THE NEWS LETTER

Daily Updates

From

PRADEEP GOYAL

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[Wednesday]
No-41

- GST Notifications/Circular /Press Release/Advance Rulings/Judgements.
- Income Tax & Direct Tax Code.
- Foreign Trade Policy
- ICAI & ICSI Announcemen
- RBI Releases
- SEBI Orders/Circulars
- MSME updates
- Start-up India updates
- Releases by Union Ministries
- Economy & Finance News

Knowledge shared= Knowledge^2

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About Scribbler

PRADEEP GOYAL

- **Fellow Member** of the Institute of Chartered Accountants of India.
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- **CFA (Corporate Finance)**- Columbia Business School, USA | EMERITUS Institute of Management, Singapore.
- **Certified Goods & Service Tax Practitioner** from ICAI & Ministry of Micro, Small & Medium Enterprises, Government of India.

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Profile *Page*

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GST UPDATES

- **Notification/Circular/Press release/FAQs/Portal Update/Write-up by CBIC**

  - National Academy of Customs, Indirect Taxes, Customs and Narcotics (NACIN) issued its weekly GST update which covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBIC since the last update on 27.07.2019. It supplements the earlier GST Updates.
    [Get your copy here]

  - GSTN issued offline tool for New GST Return for familiarisation by Taxpayers, manner of generating and uploading GST Annexure 1.
    [Download it here]

- **Legal updates- Court/AAARA judgements/Advance Rulings**
  [AAARA- Appellate Authority for Advance Ruling | ARA- Advance Ruling Authority]

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/ Judgement	Summary
1	[2019] 107 taxmann.com 410 (Madras) Shir Varalakshmi Company v. State of Tamil Nadu	High Court of Madras	Judgement	HC directed revenue authorities to permit the assessee's to download 'C' forms post GST-implementation [copy of full judgement]

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/ Judgement	Summary
1	[2019] 104 taxmann.com 407 P.V. Ramana Reddy v. Union of India	High Court of Telangana	Judgement	Where assessee had been involved in circular trading and making fraudulent ITC claims, acts complained of against assessees constituted a threat to very implementation of CGST Act within a short duration of its inception, thus, relief against arrest could not have been granted [copy of full judgement]

- **News/Latest Developments/Other updates**

  - Poorer states score big in GST mop-up [TOI Report]
  - CBIC looks for public feedback to curb GST evasion by Retailers [ET Report]
  - GST संग्रह में 'बीमारू' राज्य सबसे आगे, दिल्ली और पश्चिम बंगाल पिछड़े [AAJ Tak]

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019 {For Central Excise and Service Tax}

- CBIC issued presentation of the above scheme. [Download here]
- CBIC issued 43 Frequently Asked Questions (FAQs). [Download here]

ICAI UPDATES

- ICAI released Online Form E- Form – I for Filing Complaint to ICAI Disciplinary Directorate. [Read here for more details]

- ICAI Invites comments on Exposure Draft of Accounting Standard for Local Bodies [ASLB] 13, 'Leases' latest by September 8, 2019.
  [Read here for more details]

- Results of the Chartered Accountants Final Examination (Old course & New Course) and Foundation Examination held in (May-June) 2019 declared.
  [More details here]

CORPORATE LAW UPDATES

- High level committee of MCA on Corporate Social Responsibility submitted its report to Government, after reviewing the existing framework and recommended a roadmap for developing a robust and coherent policy on Corporate Social Responsibility (CSR). [Here is REPORT]

KEY RECOMMENDATIONS OF COMMITTEE

- Extend scope of CSR to-
  1. Limited liability partnerships
  2. Banks registered under banking regulations act.
  3. Similarly placed entities not covered under companies act.
- For newly incorporated companies- CSR provisions under section 135 may apply after 3 years of their existence.
- Companies with CSR Amount below Rs. 50 lacs be exempt from forming a separate CSR Committee, only board can regulate CSR Policy.
- Unspent CSR expenditure of particular year be transferred by company to special designated account and such unspent amount and interest thereon be spent in 3 to 5 years. If not spent, whole amount be transferred to a fund specified by Government.
- Mechanism to own and run capital assets created out of CSR funds.
- Guidelines to engage in CSR activities by balancing local area preference and national priorities.

- New areas like promotion of sports, senior citizens and special enabled people welfare, to be added in schedule VII.
- Contribution to central government funds as specified in Schedule VII be discontinued and specific designated fund within company be created if CSR amount in spent in 3-5 years.
- Companies with Rs 5 Crore or more CSR amount, to assess and study their CSR programs and mention in Board Report.
- Reporting of CSR in annual reports to be strengthened.
- CSR be part of statutory financial audit; CSR spending be part of financial statements as per schedule III.
- Only disbursal of funds to implementing agencies not enough, board to ensure spending.
- Due diligence of implementing agencies.
- CSR expenditure be allowed as expenditure in income tax and all other indirect tax benefits be allowed for CSR activities.
- CSR exchange portal be developed.
- Creation of social impact companies.
- MCA to prepare annual CSR survey
- Recommend to delete Rule 3(2) of CSR Rules.
- Internationals organizations be allowed implementing agencies.
- Companies to engage CSR professionals.
- Third party assessment of CSR projects.

❖ **MCA simplified process of Incorporation of Section 8 Companies:**

1) With a view to simplify the process for incorporating Section 8 Companies, requirement of prior filing of INC-12 for new section-8 companies is being dispensed with vide the Companies(Incorporation) Sixth Amendment Rules, 2019 dated 7th June, 2019.

2) Henceforth, Section 8 Companies can be incorporated by either reserving names through Run and filing SPICe thereafter or by directly filing SPICe. Licence No. for a section 8 company shall henceforth be allotted at the time of incorporation itself.

