Shree's Tax Bulletin

Volume 1 | Issue 8 | August 2018

Shree Tax Chambers | Bengaluru | India

Integrity | Speed | Expertise

Dear Professional Colleagues,

With the hectic Parliament's Monsoon Session and the all-powerful GST Council's 28th Meeting, the July month flied in a blink of eyes. Pleased to share my official monthly's Eighth Issue. It is hoped that like previous issues, the current one also provides much-needed insight into key domestic & international taxation developments taken place during the last month.

India – Positive Notes

Recently, the International Monetary Fund (IMF) described the implementation of GST as a 'Milestone Reform'. However, cautioned for a simplified rate and compliance regime. It is evidenced that the whole world, at last, taking note of India's sincere attempts on the developmental initiatives. The Central Government, despite, the latest reduction on GST rates, expects that stringent compliance and demand will lead to revenue buoyancy which will offset the estimated loss in near future.

Since the July month was a very first anniversary of the implementation of GST and as a privilege, have got published five exclusive 'GST related articles' on country's leading GST Law weeklies, namely –

1. *GST & Constitutional validity of its key organs - On Taxman*
2. *GST Laws – Major changes in the offing - On Taxman*
3. *28th GST Council Meeting - On Taxman*
4. *GST- Finally becoming a good & simpler tax..!! - On Taxman*
5. *GST Laws - Proposed Amendments - On ICSI Mysore Chapter's Official e-Magazine*

Few more advanced articles are on its way.

Official Academic YouTube Channel *- Glad to share that Shree Tax Chambers, shortly, launching its 'Official Academic YouTube channel' in association with M/s. Ekcel Academy, Mysuru, one of the premier Professional Course Coaching Institute based at Mysuru, to meet the growing demand for 'Instant Tax Updates' and also to equip 'budding professionals'. Details will be communicated in due course.*

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

12.08.2018

Income Tax

Income Tax Returns - Due Date Extended

The Central Board of Direct Taxes (CBDT) vide Order u/s. 119 of the Income Tax Act, 1961 dated 26.07.2018, extended the 'due date' for filing of Income Tax Returns for the Assessment Year 2018-19 from 31.07.2018 to 31.08.2018.

Shree Tax Chamber is thankful to the Ministry of Finance, CBDT, Institute of Chartered Accountants of India & The Chamber of Tax Consultants, Mumbai.

Special Drive – To dispose Pending Appeals / Rectification & Issue of Refunds

The Income Tax Department has observed a Special fortnight from 1 to 15 June, 2018 to expeditiously clear pending matters of appeal effect and rectification. More than 20,000 such matters were disposed of and refunds were issued to the taxpayers, wherever due. After observing the grand success, the special drive was extended in certain regions up to 30.06.2018.

Further, large amounts of refunds have also been issued consequent to processing of income-tax returns. More than 99% of all refund claims pending for processing as on 30.06.2018 have already been processed and the refunds due have been issued to the taxpayers. In all, refunds in 45.07 lakh cases have been issued during April-June, 2018, which is 9.0 lakh more than the refunds issued during the same period last year. Interestingly, more than 3 lakh refunds of Assessment Year 2018-19, for which returns have been filed in last few weeks, have also been cleared.

Effect: It is reported that more than Rs. 70,000 crore of refunds have been issued to the taxpayers as a result of the special drive and expeditious processing of returns involving claim of refunds.

Income Tax – Monetary Limit & Departmental Appeals

In order to reduce and minimise the litigations pertaining to tax matters and to facilitate the Ease of Doing Business, the Central Government has decided to increase the threshold monetary limits for filing of Departmental Appeals at various levels, such as ***Appellate Tribunals, High Courts and the Supreme Court.*** The latest enhanced limits are –

Sl. No.	Appeal Fora	Present Limit for filing appeal (in Rs.)	Enhanced Limit (in Rs.)
1.	ITAT/CESTAT	10 Lakhs	20 Lakhs
2.	High Courts	20 Lakhs	50 Lakhs
3.	Supreme Court	25 Lakhs	1 Crore.

