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[Daily Newsletter related to Profession]

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Direct & Indirect Taxes | ICAI & ICSI Updates | Corporate laws | Insolvency | SEBI | RBI | Economy & Finance

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Indirect Taxes

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board "CBIC" and Government.**

  - **CBIC issued notification no. 80/2020-Central Tax dated 28.10.2020 to extend date of annual return as announced.**
    Amended notification no. 41/2020-Central Tax dt. 05.05.2020 to extend due date of return under Section 44 till 31.12.2020.
    Here is notification

  - **CBIC's instructions reading Residual action by CGST Commissionerate in respect of the adverse orders of Hon'ble High Courts, wherein the taxpayer is assigned to respective State tax administration.**
    it is informed that whenever GST related petitions are filed before respective High Court, Union of India is usually made one of the Respondents. In such cases, even if the jurisdiction of the Petitioner lies with the State Government, Central GST Commissionerate are authorized to defend the issue before respective High Court as CGST Act and ensuing Rules are akin to respective State/UT GST Acts and ensuing Rules, and also in terms of DoR Master Instructions dated 14.08.2019, as amended from time to time.
    Instructions document is here

  - **CBIC released updated FAQs as on 27.10.2020 on Manufacture & Other Operations in Customs Warehouse.**
    CBIC has gathered certain queries through trade consultations which have been consolidated and answered in this document.
    Download here

  - **CBIC issued guidelines regarding Manufacturing and other operations undertaken in bonded warehouses under Section 65 of the Customs Act, 1962.**
    Circular No. 48- Customs here

- **19 Publications on GST adding Value to your Library by GST & Indirect Taxes Committee, ICAI.**
  GST and Indirect Taxes Committee have been continuously working, even during this epidemic COVID 19, to support and enable all stakeholders in updating their knowledge of GST through technical publications, Virtual Certificate Course, Refresher Course and Live Webcasts etc. Committee has published 17 Handbooks on various procedural aspects of GST in addition to revising BGM on GST and Compliances of GST in Banking Sector.
  Orders for purchase of hard copies may be placed at THIS LINK. The softcopy of the same can be downloaded free of cost from the website of GST & Indirect Taxes Committee USING THIS LINK

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
1	[2020] 120 taxmann.com 344 Joy Mathew v. Union of India WP (C). NO. 13493 OF 2020 (J) JULY 6, 2020	Kerala High Court	**Assessment order to be withdrawn, where returns are filed within 30 days from receipt of assessment order.** here assessee filed returns within 30 days from receipt of assessment order under section 62(1), such assessment order was required to be withdrawn in terms of provision under section 62(2)
2	[2020] 120 taxmann.com 410 Vimos Technocrats (P.) Ltd., In re ADVANCE RULING NO. KAR/ADRG/52 OF 2020	AAR Karnataka	Pure consultancy services provided to local bodies & state govt. dept. as per Article 243W of COI are exempt from GST.

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

❖ **Explained: Why energy MNCs want natural gas to come under GST**

Experts have argued that bringing natural gas under the GST would lead to a reduction in the cascading impact of taxes on industries such as power and steel, which used natural gas as an input.

Indian Express Report

❖ **Liaison Office is subject to GST registration and levy, holds Karnataka AAR**

The GST Authority for Advance Rulings (AAR) - Karnataka bench, has recently held that the activities of a liaison office (LO) in India amount to a supply of services and it is required to obtain registration under the Goods and Services Tax (GST) Act. Further, it would be liable to pay GST if the supply of services is in India. Under the rules of the Reserve Bank of India (RBI), liaison offices are not permitted to earn any income or carry on any trade or commercial activities. They primarily act as a communication channel between their head office and parties in India and their operational expenses are met by the head office.

