



Tax Glimpses 2021

We bring you a concise analysis of important judgements and noteworthy regulatory developments in corporate tax, personal tax, financial services, M&A, transfer pricing and indirect taxes during 2021.



Foreword

We are pleased to present our annual compilation, **Tax Glimpses 2021!**

The last year continued to witness unprecedented times in view of the pandemic that not just significantly changed our daily lives, but also forced businesses to dramatically change their thinking and modes of operation. The vaccination drives this year have raised hopes of normalcy despite the renewed waves and multiple variants.

On the economic front, a global economy growth of 6% in 2021 and 4.9% in 2022 is projected by the IMF. The Indian economy showed a growth of 8.4% in the second quarter of FY 2021–22 as compared to 7.4% contraction in the second quarter of FY 2020–21. The broad range of fiscal, monetary and health crisis responses by the Indian Government, along with economic reforms, have helped mitigate the impact of the pandemic.

International developments

Over the years, businesses around the world were becoming digitally inclined. The pandemic accelerated this significantly. International tax bodies too, in the last one year, have focused on tax challenges arising from the economy being digitalised.

On 1 July 2021, 130 countries of the 139 members of the OECD IF on BEPS committed to fundamental changes to

the international corporate tax system. These countries agreed to a two-pillar solution to address the tax challenges arising from the economy being digitalised.

Under Pillar One, a formulaic share of the consolidated profit of a certain MNE is sought to be allocated to markets (i.e. where the sales arise). Pillar One is intended to apply to MNEs having profitability above 10% and global turnover above EUR20bn. The profit to be reallocated to markets will be calculated on the profit before tax in excess of the stated threshold.

Under Pillar Two, the IF members have agreed to enact a jurisdictional-level minimum tax system with a minimum effective tax rate of 15%. Companies with global turnover above EUR750m are intended to be within the scope of Pillar Two, with headquarter jurisdictions retaining the option to apply the rules to smaller domestic MNEs.

On 21 October 2021, Austria, France, Italy, Spain, the UK and the US issued a joint statement on a compromise reached regarding DSTs and related unilateral measures. It follows the OECD IF, which contained details on unwinding existing DSTs and an agreement not to introduce further unilateral measures in the lead-up to the implementation of Pillar One. The US agreed to terminate proposed trade actions, including for periods before

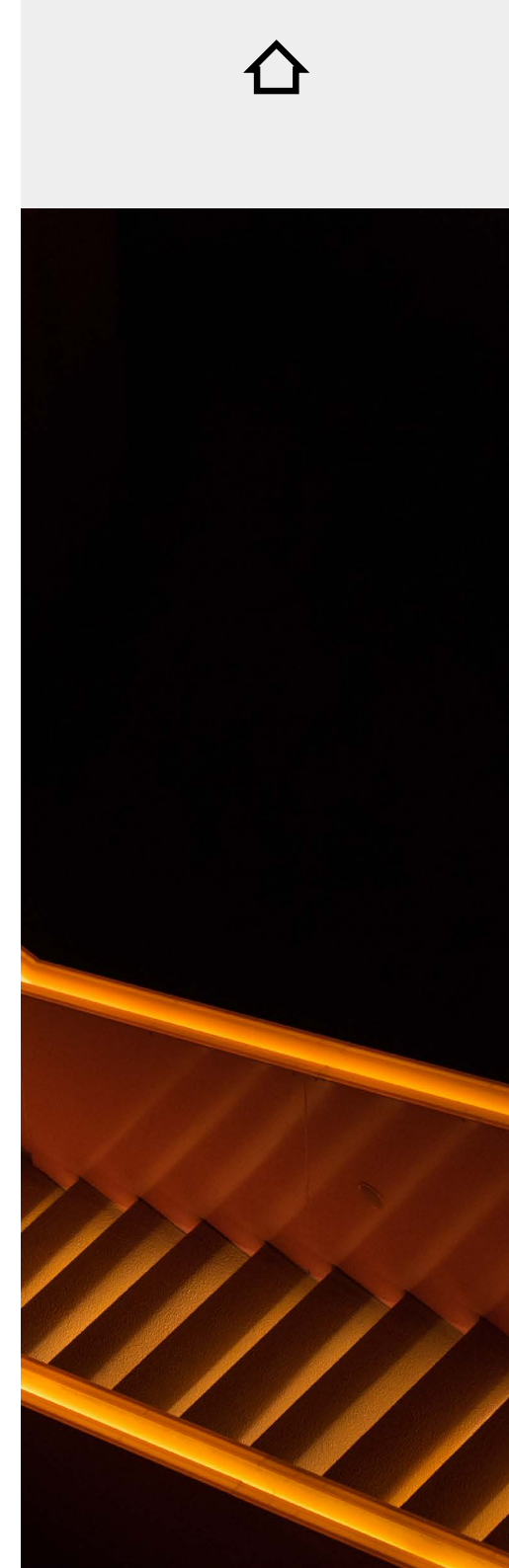
8 October 2021, and not to impose any new trade actions, until the end of the interim period with respect to the existing DSTs imposed by the countries participating in the joint statement.

