Shree's Tax Bulletin

Volume 1| Issue 6 | June 2018

Shree Tax Chambers | Bengaluru | India

Integrity | Speed | Expertise

Dear Professional Colleagues,

Glad to present my official monthly Shree's Tax Bulletin's sixth issue. Technology has made it possible to reach wider audience across the Countries including the US, the UK and other European countries. Hope, the sixth issue of the Tax Bulletin provides much needed insight on key developments happened in the tax domain in both Domestic as well as International arena including Notifications, Circulars, Orders, Instructions, if any, issued up to May 31, 2017.

India – Positive Notes

It is reported that India's economy gained a little momentum in the first three months of the calendar year 2018. Gross Domestic Product (GDP) expanded an annual 7.3 percent during the said period. Hugo Erken at Rabobank, one of the most accurate forecasters on India's GDP said "Domestic dynamics are very strong and external volatility won't derail the current economic recovery".

International agency Moody's Investor Services has cut India's growth forecast to 7.3 per cent for the calendar year 2018. However, its estimate for 2019 remained intact at 7.5 per cent. A senior economist at HDFC Bank opined that the country has moved beyond the teething troubles related to GST implementation. According to two-thirds of renowned economists, India's growth would continue at roughly the same pace through the current fiscal year.

The Chamber's view – The faster pace of growth on records, the Reserve Bank of India may change its policy stance soon.

In personal front, three more "Tax Laws" related articles have got published, namely –

1. *India & Equalisation Levy – An Update, on www. taxindiaonline.com,*
2. *"GST - A Report Card..!!", on ICSI Mysore Chapter's official monthly,*
3. *"Concept of Mark to Market loss and issues connected with it" on Taxman.*

Few more advanced articles are under consideration with the leading Tax Law Journals.

As Robert Frost said, "The woods are lovely, dark and deep. But I have promises to keep, and miles to go before I sleep, and miles to go before I sleep……" So I will …!!

Look forward to your feedback at *shreetaxchambers@bsnl.in*

Happy Reading..!!

Prabhakar K S
A Budding Tax Law Professional

Shree Tax Chambers
Bengaluru | India

05.06.2018

INCOME TAX

Shree's Tax alert

Income Tax Returns for the Assessment Year 2018–19

Revision in Penalty for late filing of Income Tax Return

(Other than Tax Audit Cases)

The penalty for late filing of income tax return has been revised from 1st April, 2018.

Sl. No.	Penalties	Penalty In Rs.
1.	For filing of income tax return on or before 31.07.2018 (i.e. due date)	Nil
2.	For filing of income tax return from 01.08.2018 but on or before 31.12.2018	5,000
3.	For filing of income tax return on or after 31.12.2018	10,000

Note :

1. *If the total Income is Rs. 5 lakh or less, then the maximum penalty will be Rs. 1,000.*
2. *If the return is not filed by 31.07.2018, then the assessee is not eligible for revision of return and carry forward of losses.*
3. *With due International Recognition, Chamber's Professional fees will be revised from **01.07.2018.***
4. *Rush to avoid upward revision of professional fees and last-minute technical glitches.*
5. *Reach us at 080 – 2320 3835 / Mb. No. +91 97402 83835 (Monday to Friday 11.00 a.m. to 4.00 p.m.)*

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Income Tax Appeals - Increase in Threshold Limit

Threshold for filing appeals by the tax department against an unfavourable order is very low

The CBDT is planning to increase the limit for appeals to the Income Tax Appellate Tribunal (ITAT) from Rs 1 Lakh to Rs 2 Lakhs. Same may also increase the limits for filing income-tax appeals in High courts and the Supreme Court from the current Rs 2 Lakhs and 2.5 Lakhs, respectively. As of March 2017, there were 137,176 direct tax cases (at Supreme Court 6,357, at High Court 38,481 and at Tribunals 92,338) valued at over Rs 5 trillion pending.

Direct Tax Code & Its Progress

Extension of time of the Task Force:

The Task Force rewriting the income tax laws has been granted three more months i.e. till August 22, 2018 to submit its report. The finance ministry had in last November set up the task force to draft the new direct tax laws in line with laws prevalent in other countries, incorporating international best practices and keeping in mind the economic needs of the country.

Submission of Stakeholders suggestions or feedback

Since extension of term of the Task force, the date for sending stakeholders' suggestions / feedback is also extended to June 15, 2018. Accordingly, suggestions or feedback, if any, may be send via e-mail at rewriting-itact@gov.in in the prescribed format.