TOI Report

Direct Taxes

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board "CBDT" and Government.**

❖ **Government notifies Equalisation levy (Amendment) Rules,2020 effective from 28.10.2020.**

Gazetted notification here

❖ **Payment Date Extended for Vivad se Vishwas Scheme: Finance Secretary urges I-T Department to Reach Out to the Taxpayers.**

Finance Secretary Dr Ajay Bhushan Pandey reviewed the progress made so far by the Income Tax Department on Vivad se Vishwas Scheme in a high-level meeting through video conferencing along with CBDT Chairman and Board members with all Principal Chief Commissioners of Income Tax across the country to expedite the Scheme which, he said, is highly beneficial to the taxpayers.

Press Release here

❖ The Central Government, in consultation with the Chief Justice of the Gauhati High Court, designates the Court of Munsiff No. 3-cum-Judicial Magistrate, 1st Class, Kamrup (M), Guwahati as the Special Court for the States of Assam, Nagaland, Mizoram and Arunachal Pradesh to try offences and prosecutions under chapter XXII of Income Tax Act.
Here is gazetted notification

- **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
1	[2020] 120 taxmann.com 217 Adadyn Technologies (P.) Ltd. v. ACIT, Circle 1(1), Bengaluru* IT APPEAL NOS. 994 & 995 (BANG.) OF 2019	Bangalore Tribunal	**Exp. incurred on a project which was never put to use & subsequently abandoned to be treated as revenue in nature.** Where assessee was developing a new software platform but such new platform was abandoned during subsequent financial year due to rapid change in technology, expenditure incurred by assessee could not be treated as capital expenditure incurred for development of a new product giving enduring benefit to assessee.

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

❖ **I-T department seizes Rs 62-crore cash after raids on hawala operatives.**
They alleged that the money is unaccounted and has been seized from various premises including those belonging to a person identified as Sanjay Jain. The Income Tax Department has made a seizure of at least Rs 62 crore in cash as part of its multi-city tax evasion operation against hawala or entry operators and individuals who prepare fake bills, official sources said on Wednesday.
Tribunal Report

ICAI Announcements

- **ICAI Invites Suggestions for Pre-Budget Memorandum-2021.**
  The Direct Taxes Committee, GST & Indirect Taxes Committee and Committee on International Taxation of ICAI are in the process of identifying issues for inclusion in the Pre-Budget Memoranda - 2021 to be submitted to the Ministry of Finance or respective State Ministry. Suggestions under the given heads are invited on laws relating to Direct Taxes (including International Taxation) and Indirect Taxes.
  See this announcement

Insolvency & Bankruptcy

- **Legal Updates- NCLTs / NCL-ATs / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 120 taxmann.com 288 Ishrat Ali v. Cosmos Co-operative Bank Ltd. COMPANY APPEAL (AT)(INSOLVENCY) NO. 1121 OF 2019 MARCH 12, 2020	NCL-AT Delhi	**In computation of Limitation period for filing of CIRP plea u/s 7 date of default is declaration of accounts as 'NPA'.** For purpose of computing period of limitation of application under section 7, date of default is date of declaration of account of corporate debtor as 'NPA'; a judgment or a decree passed by a Civil Court/Debt Recovery Tribunal for recovery of money cannot shift forward date of default for purpose of computing period for filing an application under section 7

Economy & Finance

❖ **India, UK agree to address barriers to sustainable bilateral investment.**

India and the UK on Wednesday made agreements on financial services, infrastructure, and sustainable finance to boost investments in India and called for stable and transparent regulatory and tax regimes. Meeting via video conference under the aegis of tenth Economic and Financial Dialogue (EFD), Finance minister Nirmala Sitharaman and her UK counterpart Rishi Sunak agreed to further economic ties between the two countries. "The UK's economic and financial relationship with India has never been more important with the global challenges we face. Today we set out our ambition for even stronger ties, with an agreement that will increase investment and create and secure jobs. We are also committed to working together to lead the global economic recovery as we build back better after the pandemic," Sunak said.

Mint Report

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