APRIL 26, 2020 | SUNDAY ISSUE 212

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
Insolvency Laws
Corporate Laws

BIGGEST CHALLENGE- HOW TO KEEP UPDATED ON DAILY BASIS

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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.

INDEX

UPDATES RELATED TO

- **New Direct Tax Code**
- **Goods & Service Tax & Other Indirect Taxes**
- **Income Tax**
- **Announcements by ICAI**
- **Announcements by ICSI**
- **Corporate Laws**
- **The Insolvency and Bankruptcy Law**
- **Security and Exchange Board of India (SEBI)**
- **Director General of Foreign Trade (DGFT)**
- **Start-ups**
- **Micro, Small & Medium Enterprises**
- **Reserve Bank of India**
- **New acts notified/Bills introduced in parliament or Executive orders by President**
- **Economy & Finance.**

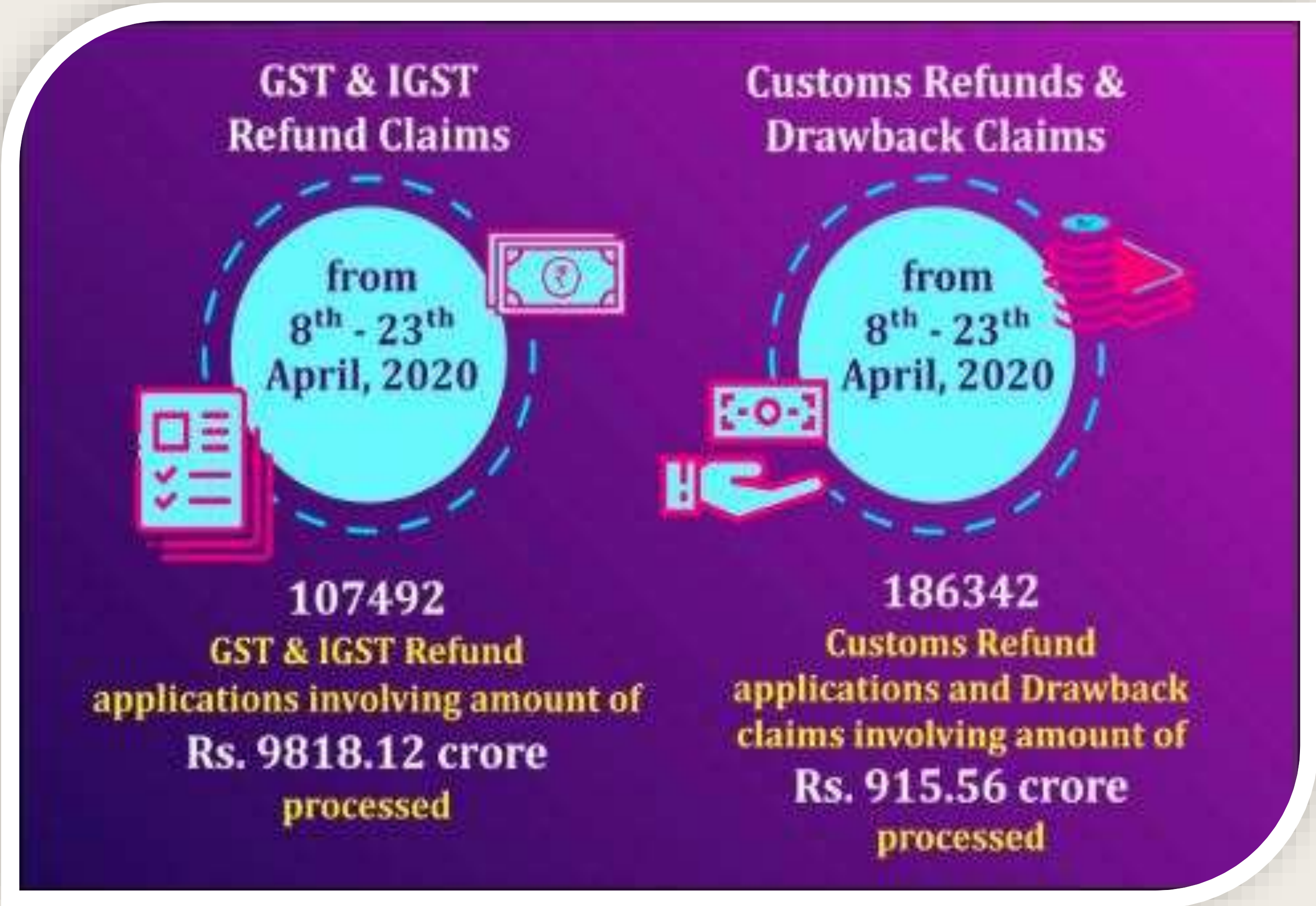
[From Monday to Friday 5 days a week as Saturdays and Sundays being holiday and closure of all government departments hence no updates]

Goods & Service Tax & other Indirect taxes

- **Notifications/Circulars/Press releases/FAQs/Portal Updates/Write-ups by CBIC/Government**

❖ CBIC is helping GST Taxpayers/Exim Trade during COVID-19. Expeditious sanction of refunds during Special Refund Drive provide relief to trade, especially MSMEs.