The United Nations released its third edition (2021) of the United Nations Practical Manual on Transfer Pricing for Developing Countries. The third edition makes improvements in terms of usability and practical relevance; updates and improves the existing text, including on country practices; and has new content, particularly on financial transactions, profit splits, centralised procurement functions and comparability issues.

And at home

India and the US recently agreed to withdraw unilateral measures with regard to DST upon implementation of Pillar One. This also includes an agreement not to impose or raise any trade actions during the interim period by the US. The applicable interim period will be from 1 April 2022 until the implementation of Pillar One or 31 March 2024, whichever is earlier.

The Government withdrew retrospective applicability of taxation on indirect share transfers of Indian companies by foreign entities. The 2021 amendment seeks to nullify all tax-related demands pertaining to indirect share transfers made before 28 May 2012. The amendment provides





major relief to investors subject to the tax because of the retrospective 2012 amendment.

The Government had issued notifications under the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 to extend the limitation period for issuance of notices for reassessment. The Finance Act, 2021, w.e.f. 1 April 2021, however, amended the law to reduce the time limits for reopening assessments in some cases and modify the process. This anomaly resulted in some confusion and has seen some taxpayers filing writing petitions in respect of reopening of their assessment proceedings.

The Finance Act, 2021 introduced a provision to provide relief in the computation of MAT when there is an increase in the book profit of the FY. The increase is due to income of past year(s) being included in the book profit pursuant to an APA entered by the taxpayer or secondary adjustment required under the Act.

The Finance Act, 2021 introduced amendments in the Act whereby the interest accrued on an employee's contribution in the PF account exceeding INR250,000 (INR500,000 if there is no employer contribution) is taxable w.e.f. FY 2021–22. Consequently, the CBDT notified new rules prescribing the manner of calculating the taxable amount.

The Government specified the threshold for constituting SEP, and consequently, a business connection. The SEP provisions were introduced in the legislation with the intent to tax non-residents operating businesses that function without a physical presence.

Historically, a scheme of advance rulings by the AAR was included in the Act to provide tax certainty to non-residents and a specific category of residents. The Finance Act, 2021 replaced the AAR with the BAR. The Central Government, giving effect to the aforesaid enactment, constituted the BAR for the purpose of giving advance rulings on or after 1 September 2021. One of the key differences between the BAR and the AAR is that the order passed by the AAR was binding on the taxpayer and the Revenue Department with respect to the transaction for which the Advance Ruling had been obtained (subject to specific situations of appeal). However, the BAR's order will not be binding on the taxpayer and the Revenue Department. The parties would have the liberty to file an appeal against the BAR order with the relevant High Court.

The Central Government notified the guidelines for the RoDTEP scheme along with the rates at which a claim can be made by the exporter for exports made on or after 1 January 2021. RoDTEP will be operationalised through end-to-end

digitisation in the form of a transferable duty credit or electronic scrip (e-scrip). The CBIC will maintain this in an electronic ledger.

On the regulatory front, the RBI had placed on its website the draft rules and regulations governing overseas investments in equity and debt instruments and immovable property outside India by Indian residents. These draft rules and regulations propose to introduce several procedural and conceptual changes, which are expected to rationalise the regulatory regime and improve the ease of doing business.

The foreign investment norms in the insurance sector were further liberalised to permit FDI of 74% along with conditionalities laid down by the IRDAI and the Department of Financial Services. This development will allow Indian insurance companies to increase their foreign investment beyond the 49% threshold. Foreign investment norms were also liberalised for the telecom services (including the Telecom Infrastructure Providers Category-I), now permitting 100% foreign investment under the automatic route. This is, however, subject to certain specified conditions.