Impact: *Upon latest increase in monetary limit, out of total cases filed by the Department in ITAT, 34% of cases will be withdrawn. Similarly, in case of High Courts, 48% of cases and in case of Supreme Court 54% of cases will be withdrawn. The total percentage of reduction of litigation from Department's side will get reduced by 41%. However, this will not apply in such cases where substantial point of law is involved. The Central Government also increased the monetary, in line with, cases pertaining to Indirect Taxes, out of total cases in CESTAT, 16% , in case of High Courts, 22% and in case of Supreme Court 21% of cases will be withdrawn. The total percentage of reduction of litigation from Department's side will get reduced by 18%. Caution: However, this will not apply in such cases where substantial point of law is involved.*

Goods & Services Tax

GST Council's 28th Meeting

The all-powerful GST Council in its 28th Meeting held at Vigyan Bhavan, New Delhi on 21.08.2018 has reduced the tax rates on number of goods and services and took certain measures to make GST as a 'Good & Simpler Tax in true sense. Its key decisions may be summed up as follow:

Simplified GST Return

1. The GST Council has approved the new return formats and associated changes in law. The approved formats and business process were in line with the basic principles with one major change i.e. the option of filing quarterly return with monthly payment of tax in a simplified return format by the small tax payers.

2. All taxpayers excluding small taxpayers and a few exceptions like ISD etc. is required to file one monthly return. New return is simplest one with two main tables. One for reporting outward supplies and one for availing input tax credit based on invoices uploaded by the supplier. In other words, simplified GST returns would be "UPLOAD – LOCK – PAY" for most of the tax payers.

3. NIL return filers (no purchase and no sale) shall be given facility to file return by sending SMS.

4. The GST Council approved quarterly filing of return for the small taxpayers having turnover below Rs. 5 Cr as an optional facility. For such taxpayers, simplified returns have been designed called Sahaj and Sugam.

5. The new return design provides facility for amendment of invoice and also other details filed in the return. Amendment shall be carried out by filing of a return called amendment return. Payment would be allowed to be made through the amendment return as it will help save interest liability for the taxpayers.

6. It is reported that around 93% of the taxpayers have a turnover of less than Rs 5 Cr and these taxpayers would benefit substantially from the said simplified compliance.

Recommendations to amend the GST Laws

The major recommendations are as detailed below:

1. Upper limit of turnover for opting for composition scheme to be raised from Rs. 1 crore to Rs. 1.5 crore.
2. Composition dealers to be allowed to supply services (other than restaurant services), for upto a value not exceeding 10% of turnover in the preceding financial year, or Rs. 5 lakhs, whichever is higher.

3. Levy of GST on RCM on receipt of supplies from unregistered suppliers, to be applicable to only specified goods in case of certain notified classes of registered persons.

4. Taxpayers may opt for multiple registrations within a State/UT in respect of multiple places of business located within the same State/UT.

5. Mandatory registration is required for only those e-commerce operators who are required to collect TCS.

6. The following transactions to be treated as no supply (no tax payable):

   a. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India;
   b. Supply of warehoused goods to any person before clearance for home consumption; and
   c. Supply of goods in case of high sea sales.

7. Scope of ITC is being widened, and it would now be made available in respect of the following:

a. Most of the activities or transactions specified in Schedule III.
b. Motor vehicles for transportation of persons having seating capacity of more than thirteen (including driver), vessels and aircraft.
c. Motor vehicles for transportation of money for or by a banking company or financial institution.
d. Services of general insurance, repair and maintenance in respect of motor vehicles, vessels and aircraft.
e. Goods or services which are obligatory for an employer to provide to its employees, under any law.

8. In case the recipient fails to pay the due amount to the supplier within 180 days from the date of issue of invoice, the input tax credit availed by the recipient will be reversed, but liability to pay interest is being done away with.

9. Registered persons may issue consolidated credit/debit notes in respect of multiple invoices issued in a F. Yr.

10. Amount of pre-deposit payable for filing of appeal before the Appellate Authority and the Appellate Tribunal to be capped at Rs. 25 Crores and Rs. 50 Crores, respectively.

11. Commissioner to be empowered to extend the time limit for return of inputs and capital sent on job work, upto a period of one year and two years, respectively.

12. Supply of services to qualify as exports, even if payment is received in Indian Rupees, where permitted by the RBI.

13. Place of supply in case of job work of any treatment or process done on goods temporarily imported into India and then exported without putting them to any other use in India, to be outside India.

14. Recovery can be made from distinct persons, even if present in different State/Union territories.

15. The order of cross-utilisation of input tax credit is being rationalized.

The said amendments were passed by the Lok Sabha but pending in the Rajya Sabha. Thereafter, same will be tabled before the Legislature of each State and Union territories for carrying out the amendments in their respective State GST Acts.

