SEPTEMBER 18, 2019 | WEDNESDAY ISSUE 71

THE DAILY LIFELINE

Official Newsletter of Diucon

WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY:

Goods & Service Tax
Direct Tax Code
Income Tax
Economy | Finance

BIGGEST CHALLENGE- HOW TO KEEP UPDATED ON DAILY BASIS

By Pradeep Goyal, FCA | ACPA, Australia

Laws are changing frequently in India, there are big developments and announcements on daily basis in Economic & Finance world and many other reforms are on the way. This newsletter will keep you updated on daily basis along with documents taken from authentic sources.

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UPDATES RELATED TO

- **New Direct Tax Code-Ministry of Finance**
- **Goods & Service Tax by CBIC**
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- **Announcement by ICAI**
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- **Corporate Laws by MCA**
- **The Insolvency and Bankruptcy Law by IBBI**
- **Listing/Market by SEBI**
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- **Start-ups by Start Up India Department**
- **Micro, Small & Medium Enterprises by Ministry of MSME**
- **Money Market/Banks by RBI**
- **New acts notified/Bills introduced in parliament or Executive orders by President**
- **Latest developments in Economy & Finance world.**

Updates related to Goods & Service Tax & other Indirect taxes by CBIC

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

❖ **GST**

National Academy of Customs, Indirect Taxes and Narcotics (NACIN) of CBIC issues its weekly GST Update dated 14.09.2019.

This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 31.08.2019. It supplements the earlier GST Updates. There was no update on 07.09.2019 as no notifications/ circulars were issued during the preceding week.

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❖ **OTHER INDIRECT TAXES**

Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019(SVLDRS)

For FAQs, Presentations, details about schemes, statutory provisions and user manuals, please visit 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] 108 taxmann.com 330 Global Analytics v. Commissioner of GST	CESTAT, Chennai Bench	Order	Denying refund due to non-debiting equal amount of Cenvat credit at the time of filing refund claim was not justified. **[Section 54 of CGST Act, 2017 discussed]**

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

- **GST Council meeting likely to witness a heated debate over lottery rates**
  Dispute is on the fact that Centre Govt pushing for one rate and Kerala batting for the continuation of the current dual structure. Earlier matter was referred to Attorney General (AG) K K Venugopal, who reportedly said neither structure violates the constitutional provision of Article 304 on the freedom of trade. He asked the Council to take a call on this. The GST rate on lotteries will be taken up by the Council on Friday. Hopefully, Council will arrive at a consensus.
  BS Report

- **Fitment panel rules out GST cut for auto, consumer durables or biscuits**
  The Fitment Committee does not recommend any reduction in the present GST rate, on account of huge revenue implications, besides the fact that several other factors also have impact on the demand - like liquidity crunch, crisis affecting NBFC, axle load increase, abolition of check-posts after introduction of GST, cyclical nature of the industry, and structural changes like BS-IV to BS-VI," the panel said in its 286-page recommendations to the council.
  ET/India times Report

- **GST Council may slash rates on luxury hotels, auto sector unlikely to get relief**
  At a time when the government is chalking out swift plans to tackle economic slowdown, the GST Council on September 20 could take key decisions aimed at curbing growth slowdown.
  Read this report from India Today

- **Companies drag government to court over GST on long-term land lease pacts**
  As per the current regulations, 18% GST is levied on any long term lease transactions, and industry trackers said the GST paid becomes pure cost as it cannot be used as input tax credit in case the recipient wishes to construct any commercial building there.
  Read this report

- **No case for a GST cut, not clear that it will help a lot**
  It is certainly true that, in response to the global financial crisis in FY09, the government made a sharp cut in excise duties; and while sales did increase—26%, in the case of passenger vehicles and two-wheelers—it is not clear how much of this was due to the tax cut, and how much due to the economy bouncing back. Read this Report of Finance Express

🕮 Updates related to Income Tax by CBDT

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

❖ **CBDT waives off lock-in period of 3 years on investment made by NR in bonds of Infrastructure Debt Fund**
Any income of an infrastructure debt fund, set up in accordance with the guidelines under Rule 2F is exempt u/s 10(47).

Sub-rule 5 of Rules 2F of income Tax Rules 1962 carry Guidelines for setting up an Infrastructure Debt Fund for the purpose of exemption under clause (47) of section 10. Proviso to this rule provides that investment made by a non-resident investor in such bonds shall be subject to a lock in period of not less than three years.

Now, government removed this condition of 3 years lock in for non-residents by deleting this proviso to Sub-rule 5 of Rules 2F with effect from 16.09.2019.
[Notification dated 16.09.2019 published in official gazette vide G.S.R. 661(E) dated 16.09.2019]

❖ Section 144BA (1) of Income Tax Act provides that If, the Assessing Officer, at any stage of the assessment or reassessment proceedings before him having regard to the material and evidence available, considers that it is necessary to declare an arrangement as an impermissible avoidance arrangement and to determine the consequence of such an arrangement within the meaning of Chapter X-A, then, he may make a reference to the Principal Commissioner or Commissioner in this regard. In case the assessee objects to the proposed action, and the Principal Commissioner or Commissioner after hearing the assessee in the matter is not satisfied by the explanation of the assessee, then, he shall make a **reference in the matter to the Approving Panel** for the purpose of declaration of the arrangement as an impermissible avoidance arrangement.