The SEBI amended the Listing Obligations and Disclosure Requirements Regulations to tighten the norms for related party transactions. These

amended regulations have expanded the scope of related parties and related party transactions, and mandate prior audit committee and shareholders' approval for certain transactions with related parties and any material modification to the related party transactions.

The Finance Minister had announced an outlay of INR1.97lakh crores towards PLI schemes across 13 key sectors in the Union Budget 2021–22. These PLI schemes were launched to create national manufacturing champions and generate employment opportunities. PLI scheme for mobile phones, electronic components, critical pharma drugs and medical devices were introduced last year by the government. This year, the Cabinet approved the PLI scheme for auto, auto-components and drone industries.

Tax Glimpses 2021 summarises some of the significant tax and regulatory developments, most of which have been shared with you earlier (see attached, a list of PwC Tax & Regulatory Insights released during the year). For ease of reference, we have also listed certain treaties and agreements that India has entered into with other countries (with a link to access these).

We hope you find this compilation useful and look forward to your suggestions.

As always, our best wishes for the coming festive season, and beyond! Stay safe.

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Judgements

Capital gains

Capital gains arising in the hands of a non-resident holding company on share buyback by an Indian subsidiary is taxable under section 46A of the Act and not exempt under section 47(iv) of the Act

ITA No. 1195 of 2011

The AAR held that the capital gains exemption under section 47(iv) of the Act for transfer of shares by a holding company to its wholly owned subsidiary cannot be availed in the case of a buyback. This is because a buyback is specifically governed under section 46A of the Act. The AAR observed that section 46A of the Act was inserted into the Finance Act, 1999, with effect from 1 April 2000 to tax capital gains arising on the buyback of shares as a consequence of the introduction of section 77A of the Companies Act, 1956. Simultaneously, an amendment was brought into section 2(22) of the Act by excluding the buyback of shares from the definition of dividends. However, section 47(iv) of the Act has been in the statute right from its inception.

The AAR held that if the exemption under section 47(iv) of the Act is to be read into section 46A of the Act, the stated objective of garnering tax from such transaction would not be achieved. Exclusion of a share buyback transaction from section 47(iv) of the Act shall not make the clause less effective, since it shall be applicable to numerous other transfers of capital assets. It is trite law that a special provision will prevail over the general provisions.

Transfer of a LOI for allotment of land is not covered by section 50C of the Act

ITA No. 1270/Chd/2019

The Chandigarh bench of the Tribunal has held that LOI issued as a compensation in lieu of land compulsorily acquired does not qualify as land and/or building as per section 50C of the Act. The LOI did not confer any ownership of a specific developed plot of land. It only conferred a right to own developed land in a specific area to be developed and to be identified at a future point in time. Hence, section 50C of the Act should not be applicable to transfer of the LOI.

In the case of a JDA, capital gains taxable in the year of receipt of the possession of the constructed area, in the absence of any construction and any willingness to perform by the developer in year of agreement

ITA No. 988/Bang/2018

The Bangalore bench of the Tribunal has held that, in case of a JDA, 'willing to perform' for the purpose of section 53A of the TOPA is vital. In case of non-performance or absence of willingness on the part of developer or transferee to perform their obligations under the JDA, the transfer proposed pursuant to JDA is not taxable. Capital gain is taxable in the year of receipt of possession of developed property.

Furthermore, the Tribunal observed that, under the JDA, the taxpayer's share of constructed area is not the subject matter of any registration. In absence of actual registration of the property, section 50C of the Act is not applicable.

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Section 50C of the Act not applicable on transfer of rights in land

ITA No. 70 of 2015

The Karnataka High Court has held that section 50C of the Act will apply only in the case of a transfer of land. Section 50C of the Act is not applicable in case of transfer of rights in land.

In the case of a consenting party to the agreement, who is not a transferor or co-owner, but is merely transferring certain rights in land, section 50C of the Act is not applicable.

