

# **Applicability of Standards/Guidance Notes/Legislative Amendments etc. for May, 2020 Examination**

## **Intermediate Level (New Course)**

### **Paper 1: Accounting**

#### **List of Applicable Accounting Standards**

- AS 1 : Disclosure of Accounting Policies
- AS 2 : Valuation of Inventories
- AS 3 : Cash Flow Statements
- AS 10 : Property, Plant and Equipment
- AS 11 : The Effects of Changes in Foreign Exchange Rates
- AS 12 : Accounting for Government Grants
- AS 13 : Accounting for Investments
- AS 16 : Borrowing Costs

#### **Applicability of the Companies Act, 2013 and other Legislative Amendments for May, 2020 Examination**

The relevant notified Sections of the Companies Act, 2013 and legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authorities up to 31<sup>st</sup> October, 2019 will be applicable for May, 2020 Examination.

#### **Non-Applicability of Ind AS**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Rules, 2015 on 16<sup>th</sup> February, 2015, for compliance by certain class of companies. These Ind AS do not form part of the syllabus and hence are not applicable.

### **Paper 2: Corporate and Other Laws**

The provisions of Companies Act, 2013 along with significant Rules/ Notifications/ Circulars/ Clarification/ Orders issued by the Ministry of Corporate Affairs and the other laws, as amended by concerned authority, including significant notifications and circulars issued up to 31<sup>st</sup> October, 2019 are applicable for May, 2020 examination.

#### **Inclusions /Exclusions from the syllabus**

(1)	(2)	(3)
Chapters/ Topics of the syllabus	Inclusions (Provisions which are included from the corresponding chapter/topic of the syllabus)	Exclusions (Provisions which are excluded from the corresponding chapter/ topic of the syllabus)
<b>Part I: Company Law</b>		
Companies Act, 2013	The entire content included in the July 2019 edition of the Study Material and the Legislative amendments given in the RTP	(i) Sections 24, 30, 33, 38 & 41 [from chapter 3- Prospectus and Allotment of Securities]

(Sections 1 to 148)	for May, 2020, shall only be relevant for the said examinations.	<p>(ii) Sections 44, 45, 60, 65 &amp; 72 [from chapter 4- Share capital and Debentures]</p> <p>(iii) Section 75 [from chapter 5- Acceptance of deposits by companies]</p> <p>(iv) Section 81 &amp; 85 [from chapter 6- Registration of Charges]</p> <p>Also, except the Relevant rules as covered in the July 2019 edition of the Study Material and the RTP for May 2020, all other Rules of the Companies Act, 2013 are excluded.</p>
---------------------	--	---

## Part II: Other Laws

1. The Indian Contract Act, 1872 (Specific contracts from section 123 onwards)	<p>Content of this chapter of the Study Material covers the significant provisions of the said Act in a broad manner (not in entirety).</p> <p>The entire content included in the July 2019 edition of the Study Material and the RTP for May, 2020, shall only be relevant for the said examinations.</p>	Questions that involve the reference or questions entirely based on Sections 1 to 122 of the Indian Contract Act, 1872, may be avoided.
2. The Negotiable Instruments Act, 1881	<p>Content of this chapter of the Study Material covers the significant provisions of the said Act in a broad manner (not in entirety).</p> <p>The entire content included in the July 2019 edition of the Study Material and the Legislative amendments given in the RTP for May, 2020, shall only be relevant for the said examinations.</p>	-
3. The General Clauses Act, 1897	<p>Content of this chapter of the Study Material covers the significant provisions of the said Act in a broad manner (not in entirety).</p> <p>The entire content included in the July 2019 edition of the Study Material and the RTP for May, 2020, shall only be relevant for the said examinations.</p>	-
4. Interpretation of Statutes	<p>Content of this chapter of the Study Material covers the significant rules and principles of interpretation in a broad manner. Thus, the content of the chapter as included in the study material may be taken into consideration.</p>	-

**Note:** July 2019 edition of the Study Material is relevant for May, 2020 examinations. The amendments - made after the issuance of this Study Material - to the extent covered in the RTP for May, 2020 examinations shall also be relevant for the said examinations.

