XCEDE

taxplorer

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Weekly Taxation Newsletter

from 18.09.2020 to 25.09.2020

Knowledge Sharing Initiative

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"Weekly Taxation Newsletter" Contents:

- Upcoming Due Dates
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Dear Readers,

*We are delighted to share our **Seventh (7th) Newsletter "Weekly Taxation Newsletter" from 18th September, 2020 to 25th September, 2020** with you. This newsletter is a weekly compilation of interesting and latest news related to tax including upcoming Timelines / Due Dates, Notifications / Press Information etc.*

- Stay updated, Stay connected

❖ Upcoming due dates (weekly):

✓ Under the Income Tax act, 1961

Compliance Particulars	Due Dates	Revised Due Dates
Filing of belated return for the Assessment Year 2019-20 u/s 139 (4)	30-06-2020	30-09-2020
Filing of revised return for the Assessment Year 2019-20 u/s 139 (5)	30-06-2020	30-09-2020
Investment/ construction/ purchase for claiming roll over benefit/ deduction in respect of capital gains under sections 54 to 54GB	30-06-2020	30-09-2020
The date for commencement of operation for the SEZ units for claiming tax holiday		30.09.2020

Note: **(The Taxation and Other Laws(Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35/2020 dated 24/06/2020. Please note that the benefit in respect of extended due dates is not available in respect of due dates for payment of Taxes.)*

✓ Under the GST, 2017

➢ *Late fee relief to normal taxpayers filing form GSTR-3B*

i) Taxpayers having aggregate turnover > Rs. 5 Cr. in preceding FY

Tax period	Late fees waived if return filed on or before
May, 2020	30th September, 2020 *(Interest is NIL for the first 15 days, 9% after 15 days till 24th June and 18% thereafter)*
June, 2020	
July, 2020	

ii) Taxpayers having aggregate turnover upto Rs. 5 crores in preceding FY

Tax period	Late fees waived if return filed on or before (For Group A States)*	Late fees waived if return filed on or before (For Group B States)*
June, 2020	23rd Sept., 2020	25th Sept., 2020
July, 2020	27th Sept., 2020	29th Sept., 2020
States	**Group A-** *Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep*	**Group B-** *Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi*

❑ GST Annual Returns

Form No.	Compliance Particulars	Revised Date
GSTR-9A (2018-19)	Annual return	30.09.2020
GSTR-9 (2018-19)	Taxpayers having an aggregate turnover of more than Rs. 2 Crores or opted to file Annual Return.	30.09.2020
GSTR-9C (2018-19)	Reconciliation Statement/ Audit Report for Taxpayers having a Turnover of more than Rs. 5 crores.	30.09.2020

❑Weekly Departmental updates: Income Tax

1. No Directions from ECI to CBDT wrt IT notice to Sharad Pawar

In some sections of Media it has been reported that Income Tax notice has been issued to Shri Sharad Pawar, Member of Parliament on the directions of Election Commission of India.

In this context, it is stated that Election Commission of India has not issued any such direction to CBDT to issue notice to Shri Pawar.

2. Overall direct tax collections (post-refunds but before devolution to states) came in at Rs 10.37 lakh crore in FY20, lower than Rs 11.25 lakh crore collected in FY19.

As a fraction of direct taxes collected, refunds of such taxes peaked at 16% in FY17, the demonetisation year, but have since fallen and touched 12.4% in FY19, according to data reviewed by FE. However, the rate, given the available data, seemed looking up again in FY20. The refunds in April-January last fiscal were Rs 1.71 lakh crore or close to 14% of the collections in the whole of FY20 and may have risen further in February-March. FY20, it may be noted, saw the uncommon phenomenon of year-on-year decline in tax receipts, owing to a deep cut in corporate tax rate and a steep decline in economic growth.

3. Govt. Proposal for a new regime for taxation of off-shore funds choosing GIFT City.

As a part of the Taxation and Other Laws Bill tabled in the Parliament, the Government has proposed to introduce a new regime for taxation of off-shore funds choosing GIFT City. As per the proposed changes, profits and business income earned by such funds from GIFT City will be tax exempt.

This has prompted several foreign funds to look at creating a domestic structure so that they comply with tax avoidance laws like General Anti-Avoidance Rules (GAAR). However, to do that they will have to forgo the tax exemption on derivatives that they enjoy under Mauritius and Singapore tax agreements.