Tax on dividend income

Lower withholding tax rate of 5% on the dividend distributed by an Indian company to a Netherlander parent company by applying the most favoured nation clause in the India-Netherlands tax treaty

W.P.(C) 9051/2020 and W.P.(C) 882/2021, and CM Appl. 2302/2021

The Delhi High Court set aside the lower withholding tax certificate of 10% issued by the tax authorities and directed them to issue a fresh certificate for 5% on dividend payments by an Indian subsidiary to its Netherlands

parent company. This must be done by resorting to the most favoured nation protocol in the India-Netherlands tax treaty to invoke the tax treaties between India and Slovenia, Lithuania and Columbia. The High Court held that once the conditions provided in the protocol are fulfilled, then from the date on which the tax treaty that India entered into with third countries comes into force, the same rate or scope, as provided in that tax treaty between India and a third state, would necessarily have to apply to the subject tax treaty.

The High Court relied on the decree issued by the Netherlands for guidance on the interpretation of the most favoured nation clause. According to this clause, the tax rate of 5% provided under the India-Slovenia tax treaty will apply to participation dividends paid by a company resident in the Netherlands to a body resident in India, with retroactive effect from 21 July 2010, when Slovenia became a member of the OECD. Moreover, as a corollary, the same would apply equally to dividends an Indian company paid to the Netherlands parent company.

Royalty

Consideration received by a non-resident from distributors or end users to provide a copy of a software is not royalty under the relevant Indian tax treaties

Civil Appeal Nos. 8733-8734 of 2018

The Supreme Court of India held that consideration received by a non-resident from distributors or end users for the supply of software is not taxable as royalty under the relevant Indian tax treaties. The Supreme Court observed that the requirement to deduct tax at source will arise only if the non-resident is liable to pay tax in India. Moreover, the Supreme Court distinguished its own decision in Pilcom on the basis that the same was rendered in the context of section 194E of the Act, which has a different language.

The Supreme Court observed that copyright is an exclusive, intangible and incorporeal right, and it is negative in nature, as it restricts others from doing certain acts. The terms of the EULA make it clear that the Indian importers did not acquire any copyright or right to sub-licence, transfer, reproduce, etc., the software; instead, they acquired a non-exclusive, non-transferable licence

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to use the software. A non-exclusive, non-transferable licence, merely enabling the use of a copyrighted product, has the nature of restrictive conditions, and it cannot be construed as a licence to enjoy all the rights. The right to reproduce a computer program and exploit the reproduction by sale, transfer, licence, etc., is at the heart of an exclusive right or copyright. Hence, payments made for computer software are not covered under Article 12 of the tax treaties. This is because the distribution agreement or EULA(s) in the facts of these cases do not create any interest or right for such distributor or end user that would amount to 'use of' or 'right to use' any copyright for all four categories of appeals considered by the Supreme Court.

The Supreme Court appreciated the persuasive value of the OECD Commentary to interpret the international tax treaties and observed that the language of India's reservations on Article 12 (i.e. 'reserved the right to' or 'may') of the tax treaties is not clear. Unless the tax treaties are actually amended through bilateral renegotiation, mere expression of reservations would not alter the tax treaty provisions.

Entitlement to tax treaty

Benefits of a tax treaty cannot be denied merely due to re-domiciliation of the taxpayer

ITA Nos. 4628 and 4629/Mum/2006 and 1877/Mum/08, and CO No. 123/Mum/2008

The Mumbai bench of the Tribunal observed that re-domiciliation (continuation) is a process by which a company moves its place of incorporation from one jurisdiction to another, maintaining the same legal identity. The Tribunal took cognisance of the earlier court rulings that once a tax residency certificate is produced, it is not open to the tax authorities to doubt the taxpayer's tax residency. The Tribunal held that given the ground reality of the offshore world, renaming, restructuring and even re-domiciliation of offshore companies are facts of life; therefore, the benefit under the tax treaty cannot be denied merely because of the taxpayer's re-domiciliation. The judgement was delivered in the context of a fact pattern wherein a company had originally been set up in the British Virgin Islands and was subsequently re-domiciled to become a tax resident of Mauritius.

Reassessment proceedings

Quashing of a reassessment notice issued under the old regime after 1 April 2021

Writ Tax No. 524 of 2021

The Finance Act, 2021 replaced the pre-existing law on reassessment. Consequently, reassessment proceedings on or after 1 April 2021 could be initiated only in accordance with the amended law. Separately, due to the COVID-19 pandemic, the TOLA, extended the timelines for notices, which were supposed to be issued under the old law between 20 and 31 March 2020 but could not be issued on account of the pandemic, to 31 March 2021. The CBDT subsequently issued a notification to further extend this time period to issue notices under the old law to 30 June 2021.

