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India | Auditing News

Exposure Draft on Standard on Sustainability Assurance (SSA -5000)- General Requirements for Sustainability Assurance Engagement - 20 May 2026

The Sustainability Reporting Standards Board (SRSB) of the Institute of Chartered Accountants of India (ICAI) has issued an Exposure Draft of **Standard on Sustainability Assurance (SSA-5000) - "General Requirements for Sustainability Assurance Engagements"** for public comments and suggestions. The proposed standard aims to establish a comprehensive assurance framework for sustainability and ESG-related disclosures, strengthening the reliability, transparency, and credibility of non-financial reporting in India.

SSA-5000 is expected to **align Indian sustainability assurance** practices with evolving global standards, including the International Standard on Sustainability Assurance (ISSA 5000) issued by the International Auditing and Assurance Standards Board (IAASB). The exposure draft provides guidance for conducting sustainability assurance engagements across diverse reporting frameworks and is intended to support growing regulatory and stakeholder focus on ESG reporting and Business Responsibility and Sustainability Reporting (BRSR).

The comments are invited from public / stakeholders by 19 June 2026.

For more information, click here

Exposure Draft on Framework for Sustainability Assurance Engagements - 20 May 2026

The Sustainability Reporting Standards Board (SRSB) of the Institute of Chartered Accountants of India (ICAI) has issued an Exposure Draft of the **"Framework for Sustainability Assurance Engagements"** for public comments and suggestions.

The proposed Framework is issued solely to facilitate understanding of the elements and objectives of a sustainability assurance engagement ("assurance engagement") and the engagements to which Standards on Sustainability Assurance apply. The proposed Framework is **not a Standard** and, accordingly, does not establish any requirements for the performance of sustainability assurance engagements.

This Framework provides a frame of reference for:
(a) Assurance practitioners;
(b) Others involved with assurance engagements, including the intended users of an assurance report and those engaging a practitioner (the "engaging party"); and
(c) The SRSB in its development of Assurance Standards, Practice Notes and other papers.

The comments are invited from public / stakeholders by 19 June 2026.

For more information, click here

Revised Code of Ethics (13th edition) - 30 May 2026

The Institute of Chartered Accountants of India (ICAI) has issued the revised **Code of Ethics (13th Edition)**. The revised Code is effective from **1 April 2026** except for the serial no. (xxxi) under Management Consultancy and Other Services relating to *"Assessment and evaluation of Social Impact, CSR Impact, Business Responsibility and Sustainability Reporting, and the like"* which became effective from 11 December 2025. The revised Code substantially aligns ICAI's ethical framework with the 2024 edition of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics and introduces a dedicated framework for sustainability assurance engagements.

The revised Code is structured into three volumes:

Volume 1- Domestic provisions of the Chartered Accountants Act,1949 and Regulations, etc., Council Guidelines and decisions.
Volume II- Converged with International Ethics Standards Board for Accountants (IESBA) Code of Ethics 2024 edition.
Volume III- Ethics Standards for Sustainability Assurance (including independence standards).

For more information, click here

India | Regulatory News

Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026 - 27 May 2026

The Ministry of Corporate Affairs (MCA) has notified Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026 amending Companies (Corporate Social Responsibility Policy) Rules, 2014.

The amendments permit companies to undertake Corporate Social Responsibility (CSR) activities through subscription to **Zero Coupon Zero Principal (ZCZP) Instruments** issued by eligible **Not-for-Profit Organizations (NPOs)** listed on the **Social Stock Exchange (SSE)**.

Under the amended framework, companies may deploy up to **10% of their annual CSR obligation** by subscribing to SSE-listed ZCZP Instruments. Such subscriptions will qualify as eligible CSR expenditure and are exempt from the requirement of impact assessment. Corresponding amendments have also been made to **Schedule VII of the Companies Act, 2013** to expressly recognize such subscriptions as a permissible CSR activity.