Rationalization of GST Rates

The GSTC in its effort to rationalization of tax rates on goods has reduced tax rates on 191 goods, leaving just 35 items in the highest tax bracket i.e. 28 percent slab. There were around 226 goods when GST was implemented in last July.

W.e.f. 27^{th} July, 2018 just 35 goods including cement, automobile parts and equipment, tyres, motor vehicles, yachts, aircrafts, aerated drinks, betting and sin items like tobacco, cigarette and pan masala will be within the bracket of highest tax bracket. From the decision of lowering tax rates on 50 plus product categories affects or benefits more than 100 products to name few, fridge, washing machine, small TV sets, leather items will become cheaper. The GSTC has also lowered the tax rates on alternative fuels such as tax rate on lithium ion batteries to 18 per cent from 28 percent, fuel cell vehicles to 12 per cent from 28 percent, ethanol for blending with petrol to 5 per cent from 18 and rates on bio fuel pellets has been fixed at 5 percent, allowing Input Tax Credit on manmade fabric equivalent to 7 per cent which will turn or cut effective rate on manmade or synthetic fabric to 5 per cent from 12 per cent earlier and as a major step, sanitary napkins has been fully exempted from the GST aspect, earlier, there was a 12% levy charged.

Services

Farming or agriculture sector – Recommended to exempt

a. services by way of artificial insemination of livestock other than horses.
b. warehousing of minor forest produce.
c. works of installation and commissioning undertaken by DISCOMS or electricity distribution companies for extending electricity distribution network upto the tube well of the farmer/ agriculturalist for agricultural use.
d. services provided by FSSAI to food business operators.

Social Sector

a. services provided by Coal Mines Provident Fund Organisation to the PF subscribers.
b. services by an old age home run by State / Central Government or by a body registered under 12AA of Income Tax Act to its residents aged 60 years or more.
c. administrative fee collected by National Pension System Trust.
d. services provided by an unincorporated body or a non-profit entity registered under any law for the time being in force, engaged in activities relating to the welfare of industrial or agricultural labour or farmer; or for the

promotion of trade, commerce, industry, etc. against consideration in the form of membership fee up to an amount of one thousand rupees per member per year.

Education, Banking, Hotel & Transport Sector - Recommended to reduce or exempt

a. Rate of GST from 18% to 5% on supply only of e-books for which print version exist.
b. Reinsurance Services provided to specified Insurance Schemes.
c. GST rate slabs on accommodation service based on transaction value instead of declared tariff.
d. GST rate of 12% with full ITC under forward charge for composite supply of multimodal transportation.

GST Refund – 3rd Special Drive

The Central Board of Indirect Taxes and Customs (CBIC) successfully concluded the Third Refund Fortnight from 16.07.2018 to 31.07.2018 and it is stated that total of Rs 54,378 Crore GST refunds have been processed by both the Central Government and the State Governments.

It is further reported that by the end of 31.07.2018, the total amount of IGST refund claims disposed by CBIC is around Rs 29,829 crore taking the disposal rate to 93%. During the third Refund Fortnight, the IGST refunds of amount Rs 3,391 crore have been sanctioned by CBIC.

As on 31.07.2018, in case of RFD-01A refunds, the amount disposed by the CBIC is around Rs 16,074 crore and that by State authorities is Rs 8475 crore, taking total amount of RFD-01A refunds to Rs 24,549 crore. The remaining GST refunds pending with CBIC will continue to be processed expeditiously.

GST Revenue Collection – July 2018

End of the day, Revenue Matters..!!

The Total Gross GST Revenue collected in the month of July 2018 stands at Rs. 96,483 crore of which CGST is Rs. 15,877 crore, SGST is Rs. 22,293 crore, IGST is Rs. 49,951 crore (including Rs. 24,852 crore collected on imports) and Cess is Rs. 8,362 crore (including Rs. 794 crore collected on imports).

GST Returns: The total number of GSTR 3B Returns filed for the month of July up to 31 July, 2018 is 66 lakh compared to GSTR 3B Returns filed for the month of June up to 30 June, 2018 was 64.69 lakh.

Compensation to the States: Rs. 3899 crore has been released to the States as GST Compensation for the months of April-May, 2018.