Now vide notification dated 17.09.2019 published in official gazette vide G.S.R. 662(E) dated 17.09.2019 effective from 17.09.2019, government amend Income Tax Rules, 1962 by inserting 3 new rules 10UD, UE & UF in Part-II regarding Manner of Reference to the Approving Panel, Procedure before the Approving Panel and Remuneration of panel respectively.
Notification is here for you

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

Sr.No.	Key to find the document	Description	
		Tribunal/Court	**Brief judgement**
1	[2019] 108 taxmann.com 491 Harjeet Surajprakash Girotra v. Union of India WRIT PETITION NO. 513 OF 2019 JULY 16, 2019	Mumbai High Court	Where reopening notice sent at address of assessee available in PAN database was returned by postal authorities, by virtue of proviso to sub-rule (2) of rule 127, communication had to be delivered at address of assessee as available with banking company and since revenue had failed to do so, there was no service of reopening notice, thus, subsequent assessment order making additions to income of assessee was unjustified
2	[2019] 108 taxmann.com 490 Lalithaa Jewellery Mart (P.) Ltd v. ACIT Central Circle-1(4).	Chennai Tribunal	Where addition was made under section 68 on account of bogus accommodation entries in respect of share premium received by assessee, since impugned addition was made merely on basis of statement of a person recorded under section 131 by DIT (Investigation) and there was no any other evidence on record, impugned addition was unjustified
3	[2019] 108 taxmann.com 496 P.N. Shetty v. Income-tax Officer Ward-1	Karnataka High Court	When assessee, pursuant to sale of capital assets, deposits a part of amount in capital gain account scheme, in such a case, in view of clauses (a) and (b) of proviso to section 54F(4), unutilised capital gain amount has to be charged to tax u/d 45 as income of previous year, after expiry of 3 years from date of sale of capital asset.

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

- **Don't reveal PAN on social media, Income Tax department warns**

  The Income Tax department is warning all holders of Permanent Account Number to not share their ten-digit alphanumeric PAN publicly on social media. The tax department says sharing of such personal data can lead to its misuse.

  A lot of taxpayers have been asking questions and raising concerns relating to processing of income tax returns, ITR refunds, etc on Twitter. The I-T department's social media team keeps on warning all such taxpayers or assesses who mention their PAN in the tweets.

  Live mint report

Updates related to Announcement by ICAI

- ICAI issues a FAQs on 'Presentation of Dividend and Dividend Distribution Tax as per Ind AS in India' (Revised September, 2019).

  Here is document of you.

Corporate Laws by MCA

- **MCA issues updated version of FAQs related to DIR-3 KYC**

  For Financial year 2018-19 - Any person who has been allotted "Director Identification Number (DIN/DPIN)" on or before 31st March 2018 and the status of such DIN is 'Approved', needs to file form DIR-3 KYC to update KYC details in the system on or before 5th October 2018.

  For Financial year 2019-20 onwards - Every Director who has been allotted DIN on or before the end of the financial year, and whose DIN status is 'Approved', would be mandatorily required to file form DIR-3 KYC before 30th September of the immediately next financial year.

  After expiry of the respective due dates, system will mark all non-compliant DINs against which DIR-3 KYC form has not been filed as 'Deactivated due to non-filing of DIR-3 KYC'.

  Get your copy of FAQs here

The Insolvency and Bankruptcy Law

- Insolvency and Bankruptcy Board of India issues its Quarterly Newsletter for Apr-Jun, 2019.
  Here is your copy

Updates related to Start-ups by Start Up India Department

- **5 major regulatory amendments were made to make life easier for start-ups by government of India**
  - Amendment in Section 54GB of Income Tax Act
  - Amendment in Section 7
  - Pass through of losses for Categories I and II Alternative Investment Funds of Income Tax Act
  - Exemption to Category II AIF from provisions of section 56(2) (viib) of Income Tax Act
  - Amendment in Companies (Share Capital and Debentures) Rules, 2014

  Read here for more

Updates related to Money Market/Banks by RBI

- RBI issues Discussion Paper on Guidelines for Payment Gateways and Payment Aggregators and invites comments on the policy paper from all stakeholders and members of public by October 17, 2019. The comments may be sent by post to the Chief General Manager, Department of Payment and Settlement Systems, Reserve Bank of India, Central Office, 14th Floor, Shahid Bhagat Singh Marg, Mumbai-400001, or by email. See this press release
  Here is Discussion Paper

- RBI released the results of the 2018-19 round of the Survey of Foreign Liabilities and Assets of the Mutual Fund (MF) Companies. The survey covers 44 Indian MF companies and their Asset Management Companies (AMCs), which held/acquired foreign assets and/or liabilities during 2018-19 and/or in the preceding year.
  Here is the detailed information

Updates related to Latest developments in Economy & Finance world

- **GST Council unlikely to back tax cuts for automobile sector**
  A government study, attached to the agenda of a Sept. 20 GST panel meeting, has said the total annual revenue loss could be as much as Rs 50,000 crore ($6.95 billion), if the panel decided to lower tax rates for the auto sector to 18% from 28%. BS Report

- **Non-residents' investments in India's mutual funds near Rs 1 trillion**
  Non-residents' (NRIs') investments in Indian mutual funds are up by nearly a tenth, and is now approaching Rs 1 trillion. The value of such holdings is now over Rs 93,000 crore at the end of March quarter, according to the Reserve Bank of India's 'Survey of Foreign Liabilities and Assets of Mutual Fund Companies, 2018-19' released on Tuesday. BS Report

- **Reserve Bank wants stricter rules for e-commerce payments gateways**
  E-commerce marketplaces acting as payment gateways and payment aggregators to other merchants will stop the activities in three months unless they separate this business and comply with all regulations, according to a discussion paper released by the Reserve Bank of India (RBI) on Tuesday.
  BS Report

Knowledge shared= Knowledge^2

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About Scribbler

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