4. Search and seizure: 77% of income revisions don't stand judicial scrutiny

The CAG found that income-tax department's inadequate handling of search and seizure cases had a monetary impact of Rs 3,729 crore in the 1,291 cases that were audited. The CAG found that income-tax department's inadequate handling of search and seizure cases had a monetary impact of Rs 3,729 crore in the 1,291 cases that were audited. The cases audited by CAG found that they lacked uniformity in making additions during assessments apart from non-compliance of CBDT's instructions and orders in many cases. It noted that in some instances income escaped assessment due to incomplete assessments within specified time limit.

5. Faceless Appeals launched by CBDT - Honoring The Honest

The Income Tax Department today launched Faceless Income Tax Appeals. Under Faceless Appeals, all Income Tax appeals will be finalised in a faceless manner under the faceless ecosystem with the exception of appeals relating to serious frauds, major tax evasion, sensitive & search matters, International tax and Black Money Act.

As per data with CBDT, as on date there is a pendency of almost 4.6 lakh appeals at the level of the Commissioner (Appeals) in the Department. Out of this, about 4.05 lakh appeals, i.e., about 88 % of the total appeals will be handled under the Faceless Appeal mechanism and almost 85% of the present strength of Commissioners (Appeals) shall be utilised for disposing off the cases under the Faceless Appeal mechanism.

The Faceless Appeals system will include allocation of cases through Data Analytics and AI under the dynamic jurisdiction with central issuance of notices which would be having Document Identification Number (DIN). As part of dynamic jurisdiction, the draft appellate order will be prepared in one city and will be reviewed in some other city resulting in an objective, fair and just order.

❑ *Important Circulars / Notifications:*

Sl. No.	Particulars of the Notification(s)	File No. / Circular No.	Notification Link(s)
1.	Income-tax (21st Amendment) Rules, 2020	Notification No. 75/2020/F. No. 370142/8/2020-TPL	LINK
2.	the Faceless Appeal Scheme, 2020	CG-DL-E-25092020-221959	LINK
3.	Income-tax (21st Amendment) Rules, 2020	CG-DL-E-22092020-221872	LINK
4.	Amendments in the notification of the Government of India, Ministry of Finance, published in the Gazette of India, vide no. S.O. 2753 (E) dated the 22.10.2014	CG-DL-E-25092020-221964	LINK

❖ Weekly Departmental updates:

❑ GST Updates

1. **Borrowing of money to meet GST revenue shortfall**

As per provision in Sections 7, 8 & 10 of the GST (Compensation to States) Act, 2017, the issue of pending GST compensation and future course of action to meet the GST compensation shortfall has been discussed in 41st GST Council meeting on 27.08.2020 in the light of the opinion given by Ld. Attorney General of India, wherein States were given two options to meet their GST compensation shortfall for current FY from market borrowing.

To read more Click here

2. **Availability of GSTR-2A:**

GSTR-2B for the period August 2020 has been generated and made available on the common portal (without data on imports and inward supplies from SEZ units/ developers)

3. **Using Matching Offline Tool to compare ITC auto drafted in Form GSTR-2B with Purchase Register**

An offline tool has been made available to the taxpayers to match Input Tax Credit (ITC), as auto populated in their Form GSTR-2B, with their purchase register. This tool will help the taxpayer to compare their ITC as per their Purchase Register, with the ITC as shown available in their auto drafted Form GSTR-2B and thus help them to claim correct ITC, while filing Form GSTR-3B.

Profile of more than one GSTIN can be added in the offline tool for matching or to view GSTR-2B. Profile can be modified later on, if required. Normal/SEZ developer/SEZ unit/casual taxpayer can use this tool. They must have valid login credentials and valid GSTIN for the period, for which they intend to view and match details of Form GSTR-2B.

To read more Click here

4. **Relief to Composition Taxpayers in late fees for delayed filing of Form GSTR-4 (Quarterly Return):**

GSTR-4 (Quarterly Return)	GSTR-10
Vide Notification No 67/2020 dated 21.09.2020, the taxpayers who were under Composition Scheme, during any period till 31st March, 2019, have been provided relaxation in payment of late fees, on filing Form GSTR-4 (Quarterly Return).	Vide Notification No 68/2020 dated 21.09.2020, the taxpayers who had failed to file final return, in Form GSTR-10, by due date, have been provided relaxation in payment of late fees, on filing of Form GSTR 10 (Final Return).
This relaxation is available, if Form GSTR-4 (Quarterly Return) is filed by them, between 22nd Sept., 2020 and 31st Oct., 2020, for any tax period of financial year 2017-18 or 2018-19.	Such taxpayers can now file Form GSTR 10 (Final Return) between 22nd Sept., 2020 and 31st Dec., 2020, by paying a maximum late fee of Rs 500 (Rs 250 for CGST & Rs 250 for SGST).
To read more Click here	