Status of drawback & GST Refunds issued in special drive-



❖ **Extremely mobilised on GSTN project, working closely with GST Council: Infosys.**
Infosys is "extremely mobilised" on the GST Network enhancement project and work is progressing at "full speed" even as a large segment of its employees are working remotely amid the nationwide lockdown, its CEO Salil Parekh said. Taxpayers were facing issues due to glitches on the GSTN portal. The portal of GST Network (GSTN), which provides the technology backbone for the goods and services tax (GST), is managed by Infosys.
ET Report

- **Legal updates- Advance Ruling Authorities/Tribunals/High Courts/Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	**Decision**
1	[2020] 116 taxmann.com 373 Taghar Vasudeva Ambrish, In re ADVANCE RULING NO. KAR ADRG 17 OF 2020 MARCH 23, 2020	AAR Karnataka		Where applicant (lessor) is providing services of leasing of a building, not individually but as a group of persons, to a company which is engaged in business of providing affordable residential accommodation to students on a long term basis, exemption prescribed under Entry No. 13 of Notification No. 9/2-17 - Integrated Tax (Rate), dated 28-6-2017 cannot be sought and lessors (as an entity) have to charge GST while issuing invoice for lease services to said company provided they are registered under Act.
2	[2020] 116 taxmann.com 372 Assistant Commissioner of CGST & Central Excise v. Daejung Moparts (P.) Ltd. CMP NOS. 14341, 14344, 14424 AND 14426 OF 2019 DECEMBER 19, 2019	Madras High Court	Section 50	Where Revenue resorted to recover interest relying upon section 50 on ground petitioner made some delay in filing return & paying GST within time and such recovery proceedings culminated into bank attachments, it was held that though liability to pay interest u/s 50 is an automatic liability, still quantification of such liability cannot not be by way of an unilateral action, more particularly, when assessee disputes quantum as well as period of liability.

Income Tax

- **Notifications/Circulars/Instructions/Press releases/FAQs by Board/Government**

  - **For the fast processing of Income Tax refunds, CBDT requests taxpayers to respond to their outstanding demands earliest.**

  - **Income Tax Tribunal, ITAT, for the first time, holds hearing through video conferencing.**

    A division bench of the Income Tax Appellate Tribunal (ITAT), led by the Tribunal's President Justice P.P. Bhatt, has, through web-based video conferencing platform, heard and disposed of an urgent stay petition today. This is a first in the 79-year-old history of this Tribunal. The petition was heard by a two-member bench of the ITAT Mumbai, comprising Justice Bhatt and Vice President, ITAT, Shri Pramod Kumar, through VC from their home offices since closure of the ITAT due to the COVID-19 lockdown.

    MoF Release

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

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	Decision
1	[2020] 116 taxmann.com 378 Union of India v. Exide Industries Ltd. CIVIL APPEAL NO. 3545 OF 2009 APRIL 24, 2020	Supreme Court of India		An employer seeking deduction from tax liability in advance, in name of discharging the liability of leave encashment, without actually extending such payment to employee and when time for such payment arises upon retirement (or otherwise) of employee, employer may simply refuse to pay. It is this mischief clause (f) of section 43B seeks to subjugate; thus, same is constitutionally valid.
2	[2020] 116 taxmann.com 376 Pandhes Infracon (P.) Ltd. v. ACIT SA NO. 184/MUM/2020 APRIL 24, 2020	Mumbai Tribunal		Humanitarian act of ITAT; Stayed demand recovery so that salaries could be paid during COVID-19.

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

❖ **Coronavirus impact | I-T Dept officials propose 10 main ways to boost tax revenue.**
Money Control report

Announcement by ICAI

- **Live Webinar on "ICAI Leadership Summit – Post COVID-19 Scenario" 26th April 2020 from 3 PM to 6 PM.**
  Read here for more

Corporate Laws

- **MCA's announcement regarding period/days of extension for names reserved and resubmission of forms.**
  Read this announcement for details

The Insolvency and Bankruptcy Law

- **Notification/Circular/Press release/ Write-ups/Newsletters by IBBI/Government**

  - **IBBI notifies Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2020**
    IBBI issued notification dated 20th April 2020, published in official gazette vide no IBBI/2020-21/GN/REG060 dated 24th April 2020 effective from 17th April 2020.