## Paper 4: Taxation

### Intermediate Course Paper 4: Taxation Section A: Income-tax Law

#### Applicability of the Finance Act, Assessment Year etc. for May, 2020 Examination

The provisions of income-tax law, as amended by the **Finance Act, 2019 and Finance (No.2) Act, 2019** including significant circulars, notifications, press releases issued upto **31<sup>st</sup> October, 2019**, are applicable for May, 2020 examination. The relevant assessment year for income-tax is **A.Y. 2020-21**.

**Note** – The August, 2019 edition of the Study Material for Intermediate (New) Paper 4A is based on the provisions of income-tax law, as amended by the Finance Act, 2019 and Finance (No.2) Act, 2019 and hence, the same is relevant for May, 2020 examination. The same is available at [https://www.icaai.org/post.html?post\\_id=15923](https://www.icaai.org/post.html?post_id=15923). The initial pages of the Study Material available at <https://resource.cdn.icaai.org/56458bos45796mod1initpages.pdf> contains the Study Guidelines which specifies the list of topic-wise exclusions from the scope of syllabus.

The significant notifications, circulars, press releases issued upto 31<sup>st</sup> October, 2019, but not covered in the August, 2019 edition would be webhosted as Statutory Update for May, 2020 examination at the BoS Knowledge Portal. This update is relevant and important for May, 2020 examination.

### Paper 4: Taxation Section B: Indirect Taxes

#### Applicability of the GST law

The **CGST Act, 2017 and IGST Act, 2017**, including significant circulars and notifications issued upto **31<sup>st</sup> October, 2019**, are applicable for May 2020 examination.

#### List of topic-wise exclusions from the syllabus

(1)	(2)	(3)
S.No. in the syllabus	Topics of the syllabus	Exclusions (Provisions which are excluded from the corresponding topic of the syllabus)
2(ii)(c)	Charge of tax including reverse charge	<b>CGST Act, 2017</b> (i) Rate of tax prescribed for supply of <b>goods</b> * (ii) Rate of tax prescribed for supply of <b>services</b> * (iii) Categories of supply of goods, tax on which is payable on reverse charge basis under section 9(3) <b>IGST Act, 2017</b> (iv) Rate of tax prescribed for supply of <b>goods</b> (v) Rate of tax prescribed for supply of <b>services</b> (vi) Categories of supply of goods, tax on which is payable on reverse charge basis under section 5(3) (vii) Determination of nature of supply – Inter-State supply; Intra-State supply; Supplies in territorial waters

		(viii) Special provision for payment of tax by a supplier of online information and database access or retrieval [OIDAR] services
2(ii)(d)	Exemption from tax	<b>CGST Act, 2017 &amp; IGST Act, 2017</b> (i) Exemptions for supply of <b>goods</b>
2(iii)	Basic concepts of time and value of supply	<b>CGST Act, 2017 &amp; CGST Rules, 2017</b> (i) Provisions relating to change in rate of tax in respect of supply of goods or services (ii) Chapter IV: Determination of Value of Supply [Rules 27-35] of CGST Rules, 2017
2(iv)	Input tax credit	<b>CGST Act, 2017 read with CGST Rules, 2017</b> (i) Input tax credit provisions in respect of inputs and capital goods sent for job work (ii) Input tax credit provisions relating to distribution of credit by Input Service Distributor [ISD] (iii) Manner of recovery of credit distributed in excess (iv) Manner of reversal of credit of additional duty of customs in respect of Gold dore bar (v) Manner of determination of input tax credit in respect of inputs, input services and capital goods and reversal thereof in respect of real estate projects
2(viii)	Returns	<b>CGST Act, 2017 read with CGST Rules, 2017</b> (i) Furnishing of GSTR-2, GSTR-1A, GSTR-3 (ii) Matching, reversal & reclaim of input tax credit (iii) Matching, reversal & reclaim of reduction in output tax liability
2(ix)	Payment of tax	<b>CGST Act, 2017</b> (i) Tax deduction at source (ii) Collection of tax at source

**\*Rates specified for computing the tax payable under composition levy and special rate of tax prescribed under Notification 2/2019 CT (R) dated 07.03.2019 [Effective rate 6% - CGST 3% & SGST 3%] are included in the syllabus.**

**Notes:**

**(1) Applicability of the Finance (No. 2) Act, 2019**

- (i) **Part I : GST** – The amendments made by the Finance (No. 2) Act, 2019 in the provisions of the CGST Act, 2017 and Integrated Goods and Services Tax, 2017 [hereinafter referred to as IGST Act, 2017], which are covered in the syllabus of this paper, have not become effective till 31.10.2019.