The Allahabad High Court held that the Finance Act, 2021, has replaced the pre-existing law. In the absence of any saving clause, reassessment proceedings on or after 1 April 2021 could be initiated only in accordance with the amended laws. The High Court also dismissed the argument of the Revenue that the

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non-obstante clause of section 3(1) of the TOLA has an overriding effect on the Act. The High Court held that where reassessment proceedings have been initiated after 1 April 2021, the amended laws shall apply; the Central Government or CBDT cannot overreach the principal legislation vide such notifications. The notifications would be treated as invalid unless they are harmonised.

Deduction under section 80-IB(10)

Pro-rata deduction allowed on an approved housing project to the extent complying with prescribed conditions

TXA Nos. 2/2016 and 4/2016

The Goa bench of the Bombay High Court allowed pro-rata deduction under section 80-IB(10) of the Act on an approved housing project to the extent that the part of the project complied with the prescribed conditions. The Court held that the allowability of pro-rata deductions to the taxpayer under section 80-IB(10) of the Act is consistent with the view adopted by other High Courts in the past. The Revenue's contention was rejected by the High Court as there was no provision under the relevant section to allow a proportionate deduction to the taxpayer.

Set off of losses

Set off of brought-forward business losses cannot be denied on account of a change in shareholding of more than 51% if there is no change in voting power and beneficial ownership

ITA No. 3914/Mum/2019

Section 79 of the Act provides that accumulated business losses cannot be carried forward to subsequent years to be set off against the taxable income if there is a change in shareholding of more than 51% compared with the year in which loss was incurred.

The Mumbai bench of the Tribunal denied the applicability of section 79 of the Act if there is no effective change in the taxpayer's management or voting power and the whole group was managed by the same set of directors and shareholders. The Tribunal distinguished the Delhi High Court's decision in the case of Yum Restaurants India Private Limited from the current case by holding that the former case involved no express arrangement to substantiate that Yum USA was the beneficial owner of the shares.



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Business connection on account of SEP

Central Government notifies thresholds for SEP to constitute a business connection

Notification No. G.S.R. 314(E) dated 3 May 2021

The provisions of SEP were introduced in the legislation in 2018 with an intent to tax non-residents operating digitised businesses that function without a physical presence. The following thresholds were notified for the SEP to constitute a business connection:

- Transaction in respect of any goods, services or property carried out by a non-resident with any person in India involving the provision of download of data or software in India if the aggregate of payments arising from such transaction or transactions during the year exceeds INR2,00,00,000; or
- Systematic and continuous soliciting of business activities or engagement in interaction with 300,000 users or more.

The aforesaid thresholds are applicable with effect from FY 2021–22.

TDS on purchase of goods

CBDT issues guidelines for TDS on purchase of goods

Circular No. 13/2021 dated 30 June 2021

CBDT has issued guidelines to clarify certain aspects relating to TDS on the purchase of goods:

- TDS shall not apply to (i) securities and commodities traded through recognised stock exchanges or cleared and settled by recognised clearing corporations, including those located in IFSCs, or to (ii) electricity, renewable energy certificates or energy-saving certificates traded through power exchanges registered as per the Central Electricity Regulatory Commission Regulations.
- TDS shall not apply if either payment or credit has occurred before 1 July 2021.
- The threshold of INR5m to determine the applicability of the TDS provision shall be computed from 1 April 2021.
- TDS shall not apply on GST if it is deducted at the time of credit and GST is indicated separately. If the

tax deduction is on a payment basis, TDS would be deducted on the whole amount.

- In the case of purchase return, when the buyer has deducted TDS earlier and the seller has refunded the money, TDS may be adjusted against the next purchase of the same seller. However, no adjustment is required in case of replacement of goods.
- TDS shall not apply to a non-resident who purchased goods from a seller resident in India if it is not effectively connected to the PE of such non-resident in India.
- TDS shall not apply to a seller whose income is exempt.
- TDS will apply on advance payments and not apply in the year of incorporation of the buyer.

Constitution of BAR

Notified date of constitution of the BAR

Notification No. S.O. 3562(E) dated 1 September 2021

A scheme of advance rulings was included in the Indian income-tax law to provide tax certainty to non-residents and a specific category of residents.

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In the past few years, the Government faced difficulties in filling vacancies created on the AAR Bench due to non-availability of eligible personnel. Therefore, as an alternative, the Central Government proposed constituting the BAR with the intent to ensure timely disposal of applications.

