



The Monthly Messenger

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S N Dhawan & CO LLP
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India | Accounting News

Guidance Material on Ind AS 117 issued by ICAI- June 2026

The Institute of Chartered Accountants of India (ICAI), through its Accounting Standards Board (ASB), has issued **Guidance Material on Ind AS 117 – Insurance Contracts to facilitate** the effective implementation of the standard.

Volume I of the publication provides practical guidance on the application of Ind AS 117 and covers key topics including introduction to the Standard, some Measurement Models, Onerous Insurance Contracts, Contract Modifications, and Presentation and Disclosure requirements. The publication also includes **Multiple Choice Questions (MCQs)** and **illustrative Case Studies** to support stakeholders in evaluating and enhancing their understanding of the Standard.

This Guidance Material is being released in phased manner. In volume II, the remaining topics—namely Recognition, Measurement, Reinsurance Contracts Held, Interaction with Other Indian Accounting Standards, and Transition to Ind AS 117—will be covered.

For more information, [click here](#)

Implementation of ICAI (Global Networking) Guidelines, 2025- 15 July 2026

The Institute of Chartered Accountants of India (ICAI) has announced that the further implementation of the ICAI (Global Networking) Guidelines, 2025 has been kept in abeyance until further orders. The Guidelines were originally notified on 11 February 2026. Pending further directions from ICAI, the implementation of the Guidelines will remain on hold.

For more information, [click here](#)



Clarifications on implementation of Indian Accounting Standards- 14 July 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a circular providing additional clarifications on the implementation of Indian Accounting Standards (Ind AS) to ensure consistent adoption across the insurance sector. The circular supplements the earlier guidance issued on 1 April 2026 and addresses key implementation and reporting aspects.

The circular provides clarifications on the following key areas:

- **Role of the Appointed Actuary:** The circular reiterates that the Appointed Actuary is responsible for providing actuarial expertise and professional input for the preparation of financial statements in accordance with the applicable Ind AS. The Appointed Actuary is also required to submit a Technical Report on certain specified matters to Board of Directors of Insurers.
- **Independent Validation of Ind AS implementation:** Every insurer is required to obtain an Independent Validation of its Ind AS implementation process during the **first year of Ind AS adoption**. It further prescribes eligibility norms, scope and frequency for such independent validation.
- **Preparation of Ind AS-compliant financial statements for consolidation:** The circular provides guidance on the preparation of Ind AS-compliant financial statements in accordance with IND AS 104 for consolidation purposes. It also includes certain **Frequently Asked Questions (FAQs)** relating to implementation of Ind AS.

For more information, [click here](#)

India | Auditing News

Exposure Draft - 'Guidance Note on Tax Audit under section 44AB of the Income-tax Act, 1961' for Public Comments (A.Y.-2026-27)-9 July 2026

The Direct Taxes Committee (DTC) of the Institute of Chartered Accountants of India (ICAI) has issued an **Exposure Draft of the revised Guidance Note on Tax Audit under Section 44AB of the Income-tax Act, 1961 for Assessment Year 2026–27**, inviting comments from stakeholders.

The Exposure Draft proposes the following key revisions to the existing 2025 Guidance Note:

- **Clarification on computation of 'Gross Receipts in Business'** by specifically including proceeds from the sale or transfer of **Virtual Digital Assets (VDAs)** and **Carbon Credits**.
- **Clarification on items not forming part of 'Gross Receipts in Business'** such as recovery of bad debts, remission of liabilities taxable under section 41 of the Income-tax Act, 1961, and capital receipts not credited to the Statement of Profit and Loss.
- Guidance on the format of financial statements for non-corporate entities and Limited Liability Partnerships (LLPs), requiring alignment with the **Guidance Note on Financial Statements of Non-Corporate Entities** and the **Guidance Note on Financial Statements of Limited Liability Partnerships (LLPs)** issued by ICAI.
- **Incorporation of references to the Digital Personal Data Protection Act, 2023**, emphasizing the need for audit firms to establish robust internal data governance frameworks and implement appropriate data protection policies to safeguard the confidentiality of client information.
- Introduction of revised sample Management Representation Letter (MRL) formats.
- Inclusion of observations and recommendations of the Tax Audit Quality Review Board (TAQRB) aimed at improving the quality, consistency, and documentation of tax audits.