**Therefore, the amendments made by the Finance (No. 2) Act, 2019 in the CGST Act and the IGST Act, 2017 are not applicable for May 2020 examinations.** It may be noted that since rate of tax on goods is specifically excluded from the syllabus, retrospective amendments made in the rate *Notification Nos. 2/2017 CT (R) & 2/2017 IT (R) both dated 28.06.2017* are also excluded from the syllabus.

- (ii) Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 introduced vide Chapter V of the Finance (No. 2) Act, 2019 is not applicable for May 2020 examinations.

- (2) The former state of Jammu & Kashmir has been reorganized as the new Union Territory of Jammu and Kashmir and the new Union Territory of Ladakh on 31<sup>st</sup> October 2019. Such reorganisation, to the extent relevant in the context of GST law, shall not be applicable for May 2020 examination.
- (3) The syllabus includes select provisions of the CGST Act, 2017 and IGST Act, 2017 and not the entire CGST Act, 2017 and the IGST Act, 2017. The provisions covered in any topic(s) of the syllabus which are related to or correspond to the topics not covered in the syllabus shall also be excluded.
- (4) In the above table, in respect of the topics of the syllabus specified in column (2) the related exclusion is given in column (3). Where an exclusion has been so specified in any topic of the syllabus, the provisions corresponding to such exclusions, covered in other topic(s) forming part of the syllabus, shall also be excluded. For example, since provisions relating to ISD and tax collection at source are excluded from the topics "Input tax credit" and "Payment of tax including reverse charge" respectively, the provisions relating to (i) registration of ISD and person required to collect tax at source and (ii) filing of returns by an ISD and submission of TCS statement by an electronic commerce operator required to collect tax at source are also excluded from the topics "Registration" and "Returns" respectively.
- (5) August 2019 edition of the Study Material is relevant for May 2020 and November 2020 examinations. The amendments in the GST law - made after the issuance of this Study Material - to the extent covered in the Statutory Update for May 2020 examination alone shall be relevant for the said examination. The Statutory Update will be hosted on the BoS Knowledge Portal.
- (6) The provisions of CGST Act, 2017 and the rules issued thereunder and IGST Act, 2017 and the rules issued thereunder, to the extent included in the August 2019 edition of the Study Material (**except** the exclusions mentioned herein) and the Statutory Update for May 2020 examination shall alone be relevant for the said examination.

## Paper 5: Advanced Accounting

### List of Applicable Accounting Standards

AS	4 :	Contingencies and Events Occurring After the Balance Sheet Date
AS	5 :	Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
AS	7 :	Construction Contracts
AS	9 :	Revenue Recognition
AS	14 :	Accounting for Amalgamations
AS	17 :	Segment Reporting
AS	18 :	Related Party Disclosures
AS	19 :	Leases
AS	20 :	Earnings Per Share
AS	22:	Accounting for Taxes on Income
AS	24 :	Discontinuing Operations
AS	26 :	Intangible Assets

**Applicability of the Companies Act, 2013 and other Legislative Amendments for May, 2020 Examination**

The relevant notified Sections of the Companies Act, 2013 and legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authorities up to 31<sup>st</sup> October, 2019 will be applicable for May, 2020 Examination.

**Non-Applicability of Ind AS**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Rules, 2015 on 16<sup>th</sup> February, 2015, for compliance by certain class of companies. These Ind AS do not form part of the syllabus and hence are not applicable.