    New sub regulation 47A titled "Exclusion of period of lockdown" is inserted read as below-

    "Subject to the provisions of the Code, the period of lockdown imposed by the Central Government in the wake of Covid-19 outbreak shall not be counted for the purposes of computation of the timeline for any task that could not be completed due to such lockdown, in relation to any liquidation process."
    Download copy of regulation here

- **IBBI notifies the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2020.**

  IBBI issued notification dated 20th April 2020, published in official gazette vide no IBBI/2020-21/GN/REG059 dated 24th April 2020 effective from 29th March 2020.

  New sub regulation 40C titled "Special provision relating to time-line" is inserted read as below-

  "Notwithstanding the timelines contained in these regulations, but subject to the provisions in the Code, the period of lockdown imposed by the Central Government in the wake of Covid-19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown, in relation to a corporate insolvency resolution process."

  Download copy of regulation here

- **IBBI notifies the Insolvency and Bankruptcy Board of India (Model Bye-laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020.**

  IBBI issued notification dated 20th April 2020, published in official gazette vide no. IBBI/2020-2021/GN/REG058 dated 24th April 2020 effective from 28th March 2020.

  1. *First proviso is inserted in sub-clause (5) of clause 12A of the schedule with the regulations to mandate that any application for authorisation for assignment received on and from 28th March 2020 (date of commencement of this amendment regulation) ending on the 30th September 2020, if the authorisation for assignment is not issued, renewed or rejected by the Agency within thirty days of the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.*

  2. *First proviso is inserted in sub-clause (7) of clause 12A of the schedule with the regulations to mandate that if application for authorisation for assignment received on and from 28th March 2020 (date of commencement of this amendment regulation) ending on the 30th September 2020, the applicant aggrieved of an order of rejection may appeal to the Membership Committee within thirty days from the date of receipt of order.*

  Download copy of regulation here

- **IBBI notifies the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2020.**

  IBBI issued notification dated 20th April 2020, published in official gazette vide no. No. IBBI/2020-21/GN/REG056 dated 24th April 2020 effective from 25th March 2020.

  sub-regulation (4) of regulation 40B substituted by new sub-regulation (4) read as below-

  "The filing of a Form under this regulation after due date of submission, whether by correction, updation or otherwise, shall be accompanied by a fee of five hundred rupees per Form for each calendar month of delay after 1st October 2020."

  Download copy of regulation here

- **IBBI notifies the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2020**

  IBBI issued notification dated 20th April 2020, published in official gazette vide no. No. IBBI/2020-21/GN/REG057 dated 24th April 2020 effective from 28th March 2020.

  1. *In regulation 7, in sub-regulation (2), in clause (ca), first proviso is inserted to provide that for the financial year 2019-2020, an insolvency professional shall pay the fee under this clause on or before the 30th June, 2020.*

  2. *In regulation 13, in sub-regulation (2), in clause (b), first proviso is inserted to provide that when an individual ceases to be its director or partner, as the case may be, on and from 28th March 2020 (the date of commencement of this amendment regulation) and ending on the 31st December 2020, the insolvency professional entity shall inform the Board, within thirty days of such cessation.*

  3. *In regulation 13, in sub-regulation (2), in clause (c), first proviso is inserted to provide that when an individual joins as its director or partner, as the case may be, on and from 28th March 2020 (the date of commencement of this amendment regulation) and ending on the 31st December 2020, the insolvency professional entity shall inform the Board, within thirty days of such joining.*

  Download copy of regulation here

Security and Exchange Board of India (SEBI)

- **SEBI issued clarification on Know Your Client (KYC) Process and use of Technology for KYC.**
  Circular here

Director General of Foreign Trade (DGFT)

- Pursuant to Public Notice No. 67/2015-20 issued by DGFT, 23,674 Advance Authorization (AA) and Duty-Free Import Advance (DFIA) licences expiring in February to June 2020 have been automatically extended in ICES system by 6 months as a measure of relief to exporters.
  Download copy of notice here

Knowledge shared= Knowledge^2

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About Scribbler

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- **Fellow Member** of the Institute of Chartered Accountants of India.
- **Associate member** of Professional Accounting Body of Certified Practising Accountants (CPA), Australia.
- **Registered Valuer with IBBI-** Asset Class- Securities or Financial Assets
- **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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