Shell Companies - Tax Department approaches MCA/NCLT

The Income Tax Department has become an 'aggrieved creditor' to many de-registered shell companies recently. The department is planning to petition the National Company Law Tribunal (NCLT) to recover tax dues which runs into crores of rupees. A Special Team of officers to complete the task of filing the petitions at various NCLT Benches across the country have been constituted. The CBDT also approached the Ministry of Corporate Affairs (MCA) to issue suitable directions to all its Regional Directors and Registrar of Companies (RoC) to extend co-operation to the tax department while filing applications for restoration of name of struck off / de-registered companies before the jurisdictional NCLT bench.

A standard operating procedure (SOP) has been issued by the CBDT last year for the tax department for filing such appeals.

Direct Tax Collections

India's direct tax collections for the last financial year crossed the Rs 10 lakh crore marks, registering an increase of 18 percent over the previous fiscal. During the last Financial Year 2017-18, net direct tax collections have crossed Rs 10.03 lakh crore marks which are 18 per cent higher than the collections during the FY 2016-17. Interestingly, the growth rate of 18 per cent was the highest in the last seven years.

GOODS & SERVICES TAX

27th GST Council's Meeting – Key Takeaways

The all-powerful Goods & Services Tax (GST) Council, in its 27th meeting held through video conference on May 4, 2018 took certain key decisions pertain to simplified compliance regime, promoting digital transactions and conversion of GSTN into a 100 percent Government Company. Key takeaways:

1. One monthly Return: All taxpayers except composition dealer shall file one monthly return. Composition dealers and dealers having NIL transaction shall have facility to file quarterly return.

2. Simplified Return: The B2B dealers will have to fill invoice wise details of the outward supply made by them, based on which the system will automatically calculate his tax liability. The ITC will be calculated automatically by the system based on invoices uploaded by his sellers.

3. There shall not be any automatic reversal of ITC from buyer on non-payment of tax by the seller.

4. Recovery of tax or reversal of ITC shall be through a due process of issuing notice and order. The process would be online and automated to reduce the human interface.

5. There will be a three stage transition to the new system. Stage I shall be the present system of filing of return GSTR 3B and GSTR 1. GSTR 2 and GSTR 3 shall continue to remain suspended. Stage I will continue for a period not exceeding 6 months by which time new return software would be ready. In stage 2, the new return will have facility for invoice-wise data upload and also facility for claiming input tax credit on self-declaration basis, as in case of GSTR 3B now.

6. Return shall be simplified by reducing the content / information required to be filled in the return.

7. Incentive to promote Digital Transactions: Keeping in view the need to move towards a less cash economy, the Council has discussed a proposal of a concession of 2% in GST rate where the GST rate is 3% or more, 1% each from applicable CGST and SGST rates on B2C supplies, for which payment is made through cheque or digital mode, subject to a ceiling of Rs. 100 per transaction.

8. Imposition of Sugar Cess over and above 5% GST and reduction in GST rate on ethanol: The council has recommended for setting up of a Group of Ministers (GoM) to look into the proposal and make recommendations, within two weeks.

9. Conversion of GSTN into a Government owned Company - The Council gave its nod to convert GST Network, the information technology backbone, into a 100 percent government-owned company after concerns were raised about the security of taxpayers' data on the portal. The Council allowed the Centre and states to acquire the entire 51 per cent equity, held by privately held financial institutions.

GST / Sugar Cess – Got Law Ministry's clearance

The proposal to introduce a cess on sugar has been cleared by the Law Ministry, leaving it to the Group of State Finance Ministers to take a final call. The cess will come into effect when the GST Council gives its nod. According to the Law Ministry, Cess is different from GST. It used to be an additionally during the VAT regime, so Cess can be applied. The Law Ministry has also advised the Finance Ministry to seek the advice of the Solicitor General. Proposal – Latest proposal has envisages the imposition of cess at a rate not exceeding Rs. 3 per k.g. on supply of sugar i.e. over and above GST at 5 per cent. The Cess will be used to create a fund, which will enable the Centre to make prompt interventions to protect the interests of farmers. The Central Government expects around Rs. 6,700 crore through the said cess.