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

Sl. No.	Statutes	Notifications	Circulars	Orders
1	Central Tax	02	02	-
	Central Tax (Rate)	09		
2	Integrated Tax	-	-	-
	Integrated Tax (Rate)	09		
3	Union Territory Tax	-	-	-
	Union Territory Tax (Rate)	09		
4	Compensation Cess	-	-	-
	Compensation Cess (Rate)	01		

Central Tax

Notification No & Date	Purpose
29/2018-Central Tax , dated 06.07.2018	To replace the word Directorate General of Anti-profiteering with "Directorate General of Safeguards") by notifying notify the Central Goods and Services Tax (Seventh Amendment) Rules, 2018.
30/2018-Central Tax , dated 30.07.2018	To extend the due date for filing of FORM GSTR-6.

Central Tax (Rate)

Notification No & Date	Purpose
13/2018-Central Tax (Rate), dated 26.07.2018	To notify CGST rates of various services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
14/2018-Central Tax (Rate), dated 26.07.2018	To exempt certain services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018
15/2018-Central Tax (Rate), dated 26.07.2018	To specify services supplied by individual Direct Selling Agents (DSAs) to banks/ non-banking financial company (NBFCs) to be taxed under Reverse Charge Mechanism (RCM).
16/2018-Central Tax (Rate), dated 26.07.2018	To notify that services by way of any activity in relation to a function entrusted to a municipality under Article 243W shall be treated neither as a supply of good nor a service.
17/2018-Central Tax (Rate), dated 26.07.2018	To insert an explanation in an item in notification No. 11/2017 – Central Tax (Rate)
18/2018-Central Tax (Rate), dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018
19/2018-Central Tax (Rate), dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018
20/2018-Central Tax (Rate), dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018

21/2018-Central Tax (Rate), dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018

Integrated Tax (Rate)

Notification No & Date	Purpose
14/2018-Integrated Tax (Rate),dated 26.07.2018	To notify IGST rates of various services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
15/2018-Integrated Tax (Rate),dated 26.07.2018	To exempt certain services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
16/2018-Integrated Tax (Rate),dated 26.07.2018	To specify services supplied by individual Direct Selling Agents (DSAs) to banks/ non-banking financial company (NBFCs) to be taxed under Reverse Charge Mechanism (RCM).
17/2018-Integrated Tax (Rate),dated 26.07.2018	To notify that services by way of any activity in relation to a function entrusted to a municipality under Article 243W shall be treated neither as a supply of good nor a service.
18/2018-Integrated Tax (Rate),dated 26.07.2018	To insert explanation in an item in notification No. 8/2017 – Integrated Tax (Rate)
19/2018-Integrated Tax (Rate),dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018
20/2018-Integrated Tax (Rate),dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018
21/2018-Integrated Tax (Rate),dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018
22/2018-Integrated Tax (Rate),dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018

Union Territory Tax (Rate)

Notification No & Date	Purpose
13/2018-Union Territory tax(rate), dated 26.07.2018	To notify UTGST rates of various services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
14/2018-Union Territory tax(rate), dated 26.07.2018	To exempt certain services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
15/2018-Union Territory tax(rate), dated 26.07.2018	To specify services supplied by individual Direct Selling Agents (DSAs) to banks/ non-banking financial company (NBFCs) to be taxed under Reverse Charge Mechanism (RCM).
16/2018-Union Territory tax(rate), dated 26.07.2018	To notify that services by way of any activity in relation to a function entrusted to a municipality under Article 243W shall be treated neither as a supply of good nor a service.

17/2018-Union Territory tax(rate), dated 26.07.2018	To insert explanation in an item in notification No. 11/2017 – Union Territory Tax (Rate)
18/2018-Union Territory tax(rate), dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018
19/2018-Union Territory tax(rate), dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018
20/2018-Union Territory tax(rate), dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018
21/2018-Union Territory tax(rate), dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018

Compensation Cess (Rate)

Notification No & Date	Purpose
02/2018-Compensation Cess (Rate),dated 26.07.2018	To give effect to the recommendations of the GST Council in its 28th meeting held on 21.07.2018

Central Tax – Circulars

Circular No & Date	Purpose
50/2018 Dated 31.07.2018	To withdraw Circular No. 28/02/2018-GST dated 08.01.2018 as amended vide Corrigendum dated 18.01.2018 and Order No 02/2018–CT dated 31.03.2018.
51/2018 Dated 31.07.2018	Applicability of GST on ambulance services provided to Government by private service providers under the National Health Mission (NHM)