❖ *Important Notifications under Excise / Custom/ GST:*

Sl. No.	Department	Particulars of the Notification(s)	File No. / Circular No.	Notification Link(s)
1.	Custom Act	the Bill of Entry (Forms) (Amendment) Regulations, 2020	[F. No. 450/108/2017-Cus IV	LINK
2	Custom Act	common adjudicating authority to exercise the powers and discharge the duties	No. 46/2020-Customs (N.T./CAA/DRI)	LINK
3.	Custom Act	g amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001	No. 91/2020-CUSTOMS (N.T.)	LINK
4.	GST	Amendment in the notification of the Government of India in the Ministry of Finance, No. 35/2020-Central Tax, dt. 03.04.2020,	CG-DL-E-21092020-221857	LINK

5.	Custom Act	Implementation of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 with effect from 21st September 2020	Press Release ID: 1656254	LINK
6.	GST	Borrowing of money to meet GST revenue shortfall	Press Release ID: 1656927	LINK
7	GST	Seeks to give one time extension for the time limit provided under Section 31(7) of the CGST Act 2017 till 31.10.2020	66/2020-Central Tax dated 21.09.2020	LINK
8.	GST	Seeks to grant waiver / reduction in late fee for not furnishing FORM GSTR-4 for 2017-18 and 2018-19, subject to the condition that the returns are filled between 22.09.2020 to 31.10.2020.	67/2020-Central Tax dated 21.09.2020	LINK
9.	GST	Seeks to grant waiver / reduction in late fee for not furnishing FORM GSTR-10, subject to the condition that the returns are filled between 22.09.2020 to 31.12.2020.	68/2020-Central Tax dated 21.09.2020	LINK

❑ Important Case-laws

➢ Income Tax

1. The Peerless General Finance and Investment Company Ltd vs. Commissioner of Income Tax

A two-judge bench of the Supreme Court comprising Justice R F Nariman and Justice Sanjiv Khanna held that the deposits collected by a finance company are capital receipts and not revenue receipts. The bench also held that the primary liability and onus is on the Dept to prove that a certain receipt is liable to be taxed.

2. Principal Commissioner of Income Tax (Central)- 1 vs. NRA Iron & Steel Pvt. Ltd

The Supreme Court of India has rejected a plea seeking to recall an ex-parte order citing the reason that if in-person notice was served to company's Chartered Accountant (CA).

While dismissing the petition, the two judge bench comprising of Justice U.U Lalit and Justice Indu Malhotra observed that, *"the Applicant – Company was duly served through their authorized representative, and were provided sufficient opportunities to appear before this Court, and contest the matter. The Applicant – Company chose to let the matter proceed exparte. The grounds for Re-call of the Judgment are devoid of any merit whatsoever"*.

❑ Important Case-laws

➢ GST Law:

1. M/s. Cognizant Technology Solutions India Pvt. Ltd. Vs Commissioner of CGST & Central Excise

On perusal of records, it is seen that the appellant ought to have filed the appeal before the Commissioner (Appeals). The appeal has been however filed before this forum within a period of 60 days' time. Since the appellant has filed appeal before the wrong forum within the prescribed time limit, the Commissioner (Appeals) is directed to consider the request of the appellant to condone the delay of filing the appeal in case the appellant files application for condonation of delay. The miscellaneous application for withdrawing the appeal is allowed. Appeal is dismissed as withdrawn. Order to be issued by dasti..

2. N S L Krishnaveni Sugars Limited Vs Commissioner of Central Tax Rangareddy GST

This application for condonation of delay is filed by the appellant seeking condonation of delay of 29 days in filing the appeal. Ld. Consultant for the appellant submits that they had received the order of the first appellate authority late but are unable to establish the exact date on which they received the impugned order. Therefore, they filed an application for condonation of delay reckoning the date of the order of the first appellate authority as the date of receipt.

International Taxation Corner (ITC)

1. UK To Collect Interest On Overdue Digital Services Tax

The UK Government on September 16, 2020, tabled The Taxes (Interest Rate) (Amendment No. 2) Regulations 2020, which will enable HM Revenue and Customs to collect or pay interest on overpaid or underpaid digital services tax liabilities.