GST: AAR Appellate Authorities

GST Council recently pushed both Central and State Governments to set up appellate authorities to appeal against orders of the Authority for Advance Rulings (AAR). As per the GST law, all states are required to set up at least one AAR for seeking advance ruling over GST levy and one appellate authority to hear appeals against the AAR order.

About 13 states, including Karnataka, Tamil Nadu, West Bengal, Gujarat, Madhya Pradesh, Rajasthan and Uttar Pradesh, have issued notifications for setting up AAARs. As per the State GST law, the appellate authority will have two members such as the Chief Commissioner of Central tax as designated by CBIC and the Commissioner of State tax. *For instance, Karnataka – AAAR will be headed by, The Principal Chief Commissioner, Bengaluru, GST & CX Zone, and The Commissioner of Commercial Taxes (Karnataka), Bengaluru.* An aggrieved party can file an appeal against the order of the AAR within a period of 30 days, which may be further extended by a month. The appellate authority has been mandated to pass order within 90 days of the filing of appeal.

Nationwide Roll-out of e-way Bill

As per decision of the GST Council, e-Way Bill system became mandatory from 03.06.2018 for all Intra-State as well as Inter-State movement of goods. E-way Bill can be generated through various modes such as Online, Android based Application, SMS, Bulk Upload Tool and API based site to site integration etc. Consolidated e-way Bill can be generated by transporters for vehicle carrying multiple consignments.

Transporters can create multiple Sub-Users and allocate roles to them. This way large transporter can declare their various offices as sub-users. There is a provision for cancellation of e-way Bill within 24 hours by the person who has generated the e-way Bill. The recipient can also reject the e-way Bill within the validity period of e-way bill or 72 hours of generation of the e-way bill by the consignor whichever is earlier.

Since April, 2018, more than 4.5 crore E-Way bills generated which includes more than 1.30 core e-way Bills from intra-state movement of goods. E-Way Bill mechanism is facilitating paperless movement of goods and contributing to the realization of ease of doing business.

GST – Major Amendments in Monsoon Session

According to GST Council's Special Secretary Arun Goyal, several amendments to the Goods and Services Tax law are likely to be placed before the Parliament in the forthcoming Monsoon Session.
At least over a dozen of amendments are aimed at easing the operational functions of the GST Laws.

GST & Agriculture

There has been 'No' change in the GST law as far as concerned agriculture or farmers since its inception in last July, 2017. Support services to agriculture, forestry, fishing or animal husbandry are exempt from GST. Such exempted support services include renting or leasing of vacant land with or without a structure incidental to its use. Thus, renting or leasing of land by farmers for agriculture, forestry, fishing or animal husbandry on batai (share cropping) or otherwise is also exempt from GST.

Further, agriculturists are also exempted from taking GST registration. Agriculturist has been defined to mean an individual or an HUF who undertakes cultivation of land -

- by own labour;
- by the labour of family;
- by servants or wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family.

GST – Refund Fortnight

The Central Government has launched the second phase of GST - Refund fortnight from May 31, 2018 to June 14, 2018 to fast-track refunds.
Special refund fortnight to clear –

- All types of GST refunds, including the refund of IGST, paid on export of goods.
- All refund claims submitted in FORM GST RFD-01A on or before 30.04.2018.
- Copy of the application is submitted to the jurisdictional tax office along with supporting documents.

IGST refund claims where the records have not been transmitted from the GSTN to DG Systems - Procedure

Cases where there is no short payment

- The Customs policy wing would prepare a list of exporters whose cumulative IGST amount paid against exports and interstate domestic outward supplies, for the period July' 2017 to March' 2018 mentioned in GSTR-3B is greater than or equal to the cumulative IGST amount indicated in GSTR-1 for the same period.
- GSTN shall send a confirmatory e-mail to these exporters regarding the transmission of records to Customs EDI system.
- The exporters whose refunds are processed/ sanctioned would be required to submit a certificate from Chartered Accountant before October 31, 2018 to the Customs office at the port of export to the effect that there is no discrepancy between the IGST amount refunded on exports and the actual IGST amount paid on exports.
- In case there are exports from multiple ports, the exporter is at liberty to choose any of the ports of export for submission of the said certificate.
- A copy of the certificate shall also be submitted to the jurisdictional GST office (Central/ State). The concerned Customs zone shall provide the list of GSTINs who have not submitted the CA certificate to the Board by the November 15, 2018.
- Non submission of CA certificate shall affect the future IGST refunds of the exporter.
- The list of exporters whose refunds have been processed as above shall be sent to DG (Audit)/ DG (GST) by the Board.

