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EDITORIAL

Dear friends,

Announcement of centralized processing of loans etc. by EPFO, selling rupee currency to tourists against International Debit/credit cards, simplification of process for availing 4% CVD(SAD), DISA Members allowed to audit stock brokers, CBDT issuing circular on tolerance limits for ALP are welcome features covered in this issue.

Revised CEP guidelines issued by both ICAIs. Release of Guidance Note on Transfer Pricing by ICAI, compilation and release of a book on IT Contentious issues by IT Department Gujarat, new circular of CBDT for issue of Form 16, TIN allottees who have not activated to note the impact, Changes in the Appeal Formats for Appeals to CESTAT, New procedure for registration in ACES , amendments to Listing Agreement under class 41 requiring submission of audited Financial Statements within 60 days of the close of the Financial Year, CBDT circular on Profit split method for TP issues and change in the norms for Re-insurance by IRDA are important changes to be tracked by Professionals for their updation.

Filing KYC details to bankers to avoid discontinuance of certain facilities by banks and SC decision that MBA/MCA are not under the purview of AICTE are some of the important changes covered in this issue.

With regards

R.Satyanarayana

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QUOTES FOR THE MONTH

1. When you want to test people, give them tasks and set them free and you will know what they are capable of **-K.V.Kamath**

2. Ego is the only requirement to destroy any relationship. Be a big person –skip the E and let it "go"!
-Anonymous

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FINANCE, BULLETIN

(Abridged Version)

GENERAL

- **MBA colleges cannot be regulated by AICTE:** Supreme Court has given a land mark judgment that AICTE cannot regulate MBA courses and management programme offered by universities and colleges affiliated to universities. This judgment will have serious implications on management education in the country vide decision given in the case of Association Of Management Of Private Colleges Vs. All India Council For Technical Education & Ors. -CIVIL APPEAL NO. 1145 OF 2004 – Order Dated 25.04.2013

RESERVE BANK OF INDIA

- **KYC details:** Customers must take care of furnishing Know your customer details as requested by their banks failing which they may loose some services provided by their banks. ICICI Bank sent SMSes to customers indicating discontinuance of Net Banking facilities if KYC details are not furnished within 7 days of receipt of SMSes vide Business Line dated 26th April, 2013.

ACCOUNTS & AUDIT

- **Audit of BSE stock brokers**: DISA members are allowed to Audit BSE Stock brokers vide BSE Notice No 20130405-5 dated 05 Apr 2013.

LABOUR LAWS

- **EPFO**: EPFO has decided to setup centralized clearance facilities for online PF Transfer and withdrawals etc. wef 1st July, 2013 for details refer to website of EPFO organization.

FEMA

- **Sell INR through International Debit/Credit cards:** RBI has issued a circular indicating that Authorized Money Changers (AMCs) may sell Indian rupees to foreign tourists /visitors against International Credit Cards / International Debit Cards and should take prompt steps to obtain reimbursement through normal banking channels vide RBI/2012-13/473 A.P. (DIR Series) Circular No. 96 dated 5th April, 2013.

DGFT

- **4% CVD (SAD):** For the purpose of utilization of re-credit of 4% Special Additional Duty (SAD) of customs, the freely transferable duty credit scrips (including DEPB), shall be deemed to have been revalidated till 30.09.2013. No further endorsement by the respective RA on such scrips shall be required, If the consolidated certificate (Credit Note) has already been issued by Customs or gets issued by 30.06.2013, then the amount (4% SAD) indicated in the consolidated certificate by customs shall be deemed to have been re-credited in the scrips in such cases, without any further reference to any RA of DGFT vide PUBLIC NOTICE No. 06(RE 2013)/2009-2014 dated 18th April, 2013.

NCOME T AX TAX

- **Transfer pricing –RBI approvals meaning**: ITAT Mumbai decided that RBI approval has no relevance on issue of Arm's Length Price vide SKOL Breweries Ltd Vs ACIT & this contradicts the decision given by the ITAT Mumbai in the case of Thyseenkrupp Industries Pvt Ltd Vs ACIT
- **Guidance Note on Transfer Pricing:** ICAI has released a Guidance Note on Transfer Pricing

under Sec 92E of the IT Act 1961 for details refer to www.icai.org

- **Payments made for online Advertisements:** Payments made for online Advertisements are not taxable in India vide decision of ITAT Kolkata in the case of ITO Vs Right Florist Pvt Ltd ITA No.1336/K of 2011 dated 12th April, 2013.
- **TDS:** CBDT has issued a circular indicating the processes in respect of issue of TDS in Form 16 vide circular No.4/2013 dated 17th April, 2013.
- **TIN users not activated:** TIN users who have registered on TRACES but not activated their account within 24 hours will have to register as new user for details refer to www.icnometaxindia.gov.in
- **IT return may require details of Assets:** In a bid to counter tax evasion, the Finance Ministry is contemplating making it mandatory for individuals and Hindu Undivided Families (HUFs) to report Indian assets and liabilities in income-tax (I-T) return forms vide ET dated 30th April,13.

CENTRAL EXCISE

- **Frequency of Valuation of goods internally consumed:** A Trade circular has been issued clarifying that the Cost Certificate once prepared should be replaced with a revised one as and when there is a change in components of cost. If there is no change in the cost then no revised certificate need to be prepared. However, in order to maintain uniformity and to ensure that correct valuation is always adopted, assesses are advised to prepare once in 6 months the cost statement duly certified by an independent Cost Accountant vide Trade Notice No.50/2003 dated 4th April, 13 (C.No. IV/16/52/2003 CX.III) of Ministry of Finance and Company Affairs of GOI.

SEBI

- **Merger of Existing Debt Limits:** SEBI simplifies existing FII Debt Limits into two broad categories –Govt. Securities of $25 Billion and Corporate Bonds of $ 51 Billion. Hence on account of the room created by unifying the debt categories, the current SEBI auction mechanism of allocating debt limits for corporate bonds, shall be replaced by the 'on tap system' currently in place for infrastructure bonds vide CIRCULAR CIR/IMD/FIIC/6/2013 dated 1st April, 2013
- **Amendments to Clause 41 of Listing Agreement:** SEBI has issued amendments to Clause 41 of Listing Agreement which indicates that all listed entities are required to submit Audited Financial Results within 60 days of the end of Financial Year- for details refer to website of SEBI.

INSURANCE

- **Laser surgery is not cosmetic in nature:** Maharashtra State Consumer Disputes Redressal Commission upheld the decision of the South Mumbai District consumer Disputes Redressal Forum decision and confirmed that Laser surgery is not cosmetic in nature vide decision given in the case of United India Insurance Company Vs KP Desai decided on 31st Jan, 2013 vide Economic Times Wealth (8-14) 2013.
- **Claim benefit on transfer of vehicle:** Inform insurance company on transfer of vehicle to claim benefits under the policy vide decision given by National Consumer Disputes Redressal Commission in the case between NIA Vs Ashok Kumar decided on 19th March,2013 vide Economic Times Wealth (8-14) 2013.
- **Damages need not be covered by Fire alone**: National Consumer Disputes Redrdessal Commission held that any damage to stock due to fermentation, natural heating or spontaneous combustion will also be covered by Fire policy vide decision given in the case of Bhileshwar Khan Udyog Khedul Sahakari Vs IFFCO Tokyo General Insurance company decided on 19th March, 2013 vide vide Economic Times Wealth (8-14) 2013.