**Paper 6: Auditing and Assurance**

**List of topic-wise inclusion in the syllabus**

**I. List of applicable Engagements and Quality Control Standards on Auditing for May,2020 Examination**

S.No	SA	Title of Standard on Auditing
1	SQC 1	Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements
2	SA 200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
3	SA 210	Agreeing the Terms of Audit Engagements
4	SA 220	Quality Control for Audit of Financial Statements
5	SA 230	Audit Documentation
6	SA 240	The Auditor's responsibilities Relating to Fraud in an Audit of Financial Statements
7	SA 250	Consideration of Laws and Regulations in An Audit of Financial Statements
8	SA 299	Joint Audit of Financial Statements(Revised)
9	SA 300	Planning an Audit of Financial Statements
10	SA 315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment
11	SA 320	Materiality in Planning and Performing an Audit
12	SA 500	Audit Evidence
13	SA 501	Audit Evidence - Specific Considerations for Selected Items
14	SA 505	External Confirmations
15	SA 510	Initial Audit Engagements-Opening Balances
16	SA 520	Analytical Procedures
17	SA 530	Audit Sampling
18	SA 550	Related Parties
19	SA 560	Subsequent Events

20	SA 570	Going Concern (Revised)
21	SA 580	Written Representations
22	SA 610	Using the Work of Internal Auditors (Revised)
23	SA 700	Forming an Opinion and Reporting on Financial Statements(Revised)
24	SA 701	Communicating Key Audit Matters in the Independent Auditor's Report (New)
25	SA 705	Modifications to the Opinion in the Independent Auditor's Report (Revised)
26	SA 706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report (Revised)
27	SA 710	Comparative Information – Corresponding Figures and Comparative Financial Statements

## II **Applicability of the Companies Act, 2013 and other Legislative Amendments for May, 2020 Examination**

(i)The **July, 2019 Edition of the Study Material** on Intermediate Paper 6: Auditing and Assurance [comprising of 2 Modules – Modules 1 – 2]. is relevant for May, 2020 Examinations. **This is an integrated Study Material cum Practice Manual.**

Students are expected to be updated with the notifications, circulars and other legislative amendments made upto 6 months prior to the examination. **For instance, for May, 2020 examination, significant notifications and circulars issued upto 31st October, 2019 would be relevant.**

The relevant notified Sections of the Companies Act, 2013 and legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authority up to 31<sup>st</sup> October, 2019 will be applicable for May, 2020 Examination. **It may be noted that the significant notifications and circulars issued up to 31<sup>st</sup> October, 2019, which are not covered in the July, 2019 Edition of the Study Material, would be given as Academic Update in the Revision Test Paper for May, 2020 Examination.**

(ii) Companies (Auditor's Report) Order, 2016 issued by Ministry of Corporate Affairs on 29<sup>th</sup> March, 2016 is applicable for May, 2020 Examination.

### **List of topic-wise exclusion in the syllabus**

- I. Statement on Reporting under Section 227(1A) of the Companies Act, 1956 (Section 143(1) of the Companies Act, 2013) **excluded**.
- II. **Following Engagements and Quality Control Standards on Auditing excluded:**

(1)	(2)	(3)
S. No	SA	Exclusions
1	SA 260	Communication with Those Charged with Governance (Revised)
2	SA 265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
3	SA 330	The Auditor's Responses to Assessed Risks
4	SA 402	Audit Considerations Relating to an Entity Using a Service Organization

5	SA 450	Evaluation of Misstatements Identified during the Audits
6	SA 540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
7	SA 600	Using the Work of Another Auditor
8	SA 620	Using the Work of an Auditor's Expert
9	SA 720	The Auditor's Responsibilities Relating to Other Information

**III. Following Guidance Notes are excluded:**

1. Guidance Note on Audit of Inventories.
2. Guidance Note on Audit of Debtors, Loans and Advances.
3. Guidance Note on Audit of Investments.
4. Guidance Note on Audit of Cash and Bank Balances.
5. Guidance Note on Audit of Liabilities.
6. Guidance Note on Audit of Revenue.
7. Guidance Note on Audit of Expenses.
8. Guidance Note on Reporting under section 143(3)(f) and (h) of the Companies Act, 2013