Cases where there is short payment

- The Customs policy wing would prepare a list of exporters whose cumulative IGST amount paid against exports and interstate domestic outward supplies together, for the period of July' 2017 to March' 2018 mentioned in GSTR-3B is less than the cumulative IGST amount indicated in GSTR-1 for the same period.
- GSTN shall send a confirmatory e-mail to these exporters to inform their records are held up due to short payment of IGST.
- The exporters would have to make the payment of IGST equal to the short payment in GSTR 3B.
- The proof of payment shall be submitted to Assistant/Deputy Commissioner of Customs in charge of port from where the exports were made. In case there are exports from multiple ports, the exporter is at liberty to choose any of the ports of export.
- Where the aggregate IGST refund amount for the said period is upto Rs. 10 lacs, the exporter shall submit proof of payment (self-certified copy of challans) of IGST payment to the concerned Customs office at the port of export. However, where the aggregate IGST refund amount for the said period is more than Rs. 10 lacs, the exporter shall submit proof of payment (self-certified copy of challans) of IGST to the concerned Customs office at the port of export along with a certificate from chartered Account that the shortfall amount has been liquidated.
- The exporter would give an undertaking they would return the refund amount in case it is found to be not due to them at a later date.
- The Customs zones shall compile the list of exporters, who have come forward to claim refund after making requisite payment of IGST towards short paid amount and complied with other prescribed requirements.
- The compiled list may be forwarded to Customs policy wing, DG (Audit) and DG (GST). Customs policy wing shall

forward the said list of GSTINs to GSTN. On receipt of the list of exporters from Customs policy wing, GSTN shall transmit the records of those exporters to Customs EDI system.

- The exporters whose refunds are processed/ sanctioned as above would be required to submit another certificate from Chartered Accountant before October 31, 2018 to the same Customs office at the port of export to the effect that there is no discrepancy between the IGST amount refunded on exports and the actual IGST amount paid on exports of goods for the period July' 2017 to March' 2018. A copy of the certificate shall also be submitted to the jurisdictional GST office (Central/ State). The concerned Customs zone shall provide the list of GSTINs who have not submitted the CA certificate to the Board by the 15th November 2018.
- Non submission of CA certificate shall affect the future IGST refunds of the exporter.

Post refund audit

- The exporters would be subjected to a post refund audit under the GST law.
- DG (Audit) shall include the above referred GSTINs for conducting Audit under the GST law.
- In case, departmental Audit detects excess refunds to the exporters, the concerned GST formations shall initiate appropriate action.
- This Circular deal with the cases where the records have not been transmitted by GSTN to Customs EDI system only.
- Once the records are transmitted by GSTN to Customs System based upon the above mentioned procedure, the usual procedure adopted in case of sanction of IGST refunds would have to be followed.
- In cases where the errors like SB005, SB002, SB006 etc are encountered with the records so transmitted, the provisions of Circulars issued by Board earlier shall apply to them.

GST – Refund Clarifications

Claim for refund filed by an Input Service Distributor or a non-resident taxable person:

It is clarified that in case of a claim for refund of balance in the electronic cash ledger filed by an ISD or a composition taxpayer and the claim for refund of balance in the electronic cash and /or credit ledger by a non-resident taxable person, the filing of the details in FORM GSTR-1 and the return in FORM GSTR-3B *is not mandatory*. Instead, the return in FORM GSTR-4 filed by a composition taxpayer, the details in FORM GSTR-6 filed by an ISD and the return in FORM GSTR-5 filed by a non-resident taxable person shall be sufficient for claiming the said refund.

Application for refund of IGST paid on export of services and supplies made to a SEZ developer/Unit

It is clarified that for the tax periods commencing from July 1, 2017 to March 31, 2018, such registered persons *shall be allowed to file the refund application in FORM GST RFD-01A* on the common portal subject to the condition that the amount of refund of integrated tax /cess claimed shall not be more than the aggregate amount of integrated tax / cess mentioned in the FORM GSTR-3B filed for the corresponding tax period.