Customs

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

Sl. No.	Notifications		Circulars	Instructions
1	Tariff	05	04	-
2	Non- Tariff *	09		
3	Safeguards	01		
4	Anti-Dumping Duty	03		
5	CVD	-		

Tariff Notifications

Notification No & Date	Purpose
51/2018-Customs, Dated 09.07.2018	To reduce the export duty on export of Iron Ore by MMTC Limited (only NMDC origin) to Japan and South Korea under the Long Term Agreement (LTA), from 30% to 10%, upto and inclusive of 31.03.2021.
52/2018-Customs, Dated 14.07.2018	To further amend Notifications No. 50/2017-Customs dated 30.06.2017 to expand list of exempt items for Handicraft Sector
53/2018-Customs, Dated 16.07.2018	To amend BCD rates on certain textile goods.
54/2018-Customs, Dated 20.07.2018	To amend Notification number 50/2017.
55/2018-Customs, Dated 26.07.2018	To exempt IGST calculated on the assessable value over and above the value (Pool in Price) at which Urea is sold by Department of Fertilizers to Fertilizer Marketing Entities on high sea sale basis.

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

Safeguards

Notification No & Date	Purpose
01/2018 Customs (SG), Dated 30.07.2018	To impose safeguard duty on imports of 'Solar Cells, whether or not assembled in modules or panels' falling under heading 8541 of the Customs Tariff Act, 1975, for a period of two years.

Anti-Dumping Duty

Notification No & Date	Purpose
35/2018-Customs (ADD), Dated 09.07.2018	To impose definitive anti-dumping duty on imports of "High Tenacity Polyester Yarn (HTPY)" from China PR.
36/2018-Customs (ADD), Dated 13.07.2018	To impose anti-dumping duty on the imports of "Grinding Media Balls" (excluding Forged Grinding Media Balls) originating in or exported from China PR and Thailand.
37/2018-Customs (ADD), Dated 13.07.2018	To rescind notification No. 36/2012- Customs (ADD) dated the 16th, July 2012.

Circulars

Circular No & Date	Purpose
21/2018 Dated 18.07.2018	Refund of IGST on export of Goods on payment of duty-Setting up of Help Desks.
22/2018 Dated 18.07.2018	Refund of IGST on export of goods on payment of duty-Clarification in case of SB003 errors and extension of date in SB005 & other cases using officer Interface for rectification of errors
23/2018 Dated 23.07.2018	Procedure to be followed by nominated agencies importing gold/ silver/ platinum under the scheme for 'Export Against Supply by Nominated Agencies
24/2018 Dated 31.07.2018	Electronic sealing-deposit in and removal of goods from Customs Bonded warehouse- Amendment to Circular-19/2018-Customs dated 18th June, 2018

International Taxation

Advance Pricing Agreements - Latest Developments

The Central Board of Direct Taxes (CBDT) has entered into nine more Unilateral Advance Pricing Agreements (UAPAs) during the month of July, 2018. With the signing of these Agreements, the total number of APAs entered into by the CBDT has gone up to 232, which includes 20 Bilateral Advance Pricing Agreements (BAPAs).

The UAPAs entered into during this month pertain to various sectors and sub-sectors of the economy such as manufacturing, engineering, media, irrigation, education, healthcare, telecommunications, industrial gases, pharmaceuticals, etc. and cover international transactions including software development service, manufacturing and sale of engineering good, import of raw materials, payment of royalty and AMP, among others.

Joint Chiefs of Global Tax Enforcement (J5)

The UK, Canada, the Netherlands, the US and Australia have launched the ***Joint Chiefs of Global Tax Enforcement* (in short 'J5'),** which will be used as a platform to share intelligence and expertise to crackdown on tax crime.

Membership of the J5 includes the heads of tax crime and senior officials from the Australian Criminal Intelligence Commission and Australian Taxation Office, Canada Revenue Agency, Dutch Fiscal Information and Investigation Service, HMRC, and US's Internal Revenue Service Criminal Investigation.