Three boards are proposed to be constituted, with two headquartered in Delhi and one in Mumbai. All applications pending before the AAR as on 1 September 2021 will be transferred to the BAR along with all the relevant records, documents and materials. The provisions on the binding norms of AAR rulings, i.e. binding on both the applicant and the Principal Commissioner or Commissioner and their subordinates, will no longer be effective from 1 September 2021, and such orders will be appealable before the High Court. The BAR will be vested with the same powers as the AAR with effect from 1 September 2021.

Taxation of digital services

UN Tax Committee approves Article 12B on income from ADS

https://www.un.org/development/desa/financing/sites/www.un.org.development.desa.financing/files/2021-04/CITCM%2022%20CRP.1_Digitalization%206%20April%202021.pdf

The UN, through its Committee of Experts on International Cooperation in tax matters, introduced a new Article 12B to tackle income from ADS. Key aspects of Article 12B are as follows:

- Besides the resident state, the source state also has the right to tax the beneficial owner of the income from ADS, subject to a cap on the tax rate that will be bilaterally agreed upon between countries.
- The beneficial owner can request the source state to tax it on a net basis, i.e. tax the qualified profits by applying the tax rate in the source state.
- ADS are services provided on the internet or other electronic networks requiring minimal human involvement. The definition specifically includes (i) online advertising services, (ii) supply of user data, (iii) online search engines, (iv) online intermediation platform services, (v) social media platforms, (vi) digital content services, (vii) online gaming, (viii) cloud computing services and (ix) standardised online teaching services.
- Article 12B shall not apply (i) if the transaction falls within the purview of royalty or fee for technical services or (ii) if the beneficial owner of ADS carries on business in the source state through a PE or fixed base, and such

ADS income is effectively connected with such PE or fixed base.

- If the underlying payment for ADS is not at arm's length because of the relationship between the beneficial owner and payer or beneficial owner, payer and some other person, Article 12B will apply only to the extent of the arm's-length price; the excess shall remain taxable as per laws of the contracting states.

Indirect transfer

Nullifying the tax demands on account of retrospective tax on the indirect transfer of shares

No. 34 of 2021 dated 13 August 2021

The Finance Act, 2012, introduced indirect transfer tax provisions to tax the transfer of shares of a foreign company that derive substantial value from assets situated in India, with retrospective effect from FY 1961–62. Said amendment led to high-profile tax litigation and consequent tax demands, attracting criticism from foreign investors.

With this backdrop, the Indian Government introduced the Taxation Laws (Amendment) Act, 2021 to amend the indirect transfer provisions by making them prospective from 28 May 2012.

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Accordingly, any order that has been passed to tax the transfer of shares of a foreign company deriving substantial value from Indian assets prior to 28 May 2012 shall be deemed to have never been passed. Any amount refundable to the taxpayer because of this shall be refunded without any interest. However, the above relaxations shall be subject to the condition that the taxpayer withdraw the pending appeal, writ petition, special leave petition or arbitration on this issue and waive their statutory right to pursue any other remedy.

Equalisation levy

India and US agree on the transitional approach of the 2% Indian equalisation levy and US trade actions

PIB Press Release dated 24 November 2021

On 8 October 2021, 136 member nations of the OECD and the G20 IF on BEPS, including India and the US, issued a statement on a two-pillar solution to address the tax challenges arising from digitalisation of the economy. A multi-lateral convention will be signed by the countries in 2022 to implement Pillar One, with effective implementation in 2023. This will be accompanied by commitments to (i) withdraw their

existing DSTs and other similar unilateral measures, and (ii) not introduce any such unilateral measures during the interim period. This agreement also follows the trade tensions between India and the US on account of the United States Trade Representative's investigation under section 301 of the US Trade Act, 1974. The investigation indicated that the Indian equalisation levy was inconsistent with the principles of international taxation and was discriminatory against US companies, and therefore it should be repealed.

India and the US have now agreed that the unilateral measures shall be withdrawn upon implementation of Pillar One. However, the applicable interim period will be from 1 April 2022 until the implementation of Pillar One or 31 March 2024, whichever is earlier.