The amendments further require the issuing NPO to deploy the funds raised through ZCZP Instruments towards eligible projects **within three succeeding financial years** from the date of issuance. In cases where the listing of the instrument is terminated and any funds remain unutilized, the unspent amount is required to be transferred to a fund specified under Schedule VII of the Companies Act, 2013, with the details thereof being reported to SEBI.

The amendments are effective from the date of their publication in the Official Gazette i.e. 29 May 2026.

For more information, click here

Prudential Norms on Specified Non-financial Assets (SNFA) Directions - 5 May 2026

The Reserve Bank of India (RBI) has issued draft "Prudential Norms on Specified Non-Financial Assets (SNFA) Directions" to establish a prudential framework for immovable properties acquired by regulated entities (REs) in settlement of non-performing exposures. The draft directions permit acquisition of such assets only in respect of non-performing exposures where all other recovery options have been explored and found unviable. They prescribe norms for initial and subsequent valuation of SNFAs, including recognition at the lower of the net book value of the extinguished exposure and the distress sale value of the asset. In cases of partial extinguishment, the residual exposure is required to be treated as a restructured asset and subjected to applicable prudential norms. The draft directions also prescribe a maximum holding period of seven years, prohibit sale of the asset back to the borrower or its related parties, and require specific disclosures of SNFAs held in the balance sheet.

The comments on the draft guidelines are invited from public / stakeholders by 26 May 2026.

For more information, **click here**

Issuance of Foreign Exchange Management (Authorised Persons) Regulations, 2026 - 6 May 2026

The Reserve Bank of India (RBI) has notified the Foreign Exchange Management (Authorised Persons) Regulations, 2026 to streamline and rationalise the framework governing authorisation and renewal of entities permitted to deal in foreign exchange. The regulations also extend the principal-agent model for delivery of foreign exchange services, while prescribing appropriate safeguards and oversight mechanisms.

Applications for fresh authorisation will be considered under three categories—Authorised Dealer (AD) Category I, AD Category II and AD Category III—with separate eligibility criteria and permissible activities specified for each category.

These regulations shall come into force from the date of their publication in the Official Gazette i.e. 6 May 2026.

For more information, **click here**

Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026 - 8 May 2026

The Reserve Bank of India (RBI) has issued the RBI (Payments Banks – Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026, amending the capital adequacy framework applicable to Payments Banks.

The amendment revises paragraph 9(x) of the Master Direction dated 28 November 2025 relating to the inclusion of profits in Common Equity Tier 1 (CET1) capital.

Under the revised provisions, Payments Banks are permitted to include profits earned during the current financial year for the purpose of computing the Capital to Risk Weighted Assets Ratio (CRAR) on a quarterly basis, provided that the relevant quarterly financial statements have been either audited or subjected to a limited review.

The amendment also prescribes a formula-based approach for determining the amount of current year profits that may be recognized as CET1 capital after making appropriate deductions, including for dividends paid.

These Directions shall come into force with immediate effect.

For more information, **click here**

Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026 - 8 May 2026

The Reserve Bank of India (RBI) has issued the RBI (Small Finance Banks – Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026, amending the capital adequacy framework applicable to Small Finance Banks.

The amendment revises paragraph 11(x) of the Master Direction dated 28 November 2025 relating to the inclusion of profits in Common Equity Tier 1 (CET1) capital.

Under the revised provisions, Small Finance Banks are permitted to include profits earned during the current financial year for the purpose of computing the Capital to Risk Weighted Assets Ratio (CRAR) on a quarterly basis, provided that the relevant quarterly financial statements have been either audited or subjected to a limited review.

The amendment also prescribes a formula-based approach for determining the amount of current year profits that may be recognized as CET1 capital after making appropriate deductions, including for dividends paid.

These Directions shall come into force with immediate effect.

For more information, **click here**

Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026 - 8 May 2026

The Reserve Bank of India (RBI) has issued the RBI (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026, amending the capital adequacy framework applicable to Commercial Banks.