The ICAI has invited comments and suggestions from members and other stakeholders on the Exposure Draft. The **last date for submission of comments is 25 July 2026**.

For more information, [click here](#)

NFRA Staff Series on Technology in Audit: 01 General Principles for Technology Adoption in Audit-July 2026

National Financial Reporting Authority (NFRA) has issued the first publication in its Staff Series on Technology in Audit, outlining the general principles for adopting technology in audits. The publication emphasises that technology including data analytics, automation and AI is intended to enhance audit quality and efficiency, but does not replace the auditor's professional judgement, skepticism or responsibilities under the Standards on Auditing. It highlights the need for a risk-based approach to technology adoption, appropriate governance and controls, validation of technology outputs, adequate auditor competence, and robust documentation to ensure that the use of technology supports, rather than compromises, audit quality.

For more information, [click here](#)

India | Regulatory News

Extension of Companies Compliance Facilitation Scheme, 2026 (CCFS2026) up to 31st August 2026-8 July 2026

The Ministry of Corporate Affairs (MCA) has extended the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) from 15 July 2026 to 31 August 2026, providing companies with additional time to complete pending statutory filings and avail the benefits of the scheme.

For more information, [click here](#)

Securities and Exchange Board of India (Buy-Back of Securities) (Amendment) Regulations, 2026

The Securities and Exchange Board of India (SEBI) has notified the **SEBI (Buy-Back of Securities) (Amendment) Regulations, 2026**.

Key highlights:

- **Restriction on open-market buy-back size:** With effect from **1 August 2026**, the size of an open-market buy-back through the stock exchange mechanism shall be less than **15% of the aggregate of the company's paid-up capital and free reserves**, based on both the standalone and consolidated financial statements.
- **Minimum Public Shareholding (MPS):** A company shall not undertake a buy-back if it would result in non-compliance with the prescribed **Minimum Public Shareholding (MPS)** requirements.
- **Electronic intimation to shareholders:** Companies are required to electronically intimate shareholders regarding the open-market buy-back offer within **one working day** of the public announcement.
- **Revised timeline for buy-back offers:** Effective **1 August 2026**, an open-market buy-back offer must **open within four working days** of the public announcement and **close within 66 working days** from the date of opening.
- **Freezing of promoter holdings:** Securities held by the promoter and promoter group, including their associates, that are subject to the buy-back shall remain **frozen at the ISIN level** from the date of the Board resolution or shareholders' special resolution, as applicable, until the closure of the buy-back offer.

- **Merchant banker appointment:** The appointment of a **merchant banker has been made discretionary**. Where a merchant banker is not appointed, specified responsibilities under the Regulations shall be discharged by the company and the relevant intermediaries.
- **Alignment with the Companies Act, 2013:** The Regulations now provide that a company shall not make a subsequent buy-back within the period prescribed under the **Companies Act, 2013** (currently **one year** from the closure of the preceding buy-back), thereby aligning the SEBI framework with the Companies Act.

The amendments shall come into force on 1 August 2026.

For more information, [click here](#)

Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2026-7 July 2026

The Securities and Exchange Board of India (SEBI) has notified the **Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2026**, amending **Regulation 42(2)** of Chapter VII of the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026.

SEBI has expressly permitted mutual funds to undertake intraday borrowings to address temporary timing mismatches between cash outflows and inflows of a scheme. The amendment provides operational flexibility for day-to-day liquidity management while maintaining the general prohibition on borrowing for investment or leverage purposes, subject to conditions specified by SEBI.

It shall come into force on the date of their publication in the Official Gazette i.e. 7 July 2026.

For more information, [click here](#)

Ease of Doing Investment and Ease of Doing Business – Simplification and standardisation of the framework for transmission of securities - 23 July 2026

The Securities Exchange Board of India (SEBI) has issued a circular pursuant to the amendment to **Regulation 40(7) of the SEBI (LODR) Regulations, 2015**, introducing a revised framework for transmission of securities. The objective is to simplify, standardise and expedite the transmission process, thereby promoting ease of doing business and improving investor experience. The provisions of this circular and the revised transmission framework shall come into force **with effect from 30 days** from the date of issuance of this circular.