Refund of unutilized ITC of compensation cess availed on inputs in cases where the final product is not subject to the levy of compensation cess

It is clarified that a registered person making zero rated supply of aluminum products under bond or LUT *may claim refund of unutilized credit* including that of compensation cess paid on coal. Such registered persons may also make zero-rated supply of aluminum products on payment of integrated tax but they cannot utilize the credit of the compensation cess paid on coal for payment of integrated tax in view of the proviso to section 11(2) of the Cess Act, which allows the utilization of the ITC of cess, only for the payment of cess on the outward supplies. Accordingly, they *cannot claim refund of compensation cess in case of zero-rated supply on payment of integrated tax.*

Whether bond or LUT is required in the case of zero rated supply of exempted or non-GST goods? Whether refund can be claimed by the exporter of exempted or non-GST goods?

It is clarified that in respect of refund claims on account of export of non-GST and exempted goods without payment of integrated tax, *LUT/bond is not required.* Such registered persons exporting non-GST goods shall comply with the requirements prescribed under the existing law (i.e. Central Excise Act, 1944 or the VAT law of the respective State) or under the Customs Act, 1962, if any. Further, the exporter *would be eligible for refund of unutilized ITC* of central tax, state tax, union territory tax, integrated tax and compensation cess in such cases.

Restrictions w.r.t non-availment of the benefit of certain Notifications

The restriction under sub-rule (10) of rule 96 of the CGST Rules *is only applicable to those exporters* who are directly receiving goods from those suppliers who are availing the benefit under Notification No. 48/2017-Central Tax dated the October 18, 2017, Notification No. 40/2017-Central Tax (Rate) dated the October 23, 2017, or Notification No. 41/2017-Integrated Tax (Rate) dated the October 23, 2017 or Notification No. 78/2017-Customs dated the October 13, 2017 or Notification No. 79/2017-Customs dated the October 13, 2017.

Further, there might be a scenario where a manufacturer might have imported capital goods by availing the benefit of Notification No. 78/2017-Customs dated October 13, 2017 or 79/2017-Customs dated October 13, 2017. Thereafter, goods manufactured from such capital goods may be supplied to an exporter. It is hereby clarified *that this restriction does not apply to such inward supplies of an exporter.*

GST Revenue Collection – May 2018

The total gross GST revenue collected in the month of May 2018 is Rs. 94,016 crore of which CGST is Rs. 15,866 crore, SGST is Rs. 21,691 crore, IGST is Rs. 49,120 crore (including Rs. 24,447 crore collected on imports) and Cess is Rs. 7,339 crore (including Rs. 854 crore collected on imports).The total number of GSTR 3B Returns filed for the month of April up to 31 May, 2018 is 62.47 lakh.

The total revenue earned by Central Government and the State Governments after settlement in the month of May, 2018 is Rs. 28,797 crore for CGST and Rs. 34,020 crore for the SGST.

Though current month's revenue collection is less compared to last month's revenue, still the gross revenue collection in the month of May (Rs. 94,016 crore) is much higher than the monthly average of GST collection in the last Financial Year (Rs. 89,885 crore). The April revenue figure was higher because of year end effect.

On 29.05.2018, Rs. 6696 crore has been released to the states as GST compensation for the month of March, 2018. Therefore, the total GST compensation released to the states for the FY 2017-18 (Jul, 2017 to Mar, 2018) has been Rs. 47844 crore.

Notifications, Circulars & Orders issued during the month of May 2018

Sl. No.	Statutes	Notifications	Circulars	Orders
1	Central Tax Central Tax (Rate)	04 01	02	-
2	Integrated Tax Integrated Tax (Rate)	- 01	01	-
3	Union Territory Tax Union Territory Tax (Rate)	05 01	-	-
4	Compensation Cess Compensation Cess (Rate)	- -	-	-

Central Tax

Notification No & Date	Purpose
22/2018-Central Tax , Dated 14.05.2018	To waive late fee payable under section 47 of the said Act for failure to furnish the return in FORM GSTR-3B by the due date for each of the months from October, 2017 to April, 2018, for the class of registered persons whose declaration in FORM GST TRAN-1 was submitted but not filed on the common portal on or before the 27th day of December, 2017. However, such registered persons have filed the declaration in FORM GST TRAN-1 on or before the 10th day of May, 2018 and the return in FORM GSTR-3B for each of such months, on or before the May 31, 2018.
23/2018-Central Tax , dated 18.05.2018	To extend the due date for filing of FORM GSTR-3B for the month of April, 2018 to May 22, 2018
24/2018-Central Tax , dated 28.05.2018	To notify NACIN as the authority for conducting the examination for GST Practitioners under rule 83 (3) of the CGST Rules, 2017.
25/2018-Central Tax ,dated 31.05.2018	To extend the due date for filing of FORM GSTR-6 for the months from July, 2017 till June, 2018 to July 31, 2018

Central Tax (Rate)

Notification No & Date	Purpose
11/2018-Central Tax (Rate), dated t. 28.05.2018	To notify levy of Priority Sector Lending Certificate (PSLC) under Reverse Charge Mechanism (RCM).