The amendment revises paragraph 12(x) of the Master Direction dated 28 November 2025 relating to the inclusion of profits in Common Equity Tier 1 (CET1) capital.

Under the revised provisions, Commercial Banks are permitted to include profits earned during the current financial year for the purpose of computing the Capital to Risk Weighted Assets Ratio (CRAR) on a quarterly basis, provided that the relevant quarterly financial statements have been either audited or subjected to a limited review.

The amendment also prescribes a formula-based approach for determining the amount of current year profits that may be recognized as CET1 capital after making appropriate deductions, including for dividends paid.

These Directions shall come into force with immediate effect.

For more information, **click here**

Remuneration to Key Management Persons - 25 May 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a circular amending the **Master Circular on Corporate Governance for Insurers, 2024**, with immediate effect, to strengthen transparency, accountability and customer-centric governance in the insurance sector.

IRDAI has mandated insurers to link the remuneration and incentives of Key Management Persons (KMPs) with customer-centric performance metrics such as claims settlement, grievance redressal, product performance and governance standards, while also requiring enhanced public disclosures to improve transparency and accountability.

The key changes include:

- Insurers are required to disclose the performance parameters forming the basis of remuneration, including incentives, for KMPs on their websites in an easy-to-understand manner.
- Historical information relating to such performance parameters for the preceding three years is also required to be disclosed.
- From FY 2026-27 onwards, specified minimum parameters shall mandatorily be used for assessment of performance of all KMPs for payment of variable pay or incentives.
- Insurers are also required to make periodic public disclosures relating to financial performance, claims handling, grievance redressal and customer service metrics.

For more information, click here

Labour Code Rules, 2026 - 8 May 2026

The Ministry of Labour and Employment has notified the final Rules under new Labour Codes on 8 May 2026, marking a significant step toward implementation of India's consolidated labour law framework. Following Rules have been issued:

- Occupational Safety, Health and Working Conditions (Central) Rules, 2026
- Social Security (Central) Rules, 2026
- Code on Wages (Central) Rules, 2026
- Industrial Relations (Central) Rules, 2026

For more information, **click here**

International | Accounting News

The International Accounting Standards Board (IASB) issues IFRS 20 to improve financial reporting for companies subject to rate regulation - 27 May 2026

The IASB has issued a new Accounting Standard, IFRS 20 – Regulatory Assets and Regulatory Liabilities, introducing a comprehensive accounting framework for entities operating under specified rate-regulated environments.

The Standard is particularly relevant for entities whose prices are determined by a regulatory authority that governs how much and when an entity can charge its customers. Such regulations are commonly found in industries providing essential public services such as electricity, water and gas.

Under rate-regulated arrangements, there may be differences between the period in which an entity supplies regulated goods or services and the period in which it is permitted to recover the related amounts from customers through regulated rates. As a result, reported revenue may not fully reflect the entity's performance during a reporting period. IFRS 20 calls this a 'difference in timing'.

IFRS 20 addresses this issue by requiring entities to recognize regulatory assets and regulatory liabilities arising from these timing differences. This enables financial statements to more faithfully represent the economic effects of rate regulation and provides users with more relevant information about an entity's financial performance and position.

IFRS 20 replaces IFRS 14 – Regulatory Deferral Accounts and is effective for annual reporting periods beginning on or after 1 January 2029, with early application permitted.

For more information, click here

Disclaimer

This document is intended for general informational purposes only and does not constitute professional advice. The comments and views expressed herein are based on our understanding and interpretation of the facts as they stand at the time of writing. These views are subject to change depending on the specific circumstances of each case, as well as any amendments or updates to relevant laws, rules, regulations, or legislation etc. Readers are strongly advised to seek appropriate professional guidance before acting upon any information or opinions presented in this document. We shall not be held liable for any loss, damage, or consequence, whether direct, indirect, incidental, or consequential, that may arise from any person solely relying on the information, views, or opinions expressed in this communication.