For more information, [click here](#)



RBI Issues Amendment Directions on 'Matters to be placed before the Boards of the Banks' - 14 July 2026

The Reserve Bank of India (RBI) has issued the **Reserve Bank of India (Governance) Amendment Directions, 2026** for Commercial Banks, Small Finance Banks, Payments Banks and Local Area Banks.

Key highlights

- Introduces a **principle-based governance framework** in place of the earlier theme-based approach to enable Boards to focus on strategy, risk governance and qualitative decision-making.
- Specifies the matters to be placed before the Board and those that may be delegated to Board Committees or senior management.
- Discontinues certain Board agenda items, with corresponding amendments to existing RBI Directions and circulars.

The amendment directions shall come into effect from **1 October 2026**.

For more information, [click here](#)

RBI issues Prudential Norms on Specified Non-Financial Asset acquired by Regulated Entities- 16 July 2026

The Reserve Bank of India (RBI) has issued the **Prudential Norms on Specified Non-Financial Assets acquired by Regulated Entities**, after considering stakeholder feedback on the draft Directions issued on **5 May 2026**.

Key highlights

- Introduces a prudential framework for the treatment of **Specified Non-Financial Assets (SNFA)** including **non-banking assets** acquired by regulated entities during the resolution of stressed assets.
- Corresponding amendments have been made to the **Resolution of Stressed Assets (RSA)** and **Income Recognition, Asset Classification and Provisioning (IRACP)** Directions applicable to banks, NBFCs, All India Financial Institutions, co-operative banks, Regional Rural Banks and Local Area Banks.
- The revised framework aims to promote **consistent recognition, classification, valuation and disposal** of SNFAs across regulated entities.

For more information, [click here](#)



RBI Issues Amendment Directions on Interest Rate on Deposits- 30 July 2026

The Reserve Bank of India (RBI) has amended the **Reserve Bank of India (Interest Rate on Deposits) Directions, 2025** to provide banks with greater flexibility in pricing **bulk deposits** by permitting differential interest rates based on the deposits' liquidity risk profile under the **Liquidity Coverage Ratio (LCR)** framework. At the same time, RBI has reiterated that banks must not discriminate between deposits having the same size, tenor and liquidity risk characteristics.

To enhance transparency, banks are required to publish the applicable bulk deposit interest rates on their websites every business day at **10:00 a.m.**, with a grace period of **10 minutes**. The revised Directions apply to **Commercial Banks, Small Finance Banks, Regional Rural Banks, Payments Banks, Local Area Banks and Urban Co-operative Banks**.

The amendments are intended to strengthen banks' liability management practices, align deposit pricing with liquidity risk, and enhance transparency in the disclosure of bulk deposit interest rates. The amended Directions will come into effect from **1 October 2026**.

For more information, [click here](#)

Non-Banking Financial Companies (NBFC) not availing public funds and not having any customer interface- 23 June 2026

The Reserve Bank of India (RBI) has exempted **Type I NBFCs that neither accept public funds nor have any customer interface** from the applicability of **Sections 45IA (registration requirement)** and **45IC (creation of reserve fund)** of the Reserve Bank of India Act, 1934, subject to specified conditions.

The exemption is available only where the NBFC:

- operates on a long-term basis without public funds and customer interface;
- has an asset size of **less than ₹1,000 crore** as per its latest audited financial statements;
- passes an annual Board resolution confirming compliance with these conditions; and
- discloses its status as an **'Unregistered Type I NBFC'** in the notes to the financial statements, together with the status of public funds and customer interface.

The notification shall come into force from **1 July 2026**.

For more information, [click here](#)

Formats for publishing financial results as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations, 2015)- 8 July 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a circular prescribing **revised formats for publishing financial results** by listed insurers and reinsurers in accordance with the adoption of **Indian Accounting Standards (Ind AS)** and the disclosure requirements under the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

The revised formats are applicable to **listed Life Insurers, General Insurers, Health Insurers, and Reinsurers** preparing financial statements under **Ind AS**.

The circular prescribes the following revised formats:

- Annexure I: Quarterly financial results
- Annexure II: Segment-wise revenue, results, and capital employed
- Annexure III: Limited review reports by statutory auditors
- Annexure IV: Audit report for audited financial statements
- Annexure V: Format for newspaper publication of financial results under **Regulation 47(1)(b)** of the SEBI (LODR) Regulations, 2015.