The new Regulations, which are expected to enter into force on October 14, 2020, provide for the following rates of interest on overpaid or unpaid DST:

- The rate of interest will be the reference rate less 0.25 percent, or 0.5 percent if greater, for DST paid before the required due date;
- The rate of interest will be the reference rate less one percent, or 0.5 percent if greater, for overpaid DST;
- The rate of interest will be the reference rate plus 2.5 percent, for underpayments of DST liability.

2. UAE To Allow Loans Secured By Movable Property

The UAE is considering the creation of an electronic registry in the country to record assets to ensure project financing. This register would allow the use of tangible and intangible movable property to secure loans.

The UAE Government said Federal Law no. 4 of 2020, on Securing Interest with Movable Property, would enable companies operating in various business sectors, especially SMEs, to benefit from their movable properties to secure their bank and commercial loans. This move is intended to strengthen the UAE's global competitiveness and the ease of doing business there.

3. Netherlands Cancels Corporate Tax Rate Cut

The govt. has decided to cancel a planned decrease in the corporate tax rate in its 2021 Tax Plan. The Tax Plan, announced on September 15, 2020, maintains the headline corporate tax rate at 25 percent. This reverses a previous proposal, announced in November 2019, to reduce corporate tax to 21.7 percent in 2021. However, corporate tax for small companies will be cut from 16.5 to 15 percent as previously planned. This will apply from 2021 on profits up to EUR245,000 (USD290,000), up from EUR200,000 currently. This threshold will increase further, to EUR395,000, in 2022.

The tax allowance for self-employed taxpayers will be reduced at a faster rate than originally planned so that it reaches EUR3,240 in 2036, instead of EUR5,000 by 2028. However, the Government says that the effect of this measure will be offset by improvements to the employment tax credit and changes to the income tax rate.

➢ Knowledge Bucket for NRI's

1. Remittance boom is turning into a bust for emerging markets in Asia

India is the world's top recipient of transfers and a leading supplier of labor to the gulf; it took in $83 billion last year, exceeding the $51 billion it took in as foreign direct investment.

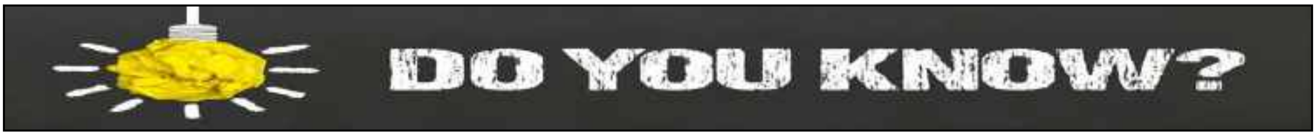
2. NRIs need not file ITR for interest income below taxable limit

The obligation to furnish ITR shall arise where the total income (earned in India) exceeds maximum amount not chargeable to tax (Rs 2.5 lakh) Hence, furnishing of ITR in respect of interest income, being below taxable limit, is not required.

3. Details required for NRIs filing Income Tax Return in India

With effect from the current AY i.e. AY 2020-21, it is mandatory for a NRI filing return of Income in India to give details about either –

1. Passport Number or
2. Tax Residency certificate number of the country in which is normally residing



- ❖ 35,074 taxpayers opt for Vivad Se Vishwas Scheme through Form-1 (Declaration under the scheme) that have been submitted till 8th September, 2020 since its enactment.

- ❖ To deal with the irregularities in income tax payment, the tax department has started taking stern actions against the offenders. The Income Tax Department has started sending notices on non-payment of taxes or irregularities. The notices are being sent for big and small amounts Zee Business' Brajesh K. Mishra has the full report

❑ *Representations made by ICAI regarding Taxation matters:*

Sl.	Representation(s)	Date	Link(s)
1	Representation for difficulties in filing Annual Return in Form GSTR 9 for the year 2018-19	10.09.2020	Click here
2	Representation for devising mechanism for accepting part payment of taxes	10.09.2020	Click here
3	Representation for permitting availment of ITC under GST pertaining to FY 2019-20 and correction in GSTR- 1 till March, 2021	10.09.2020	Click here
4	Representation for extension of due date of Annual Return and Audit from September 30, 2020 to December 31, 2020	10.09.2020	Click here

For any Income Tax, GST, TDS / TCS Query, Please connect with our Experts:.
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