Integrated Tax (Rate)

Notification No & Date	Purpose
12/2018-Integrated Tax (Rate) ,dated 28.05.2018	To notify levy of Priority Sector Lending Certificate (PSLC) under Reverse Charge Mechanism (RCM).

Union Territory Tax

Notification No & Date	Purpose
07/2018-Union Territory Tax, dated 18.05.2018	To rescind Notification No. 3/2018 – U.T.T – Exemption of E-way Bill for movement of goods commencing and terminating in the UT of Chandigarh.
08/2018-Union Territory Tax, dated 18.05.2018	To rescind Notification No. 4/2018 – U.T.T – Exemption of E-way Bill for movement of goods commencing and terminating in the UT of Dadra and Nagar Haveli.
09/2018-Union Territory Tax, dated 18.05.2018	To rescind Notification No. 5/2018 – U.T.T – Exemption of E-way Bill for movement of goods commencing and terminating in the UT of Daman & Die
10/2018-Union Territory Tax, dated 21.05.2018	To rescind Notification No. 2/2018 – U.T.T – Exemption of E-way Bill for movement of goods commencing and terminating in the UT of Andaman & Nicobar Islands.
11/2018-Union Territory Tax, dated 21.05.2018	To rescind Notification No. 6/2018 – U.T.T – Exemption of E-way Bill for movement of goods commencing and terminating in the UT of Lakshadweep.

Union Territory Tax (Rate)

Notification No & Date	Purpose
11/2018-Union Territory tax(rate), dated 28.05.2018	To notify levy of Priority Sector Lending Certificate (PSLC) under Reverse Charge Mechanism (RCM).

Central Tax – Circulars

Circular No & Date	Purpose
44/2018 dated 02.05.2018	To clarify certain issues pertain to taxability of 'tenancy rights' under GST.
45/2018 Dated 30.05.2018	To clarify refund related issues

Integrated Tax – Circulars

Notification No & Date	Purpose
3/1/2018-IGST dated 25.05.2018	Applicability of IGST on goods supplied while being deposited in a customs bonded warehouse.

CUSTOMS

Notifications, Circulars & Instructions issued during the month of May 2018

Sl. No.	Notifications		Circulars	Instructions
1	Tariff	02	03	01
2	Non- Tariff *	16		
3	Safeguards	-		
4	Anti-Dumping Duty	08		
5	CVD	-		

Tariff Notifications

Notification No & Date	Purpose
45/2018-Customs ,dated 23.05.2018	To increase tariff rate of basic customs duty (BCD) on Walnuts in shell from 30% to 100% and increase tariff rate of basic customs duty (BCD) on Protein concentrates and textured protein substances from 30% to 40% by invoking section 8A (1) of the Customs Tariff Act, 1975.
46/2018-Customs ,dated 23.05.2018	To increase basic customs duty (BCD) on shelled Almonds [0802 12 00] from Rs. 65/Kg to Rs. 100/Kg, on wheat from present 20% to 30%, on Protein concentrates from 10% to 40%.