Listed insurers granted Ind AS forbearance for FY 2026–27 shall continue to publish their financial results using the formats prescribed under the existing IRDAI circulars.

The circular clarifies that it is intended only to facilitate compliance with SEBI's disclosure requirements under the LODR Regulations and does not alter the requirements relating to the preparation or presentation of financial statements under the Insurance Act, 1938, the IRDA Act, 1999, or the regulations made thereunder.

For more information, [click here](#)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) (Second Amendment) Regulations, 2026- 31 July 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has notified the IRDAI (Actuarial, Finance and Investment Functions of Insurers) (Second Amendment) Regulations, 2026. The amendments seek to align the regulatory framework with the **Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025**.

Key highlights:

- **Revised actuarial governance framework:** The regulations introduce a comprehensive framework governing the appointment, eligibility, powers, responsibilities and reporting obligations of **Appointed Actuaries, Certifying Actuaries** (for Foreign Reinsurer Branches) and actuaries appointed for specific statutory purposes, together with safeguards to address conflicts of interest.
- **Separate framework for Foreign Reinsurer Branches (FRBs):** A dedicated framework has been introduced for the appointment of **Certifying Actuaries** for FRBs, prescribing eligibility criteria, reporting responsibilities, certification requirements, and obligations relating to valuation of liabilities, solvency assessment, actuarial reporting and communication with management and the regulator.
- **Changes to investment framework:** The amendments permit specified investments in infrastructure SPV debt, subject to prescribed safeguards; allow limited investments in eligible private limited companies; introduce provisions governing **Repo, Reverse Repo and Government Securities Lending** transactions; and revise investment exposure limits and disclosure requirements relating to promoter group entities and certain other investments.

The amended Regulations shall come into force from the date of publication in the Official Gazette i.e. 31 July 2026.

For more information, [click here](#)

Insurance Regulatory and Development Authority of India (Policyholders' Education and Protection Fund) Regulations, 2026- 31 July 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has notified the Insurance Regulatory and Development Authority of India (Policyholders' Education and Protection Fund) Regulations, 2026. The Regulations establish the regulatory framework for the administration, governance and utilisation of the Policyholders' Education and Protection Fund, constituted with the objective of promoting policyholder education, awareness and protection.

The Regulations shall come into force from the date of publication in the Official Gazette.i.e. 31 July 2026.

For more information, [click here](#)

Condonation of delay in filing Form No. 10AB electronically for approval under clause (ii) of the first proviso to section 80G(5) of the Income-tax Act, 1961- 2 July 2026

The Central Board of Direct Taxes (CBDT) has issued a Circular condoning the delay in the electronic filing of **Form No. 10AB** for renewal of approval under **clause (ii) of the first proviso to Section 80G(5)** of the Income-tax Act, 1961.

Key highlights:

- The Circular grants relief to **eligible funds and institutions** whose approval under Section 80G expired on **31 March 2026** and filed **Form No. 10AB** between **1 October 2025 and 31 March 2026**, after missing the prescribed due date due to bona fide reasons resulting in genuine hardship.
- Applications that were **rejected solely on the grounds of delayed filing** during the specified period shall be **reconsidered on merits**.

The jurisdictional **Principal Commissioner/Commissioner of Income-tax** has been directed to dispose of such applications **on or before 31 December 2026**.

For more information, [click here](#)

Clarificatory Frequently Asked Questions (FAQs) related to Transition Provisions under Section 536 of the Income-tax Act, 2025 (Repeals and Savings)- 6 July 2026

The **Central Board of Direct Taxes (CBDT)** has issued **FAQs on the transition provisions under Section 536 of the Income-tax Act, 2025**, providing guidance on the repeal of the Income-tax Act, 1961 and the treatment of pending proceedings and matters relating to earlier assessment years.

The FAQs are relevant for taxpayers, chartered accountants and tax professionals following the implementation of the **Income-tax Act, 2025** that came into effect from 1 April 2026.

