

FINAL COURSE

SUPPLEMENTARY STUDY PAPER - 2007

DIRECT TAXES AND INDIRECT TAXES
(Existing Final Course)

DIRECT TAX LAWS AND INDIRECT TAX LAWS
(New Final Course)

[Covers amendments made by the Finance Act, 2007, Taxation Laws (Amendment) Act, 2006 and Important Circulars/Notifications issued between 1st May 2006 and 30th April 2007]

(Relevant for students appearing for May, 2008 and November, 2008 examinations)



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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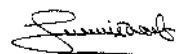
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FOREWORD

Direct and Indirect taxes are the extremely dynamic subjects of the chartered accountancy course. The level of knowledge prescribed at the final level for the subjects is 'expert knowledge'. For attaining such a level of knowledge, the students have not only to be thorough with the basic provisions of the relevant laws, but also have to constantly update their knowledge regarding statutory developments.

The Board of Studies brings out the annual Supplementary Study Papers to help the students to update their knowledge relating to recent statutory developments in the field of direct and indirect taxes made by the Annual Finance Acts, Notifications/Circulars etc.

This year, the amendments made by the Taxation Laws (Amendment) Act, 2006 have also been incorporated in this Supplementary Study Paper. I compliment the Board of Studies for its good work in bringing out this publication, which would help the students to update their knowledge regarding the latest statutory developments. I am sure that this publication will be of great use to the students in preparing for their examination.



Date: 19th June, 2007
Place: New Delhi.

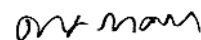
CA. Sunil Talati
President

PREFACE

The Board of Studies is engaged in the task of providing quality study materials and other inputs to enable the students to prepare for their examinations. One of the important inputs of the Board on taxation is the supplementary study paper in direct and indirect taxes to be used by the final students. The supplementary study papers are annual publications and contain a discussion of the amendments made by the Annual Finance Acts and Notifications/Circulars in income-tax, wealth-tax, excise, customs and service tax. They are very important to the students for updating their knowledge regarding the latest statutory developments in the respective areas mentioned above. A lot of emphasis is being placed on these latest amendments in the final examinations.

The faculty of the Board of Studies have incorporated in this Supplementary Study Paper-2007, the amendments made by the Finance Act, 2007, Taxation Laws (Amendment) Act, 2006 and important Notifications/Circulars issued between 1st May 2006 to 30th April, 2007. I am happy to note that this Supplementary Study Paper has many student-friendly features like presentation of the amendments point-wise in a simplified and lucid manner, supporting the theory with examples wherever possible, giving 'amendments at a glance' etc. These features will help the students to understand and grasp the essence of the new amendments in an easy and methodical manner.

It may be noted that this supplementary study paper would be relevant for both the existing final course and the new final course. I appreciate the earnest and sincere efforts taken by CA. Priya Subramanian & CA. Smita Mishra, Faculty, Board of Studies in bringing out this valuable publication, under the guidance of CA. R. Devarajan, Additional Director of Studies (S.G.). I am sure that, as in the past, this Supplementary Study Paper would be highly useful to the students preparing for final examinations.



CA. Jaydeep Narendra Shah
Chairman
Board of Studies

June 19, 2007.
New Delhi.

DIRECT TAXES / DIRECT TAX LAWS

AMENDMENTS AT A GLANCE – FINANCE ACT, 2007

S.No.	Particulars	Section
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8.	Exemption of income of ASOSAI-SECRETARIAT	10(23BBD)
9.	Exemption of income of Central Electricity Regulatory Commission	10(23BBG)
10.	Approval of prescribed authority required for exemption of funds/institutions established for charitable purposes	10(23C), 80E, 143(3) & 296
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38.	Works contractor not entitled to benefit of deduction under section 80-IA	80-IA(13)
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	operating a convention centre in NCR	
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80.	Admission of Petition	22D(1)
81.	Deemed date of admission/disposal of Settlement applications made before 1.6.2007	22D(2A)
82.	Time limit for furnishing report by Commissioner and passing order by the Settlement Commission	22D(2B) & (2C)
83.	Status of pending settlement applications as on 1 st June 2007, which are already admitted under the old provisions	22D(2D)
84.	Proceedings after admission	22D(3)
85.	Final order of settlement	22D(4) & (4A)
86.	Time restriction for provisional attachment removed	22DD
87.	No power to reopen cases where application is made on or after 1.6.2007	22E

88.	Exclusive jurisdiction of the Settlement Commission	22F
89.	Power of Settlement Commission to grant immunity from prosecution restricted	22H
90.	Abatement of proceeding before the Settlement Commission	22HA & 22HAA
91.	Bar on subsequent application for settlement	22K
92.	Vice-chairman to include senior member of Bench	22A(f)
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AMENDMENTS AT A GLANCE - TAXATION LAWS (AMENDMENT) ACT, 2006

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96.	Removal of the requirement of renewal of notification issued under sub-clauses (iv) and (v) of section 10(23C)	10(23C)
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103.	Disallowance of expenses for which payment above Rs.20,000 has been made otherwise than by account-payee cheque or account-payee bank draft	40A
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INDIRECT TAXES / INDIRECT TAX LAWS

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2.	Provisions relating to free trade zone omitted	3(1)
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4.	Relevant date for refund of duty in case of judgement, decree, order etc. defined	11B
5.	Meaning of 'joint venture in India' for the purpose of advance ruling clarified	23A(c)
6.	Settlement Commission to entertain applications only in respect of cases pending before the adjudicating authority	31(c)
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9.	Substitution of new section for section 32F in respect of procedure on receipt of an application for settlement under section 32E	32F
10.	Settlement Commission debarred from reopening completed proceedings in respect of applications received on or after 1.06.2007	32H
11.	Settlement Commission debarred from granting immunity from prosecution for any offence under IPC or any Central Act other than Central Excise Act	32K
12.	Application for settlement permissible only once during the lifetime of the assessee	32O
13.	Section 32PA entitling certain persons, who have filed appeals to the Appellate Tribunal on or before 29.02.2000, to make application to the Settlement Commission omitted	32PA

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4. Meaning of 'joint venture in India' for the purpose of advance ruling clarified	28E(c)
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9.	Substitution of new section for section 127C in respect of procedure on receipt of an application for settlement under section 127B	127C
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5. Development and supply of content for use in telecommunication services, advertising agency services and on-line information and database access or retrieval services	
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