*According to **Johanne Charbonneau, Director General, Canada Revenue Agency,** the formation of the J5 demonstrates the serious commitment of governments around the globe in enhancing international cooperation in fighting serious international tax and financial crimes, money laundering, and cybercrime through the use of cryptocurrencies.*

Significant Economic Presence – Comments & Suggestions sought

As per the allocation of taxing rules under Article 7 of Double Taxation Avoidance Agreements, business profit of an enterprise is taxable in the country in which the taxpayer is a resident. However, if an enterprise carries on its business in another country through a 'Permanent Establishment' (PE) situated therein, such other country may also tax the business profits attributable to the 'PE'. For this purpose, *'PE' means a 'fixed place of business' through which the business of an enterprise is wholly or partly carried out provided that the business activities are not of preparatory or auxiliary in nature and such business activities are not carried out by a dependent agent.*

The Central Government, vide, the Finance Act, 2018 has introduced the concept of ***'Significant Economic Presence' (SEP)*** in the Income-tax Act, 1961 ('the Act') for taxation of non-residents (NR) in India by widening the definition of **"business connection"** through **Explanation 2A to section 9(1)(i)** of the Act. The definition of 'business connection', was clarified to provide that *a NR's significant economic presence in India shall constitute "business connection" of the NR in India and the "significant economic presence" for this purpose shall mean-*

- any transaction in respect of any goods, services or property carried out by a NR in India including provision of download of data or software in India if the aggregate of payments arising from such transaction or transactions during the previous year exceeds the amount as may be prescribed; or

- systematic and continuous soliciting of its business activities or engaging in interaction with such number of users as may be prescribed, in India through digital means.

It is further provided that the transactions or activities shall constitute significant economic presence in India, whether or not the agreement for such transactions or activities is entered into in India or the non-resident has a residence or place of business in India or renders services in India. Moreover, it is also provided that only so much of income as is attributable to the transactions or activities referred above shall be deemed to accrue or arise in India..

Accordingly***, for the purpose of determining significant economic presence of a non-resident in India, the threshold for the aggregate amount of payments arising from the specified transactions and for the number of users requires to be prescribed.***

Hence, the Central Government has sought suggestions/comments of stakeholders and the general public on:

1. Revenue threshold of transaction in respect of physical goods or services carried out by a NR in India;
2. Revenue threshold of transaction in respect of digital goods or services or property including provision of download of data or software carried out by a NR in India;
3. Threshold for number of 'users' with whom a NR engages in interaction or carries out systematic and continuous soliciting of business activities in India through digital means.

Comments and suggestions may be sent electronically by 10th August, 2018 at the email address ***ustpl3@nic.in.***

Tax Calendar – August 2018

Statues	Due Date	Compliance
Income Tax	07.08.2018	• To deposit tax deducted/collected the month of July 2018.
	14.08.2018	• To issue of TDS Certificate for tax deducted U/s. 194-IA & 194-IB during the month of June 2018.
	15.08.2018	• To file Form 24G by Govt. office where TDS for the month of July, 2018 has been paid without the production of a challan. • To file Quarterly statement of TCS deposited for the quarter ending 30th June, 2018
	30.08.2018	• To furnish challan-cum-statement in respect of TDS u/s. 194-IA / 194-IB for the month of July 2018
	31.08.2018	• To submit Annual Return of Income for the Assessment year 2018-19 for all assessee other than corporate, non-corporate assessee (i.e. Tax Audit cases), working partner of a firm whose accounts are required to be audited, an assessee who is required to furnish a report u/s. 92E (i.e. Transfer Pricing Cases). *Due Date Extended.*
GST	10.08.2018	• To file GSTR 1 for the month of July, 2018 (for persons with Turnover above 1.5 Crore. Also those who have turnover of less than 1.5 crore but opted monthly). • To file GSTR 7 i.e. TDS Returns for the month of July, 2018 • To file GSTR 8 by E-Commerce operators for the month of July, 2018
	20.08.2018	• To file GSTR 3B for the month of July, 2018. • To file GSTR 5 for the month of July, 2018 (for Non Resident taxable person). • To file GSTR 5A for the month of July, 2018 (for OIDAR services).

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.

"Today our world is being brought together not simply by the mandate of nations, but by the power of individuals who allow themselves to hope for a better life. Nothing holds greater possibility than a world with hope for its own future. Although the road may not be easy or quick we think we can help our clients achieve greater success."

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. The Founder or the Chamber takes no responsibility for accuracy and reliability of information published in the Bulletin.

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

Shree Tax Chambers ™

Integrity | Speed | Expertise

No 69 | 4th Main | 2nd Phase | Manjunathanagar | WoC Road | Rajajinagar | Bengaluru – 560 010 | India

Phone: 080 - 2320 3835 (Monday to Friday) | Email-id: shreetaxchambers@bsnl.in

Domestic & International Taxation

Ramanuja Millennium Year – 2017