For more information, [click here](#)

Notification regarding Employees Provident Funds (EPF) Scheme, 2026, Employees Pension Scheme, 2026 and Employees Deposit Linked Insurance (EDLI) Scheme, 2026- 30 June 2026

The Ministry of Labour and Employment has notified the **Employees' Provident Funds Scheme, 2026 (EPF Scheme)**, **Employees' Pension Scheme, 2026 (EPS Scheme)** and the **Employees' Deposit-Linked Insurance (EDLI) Scheme, 2026** under the **Code on Social Security, 2020**. These schemes operationalise the provisions relating to provident fund, pension and deposit-linked insurance under the Code.

The new schemes supersede the existing Employees' Provident Funds Scheme, 1952; Employees' Family Pension Scheme, 1971 / Employees' Pension Scheme, 1995; and Employees' Deposit-Linked Insurance Scheme, 1976. The schemes provide the regulatory framework for the administration of **provident fund, pension and deposit-linked insurance** benefits under the Code on Social Security, 2020.

The schemes shall come into force on the respective date of its publication in the Official Gazette.

For more information, [click here](#)

Ministry of Micro, Small and Medium Enterprises Notification- 30 June 2026

The Ministry of Micro, Small and Medium Enterprises (MSMEs) has issued a mandatory requirement for all operational Central Public Sector Enterprises (CPSEs) to use Trade Receivables Discounting System (TReDS) platforms for the settlement of MSME invoices.

Key highlights:

- CPSEs are required to **disclose the details of transaction settlement through TReDS** in the format prescribed by the Reserve Bank of India (RBI).
- During the annual statutory audit, CPSEs must obtain a **certificate from the statutory auditor** confirming:
 - registration with at least one TReDS platform; and
 - the status of compliance with the requirements of the notification.

The notification shall come into force on the date of its publication in the Official Gazette i.e. 2 July 2026.

For more information, [click here](#)

Insurance Rules, 2026- 23 July 2026

The Ministry of Finance has issued the **Draft Insurance Rules 2026** for public consultation, proposing to supersede the Insurance Rules, 1939. The draft seeks to modernise and consolidate the regulatory framework under the Insurance Act, 1938 by updating various provisions relating to insurers' operations. The draft also aims to simplify compliance, facilitate digital processes, and align the rules with the evolving insurance regulatory framework. Stakeholders may submit comments or suggestions within **30 days** of publication.

For more information, [click here](#)

International | Accounting News

EBA issues opinion on the implementation of IFRS 18-9 July 2026

The European Banking Authority (EBA) has issued an **Opinion on the implementation of IFRS 18 in supervisory financial reporting (FINREP)** to facilitate a smooth transition to the new accounting standard and ensure consistency between IFRS financial statements and regulatory reporting. IFRS 18 will apply to financial statements from **1 January 2027**, whereas the revised FINREP reporting requirements incorporating IFRS 18 are expected to become mandatory only from **September 2027**. The EBA's Opinion addresses this interim period.

The EBA recommends that competent authorities should permit institutions to voluntarily use the revised FINREP templates aligned with IFRS 18 during the transition period. The guidance seeks to avoid the need for institutions to maintain two different profit or loss reporting formats simultaneously—one for statutory financial statements under IFRS 18 and another for supervisory reporting.

The EBA's Opinion does **not introduce new accounting requirements under IFRS 18**. Instead, it provides transitional supervisory reporting guidance, allowing banks to voluntarily align their FINREP submissions with IFRS 18 before the amended regulatory reporting framework becomes mandatory.

For more information, [click here](#)

International | Regulatory News

ISSB proposes updates to its digital sustainability taxonomy- 29 July 2026

The International Sustainability Standards Board (ISSB) has released an exposure draft proposing targeted updates to the **IFRS Sustainability Disclosure Taxonomy 2024** to reflect the disclosure requirements introduced by the **Amendments to Greenhouse Gas Emissions Disclosures**, which amended **IFRS S2 Climate-related Disclosures** in December 2025.

The proposed taxonomy update does not create new reporting requirements but aims to support digital reporting by enabling companies to tag information prepared in accordance with ISSB Standards in a computer-readable format, that makes it easier for investors to search, extract, compare and analyse sustainability-related disclosures.

Stakeholders are invited to comment on the proposal by 28 September 2026.

For more information, [click here](#)

Disclaimer

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