3) In view of the above, all pending INC-12 SRNs for new Companies pending at respective RoCs would be marked as 'Rejected' on 15th August 2019. Such applicants may thereafter directly file SPICe for obtaining License Number and for incorporation of Section 8 Companies.

4) Stakeholders who have already obtained License Numbers and are yet to file SPICe form for incorporating Sec 8 companies may do so at their convenience but may please note that the forms shall be processed only after a certain time lag to allow for work flow changes to take effect.

5) Advise stakeholders who have already filed SPICe forms which are pending at CRC to await processing of these forms after the work flow changes take effect.

FOREIGN TRADE POLICY UPDATES

- CBIC drawback division instructed Regional Authority (RA) of DGFT to recover export benefits given under incentive and reward schemes under Chapter 3 of Foreign Trade Policy (FTP) on re-import of exported goods and mandates importers to provide a no incentive certificate from RA of DGFT at the time of re-import of exported goods. Accordingly, it is reiterated that before allowing clearance in cases of re-import of exported goods, a 'no-incentive certificate' from the respective RA of DGFT shall be ensured by Customs field formations.

  [Read here *CBIC Instruction No. 03/2019-Customs dated 13th August, 2019*]

START-UPS RELATED UPDATES

- Ola acqui-hires AI start-up Pikup.ai to beef up deep-tech skills
- Multiple opportunities, one platform – Start-up India portal, Find mentors, incubators, accelerators, investors & more here

RBI UPDATES

- Reserve Bank of India issued the final 'Enabling Framework for Regulatory Sandbox. [Read here for more details]

INCOME TAX UPDATES

- **Notification/Circular/Press release/FAQs**

❖ Government notifies that the provisions of "the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting (PBEPS)" shall be given effect to in the Union of India, in accordance with India's Position under the said Convention, as set out in the Annexure to notification hereto. The date of entry into force of the said Convention for India is the 01st day of October, 2019.

[Notification No. S.O. 2887(E) dated 9th August, 2019 published in official gazette PART II—Section 3—Sub-section (ii) dated 9th August, 2019]

WHAT IS THE ISSUE

Recognising that Indian governments lose substantial corporate tax revenue because of aggressive international tax planning that has the effect of artificially shifting profits to locations where they are subject to non-taxation or reduced taxation and it is Mindful that base erosion and profit shifting (hereinafter referred to as "BEPS") is a pressing issue not only for industrialised countries but also for emerging economies and developing countries.

This is an effective mechanism to implement agreed changes in a synchronised and efficient manner across the network of existing agreements for the avoidance of double taxation on income without the need to bilaterally renegotiate each such agreement.

- **Legal updates- Tribunals, High Court & Supreme Court judgements**

Sr.No.	Key to find the document	Description	
		Tribunal/Court	Brief judgement
1	[2019] 107 taxmann.com 365 (Amritsar - Trib.) Sanatam Dharam Educational Charitable Society v. CIT (Exemptions), Chandigarh	ITAT Amritsar	Where an educational institution carries on activity of education primarily for educating persons, mere fact that it makes surplus cannot lead to conclusion that it ceases to exist solely for educational purposes
2	[2019] 107 taxmann.com 178 (Karnataka) Rajendra v. Income Tax Officer Ward No.1, Nippani	High Court Of Karnataka	Where assessee filed writ petition challenging notice under section 153A and assessment order had been passed after filing of writ, since assessee had an alternate and efficacious remedy of filing appeal before CIT(Appeals), assessee should challenge said order before CIT(Appeals)

- **News/Latest Developments/Other updates**

❖ CBDT rebuts incorrect reports about Income Tax notices to Durga Puja Committees

IMPORTANT NEWS UPDATES RELATED TO ECONOMY & FINANCE

[Source: Newspapers related to economy & finance | PIB | Government portals]

- In pursuance of the announcement made in the Union Budget 2019-20 presented by the Union Minister of Finance & Corporate Affairs Smt. Nirmala Sitharaman, the Government has issued a scheme regarding partial credit guarantee on 10.8.2019. The Scheme would enable the public sector banks (PSBs) to purchase pooled assets of financially sound NBFCs amounting to Rs. one lakh crore. It is expected that this measure would provide liquidity to the NBFC Sector and, in turn, enable them to continue to play their role in meeting the financing requirements of the productive sectors of economy including MSME, retail and housing. [Ministry of Finance release]

- 63% Banks report decline in NPA in Infra Sector in Six Months: FICCI-IBA
- RBI to come up with revised norms for housing finance companies
- RBI finalises regulatory sandbox framework for innovation in fintech firms
- Banks to get two-year guarantee to purchase 'pooled assets' of NBFCs
- Even as growth dips, this emerging market veteran still bets on India; these 3 steps may revive economy
- Finance ministry may consult law ministry on FPI surcharge
- Centre working on stimulus package to check economic slowdown
- Commerce minister led-cm delegation generates business opportunities in far east Russia
- India, Russia to boost ties to achieve $30 billion bilateral trade by 2025

PURSUANT TO RESULTS OF THE CHARTERED ACCOUNTANTS FINAL EXAMINATION (OLD COURSE & NEW COURSE) AND FOUNDATION EXAMINATION HELD IN (MAY-JUNE) 2019 – MY MESSAGE FOR CA STUDENTS WHO DIDN'T GET THE MARKS REQUIRED TO QUALIFY EXAMS.

अधिकतर महान लोगों ने अपनी सबसे बड़ी सफलता अपनी सबसे बड़ी विफलता के एक कदम आगे हांसिल की है,

बढ़ते रहो दोस्तों , रुकना नहीं है , थकना नहीं है , हार के आगे जीत है !

SAVE WATER || SAVE UNIVERSE