; or</p> <p>c) body corporate listed on any recognized stock exchange or in a country which is a member State of the Financial Action Task Force on Money Laundering and the regulator of the securities market in such member state is a member of the International Organization of Securities Commissions; or</p> <p>d) bodies corporate incorporated outside India having a paid-up share capital of US\$ 2 million or more; or</p> <p>e) statutory corporations set up under an Act of Parliament or any state Legislature carrying on commercial activities; or</p>	<p>three years.</p> <p>The List of eligible companies also includes:</p> <ul style="list-style-type: none"> - body corporate listed on any recognized stock exchange or in a country which is a member State of the Financial Action Task Force on Money Laundering - foreign body corporates, - statutory corporations, - Securities and Exchange Board, - Reserve Bank of India, - Insurance Regulatory and Development Authority and; - Various Ministries as provided in the sub-rule.
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<p>For second proviso of sub- rule 4 of Rule 6</p>	<p>Provided further that for the purpose of calculation of the period of <i>ten years</i> referred to in the first proviso, any period during which an individual was acting as a director or as a key managerial personnel in two or more companies or bodies corporate at the same time shall be counted only once.</p>	<p>Provided further that for the purpose of calculation of the period of <i>three years</i> referred to in the first proviso, any period during which an individual was acting as a director or as a key managerial personnel in two or more companies or bodies corporate <i>or statutory corporations</i> at the same time shall be counted only once.</p>	<p>For the purpose of calculation of the period of three years, statutory corporations are also included along with the criteria of individuals acting as director or Key managerial personnel in companies or bodies corporate as mentioned in first proviso to Rule 6(4).</p> <p>It is to be noted that the period of three years should be completed</p>

			before the date of inclusion of name in the data bank.
Item (b) of the explanation	an individual who has obtained a score of not less than <i>sixty percent</i> . in aggregate in the online proficiency self-assessment test shall be deemed to have passed such test.	an individual who has obtained a score of not less than <i>fifty percent</i> . in aggregate in the online proficiency self-assessment test shall be deemed to have passed such test.	Minimum passing score reduced from <i>sixty percent</i> to <i>fifty percent</i> . in aggregate in the online proficiency self-assessment test.

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