**** Non-Tariff – For latest Exchange Rates, kindly check http://www.cbec.gov.in/Customs-Notifications***

Anti-Dumping Duty

Notification No & Date	Purpose
24/2018-Cus (ADD), dated 07.05.2018	To provide for provisional assessment of jute goods exported from Bangladesh by M/s Roman Jute Mills Ltd.(Producer/Exporter) and M/s SMP International, LLC, USA (Exporter/Trader) till the final findings of New Shipper Review in this regard are received.
25/2018-Cus (ADD), dated 10.05.2018	To amend notification No. 17/2018 Customs (ADD) dated 27.03.2018.
26/2018-Cus (ADD), dated 14.05.2018	To extend the levy of anti-dumping duty, imposed on imports of Peroxosulphates (Persulphate)originating in or exported from China PR under Notification No. 11/2013-Customs (ADD), dated the 16.05.2013 for a further period of one year (i.e. 14.05.2019).
27/2018-Cus (ADD), dated 17.05.2018	To impose definitive anti-dumping duty on imports of "Ceramic Rollers", originating in or exported from People's Republic of China.
28/2018-Cus (ADD), dated 25.05.2018	To impose definitive anti-dumping duty on imports of 'Saturated Fatty Alcohols originating in, or exported from Indonesia, Malaysia and Thailand.
29/2018-Cus (ADD), dated 25.05.2018	To amend Notification No. 44/2017-Customs (ADD) dated 12th September, 2017.
30/2018-Cus (ADD), dated 30.05.2018	To provide for provisional assessment of jute goods exported from Bangladesh or Nepal by M/s Janata Jute Mills Ltd.(Producer) till the final findings of New Shipper Review in this regard are received.
31/2018-Cus (ADD), dated. 30.05.2018	To provide for provisional assessment of jute goods exported from Bangladesh or Nepal by M/s. Aman Jute Fibrous Ltd. (Producer) and M/s IB Jute Corporation (Exporter/ Trader) till the final findings of New Shipper Review in this regard are received.

Circulars

Circular No & Date	Purpose
11/2018 dated 17.05.2018	Forwarding of samples for testing to the Outside Laboratories.
12/2018 dated 29.05.2018	Sanction of pending IGST refund claims where the records have not been transmitted from the GSTN to DG Systems
13/2018 dated 30.05.2018	Revised instruction for stuffing and sealing of reefer containers.

Instructions

Instruction No & Date	Purpose
F. No. 450/146/2015-Cus IV	Single Window Project - clearance of food consignments by Customs officers at locations where FSSAI has provided delegation.

INTERNATIONAL TAXATION

Double Taxation Avoidance Agreement (DTAA) - India and Kuwait

A Protocol to amend the existing Double Taxation Avoidance Agreement (DTAA) between India and Kuwait signed on June 15, 2006 for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income was signed on January 15, 2017. The said Protocol has entered into force on March 26, 2018 and is notified in Official Gazette on May 4, 2018. The Protocol enables sharing of the information received from Kuwait for tax purposes with other law enforcement agencies with authorisation of the competent authority of Kuwait and vice versa.

Malaysia – GST / SST

Malaysia will implement a new Sales Tax (STT) in September to replace the consumption levy. The government is studying a 10 percent rate for the Sales and Services Tax (STT). Like India, Malaysian Government has implemented the GST w.e.f April 1, 2015. Malaysia was the last country before India that introduced GST. Except "anti-profiteering rules" laws of both the countries are quite different. Unlike India, they had only one standard rate of GST on all goods and services. In other words, the Malaysian government has adopted single GST levy mechanism. On May 16, 2018, its newly elected Prime Minister has decided to abolish the GST w.e.f June 1, 2018. The strong reason to abolish is "Single Rate of Levy" on all goods and services including luxurious items. Indian GST and Malaysian GST are two different laws which have implemented on their prevailing economic conditions. Hence, India is unlikely to take such an extreme step.

CbC Reporting - OECD's First Peer Review Report

OECD found that 60 out of 95 countries (including India) reviewed have adopted final legislation to require MNCs to file country-by-country reports consistent with the international agreements. According to the OECD report released on May 24, 2018, 60 countries that have thus far adopted legislation to put CbC reporting are consistent with the BEPS requirements. Further, the peer review made recommendations to 28 countries on how to improve aspects of their framework. The first country-by-country reports are due to be exchanged by countries in June.

OECD Recommendations – India

Consistent and its implementation of the Action 13 minimum standards meet all applicable terms of reference except few issues relating to interpretation and domestic legal and administrative framework.

1. May amend or otherwise clarify that the annual consolidated group revenue threshold calculation rule applies without prejudice of the OECD guidance on currency fluctuations in respect of an MNE group whose ultimate parent entity is located in a jurisdiction other than India.

2. May take steps to ensure that local filing can only be required in circumstances contained in the terms of reference.

3. May take steps to ensure that the appropriate use condition is met ahead of the first exchanges of CbC Reports.

India, vide Finance Act 2018 brought in certain amendments.

a) The time allowed for furnishing the Country-by-Country Report (CbCR), in the case of parent entity or Alternative Reporting Entity (ARE), resident in India, is proposed to be extended to twelve months from the end of reporting accounting year (However, for Financial year 2017-18 the time limit shall be 31.03.2019).

b) In case its parent entity outside India has no obligation to file the report in its country or territory then constituent entity resident in India, shall also furnish CbCR within the aforesaid due date i.e. twelve months from the end of reporting accounting year. Retrospective amendment and w.e.f 01.04.2017 and will apply from assessment year 2017-18 onwards.

European Union & Its Blacklist

Having **fewer jurisdictions** on the list is a measure of the success of the listing process.
Vladislav Goranov, Finance Minister, Bulgaria

On May 25, 2018, the European Council removed the **Bahamas** and **Saint Kitts and Nevis** from the European Union's list of non-cooperative tax jurisdictions. The list was established in December 2017. The Bahamas and Saint Kitts and Nevis have **made commitments** at a high political level to remedy European Union's concerns. European Union experts have assessed those commitments. As a consequence, the two jurisdictions are moved from annex I of the conclusions to annex II, which cites jurisdictions that have undertaken sufficient commitments to reform their tax policies. However, implementation of their commitments will be **carefully monitored** by the working group responsible for the listing process. As a result, **7 jurisdictions remain on the list** of non-cooperative jurisdictions such as American Samoa, Guam, Namibia, Palau, Samoa, Trinidad and Tobago and the US Virgin Islands.

TAX CALENDAR – JUNE 2018

Statues	Due Date	Compliance
Income Tax	07.06.2018	• To deposit tax deducted/collected the month of May 2018.
	14.06.2018	• To issue of TDS Certificate for tax deducted U/s. 194-IA & 194-IB during the month of March 2018.
	15.06.2018	• To furnish Form 24G by an office of the Government where TDS for the month of May 2018 has been paid without the production of a challan. • To file Quarterly statement of TDS certificates for the quarter ending March 31, 2018. • To remit first installment of advance tax for the assessment year 2019-20 • To issuance of TDS Certificates to employees in respect of salary paid and tax deducted during 2017-18
	29.06.2018	• To furnish challan-cum-statement in respect of tax deducted U/s. 194-IA and 194-IB in the month of April 2018. • To file Form No. 3CEK by an eligible investment fund u/s. 9A in respect of its activities in financial year 2017-18.
	30.06.2018:	• To furnish challan-cum-statement in respect of tax deducted u/s. 194-IA/194-IB for the month of May, 2018 • To file Securities Transaction Tax (STT) Return for the financial year 2017-18 • To file Quarterly return of non-deduction of TDS by a banking company from interest on time deposit in respect of the quarter ending March 31, 2018 • To furnish statement in From No. 64B w.r.t income distributed by business trust to its unit holders during the financial year 2017-18.
GST	10.06.2018	• To file GSTR 1 for the month of May , 2018 (for persons with Turnover above 1.5 Crore)
	20.06.2018	• To file GSTR 3B for the month of May, 2018
	20.06.2018	• To file GSTR 5 for the month of May, 2018 (for Non Resident taxable person)
	20.06.2018	• To file GSTR 5A for the month of May, 2018 (for OIDAR)
	30.06.2018	• To file GST TRAN 2

The Founder

Mr. Prabhakar K S is the founder of Shree Tax Chambers, a spiritually inclined & budding Tax Law Professional, having a decade of solid exposure in Indian Tax Laws, Company Laws & other allied corporate Laws. He is an ambitious Post graduate in Commerce, Post Graduate Diploma in Finance & Taxation and on the verge of acquiring Tax Laws related professional qualifications.

The Chamber

Shree Tax Chambers, a well-founded professional set--up, on strong three pillars of Integrity, Speed & Expertise, with a sole purpose of providing an excellent advice on Indian as well as International Tax Laws which includes Income Tax, Goods & Services Tax (GST), Customs & Transfer Pricing & others, established on 1st January, 2015 on an auspicious Vaikunta Ekadasi day at Srirangam, Trichy, Tamil Nadu, presently has its office at Rajajinagar, Bengaluru, India.

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Disclaimer

Shree's Tax Bulletin is an informational bulletin intended to provide specific information to taxpayers and other stakeholders.

Contents are accurate as of the date issued. However, stakeholders are advised to aware that subsequent changes in the said Tax Laws.

Information published in the Newsletter are taken from public domain and believed to be accurate.

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The future belongs to those who believe in the beauty of their dreams. E. Roosevelt

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Domestic & International Taxation

Ramanuja Millennium Year – 2017