The terms of the agreement the US has with Austria, France, Italy, Spain and the UK, which will also apply to India, are as follows:

- Countries will not be required to withdraw their existing DSTs until Pillar One comes into effect.
- A credit mechanism is agreed upon for US businesses subject to Amount A under the Pillar One framework (i.e. large MNEs with turnover in excess of

EUR20bn and profitability in excess of 10%). Under this mechanism, the excess between the total DST liability in the interim period and liability under the Pillar One Amount A calculated for the interim period (as if Pillar One were already implemented) can be used as credit against the Amount A tax liability once Pillar One is implemented. Such excess credit can also be carried forward until fully utilised.

- Credit shall not be available in case an MNE becomes subject to Pillar One for the first time after four years of Pillar One coming into effect in the particular country.

The US also committed to not imposing or raising any trade actions (including termination of the investigation under section 301 of the US Trade Act, 1974) with respect to the existing DSTs until the end of the interim period.

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Other developments

This covers developments on which PwC has not released Tax & Regulatory Insights.

Judgements

Set off of losses

Set off of the accumulated business loss against capital gains

ITA No. 103 of 2012

Section 72 of the Act provides that any accumulated business losses of past FYs can be set off against profits from business and profession earned during

the current FY. The Karnataka High Court held that capital gains (which comprise a separate head of income under the Act) can be set off against accumulated business losses.

The High Court held that section 72(1) of the Act (which deals with accumulated business loss) employs the expression 'under the head profits and gains of business or profession', whereas clause (i) of section 72(1) of the Act (which deals with its set off) does not use the words 'under the head'. Thus, the legislature has consciously left it open that any income from business, although classified under any other head, can be

entitled to the benefit of set off. While reasoning, the High Court relied on a Supreme Court decision (in the case of Cocanada Radhaswami Bank). In that case, in the context of section 24(2) of the old Act (which the High Court held to be in pari materia with section 72 of the current Act), the Supreme Court held that business income is broken up under different heads only for the purpose of computing the total income. Based on this break-up, the income did not cease to be the income of the business, and the different heads of income were the classification prescribed by the Act for computation of income.

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Carry forward of capital losses

Carry forward capital losses to subsequent years (when capital gains were exempt under the India-Singapore tax treaty) permissible

ITA No. 6619/Mum/2016

The taxpayer had incurred short-term capital losses and sought to carry forward such losses incurred by it under the Act. For the year under consideration, capital gains earned by the taxpayer were exempt from tax under the India-Singapore tax treaty. The Mumbai bench of the Tribunal allowed carry forward of short-term capital losses under the Act, noting that where a taxpayer has elected to be governed by the provisions of the Act, once the amount of capital losses to be carried forward is quantified (and not disputed by the Revenue Authorities), it follows that such losses would be permitted to be carried forward.

Circulars, Notifications and Others

Tax

CBDT grants exemption from obtaining PAN and filing return of income to non-resident investors in Category III AIFs in IFSC and EFIs

CBDT Notification No. 42/2021 F. No. 370133/08/2020-TPL dated 4 May 2021 and CBDT Notification No. 119/2021/F. No. 225/76/2021-ITA.II dated 11 October 2021

The CBDT notifications provided an exemption from obtaining PAN and filing return of income to non-residents making investments in Category III AIFs located in the IFSC and EFIs who have made transactions only in the specified capital assets listed on a recognised stock exchange located in the IFSC, subject to the fulfilment of certain conditions.

Rules for computation of income of a Category III AIF in IFSC attributable to units held by non-resident investors

CBDT Notification No. 90/2021/F. No. 370142/20/2021-TPL dated 9 August 2021

The CBDT, vide the captioned notification, has prescribed Income-tax (Twenty Second Amendment) Rules, 2021 prescribing the method of computation of income of the Category III AIFs in the IFSC attributable to units held by non-resident investors.

The method of computation of income of AIF attributable to units held by non-resident investors is based on the AUM of the AIF. Income arising from transfer of security is attributable on the basis of the average of the daily aggregate AUM of the AIF over the period of holding of the security. Income received in respect of securities is attributable on the basis of the AUM as on the date of receipt of income.

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SEBI

Resident Indians (other than individuals), being eligible Fund Managers, permitted to be constituents of FPIs that are approved as 'eligible Investment Funds'

Circular No. SEBI/HO/IMD/FPI&C/
CIR/P/2021/045 dated 30 March 2021

SEBI prescribed the following additional guidelines with respect to the surrender of FPI registration:

- a. DDP to confirm the following to SEBI for seeking an NOC for surrender of FPI registration:
 - i. Accounts held by applicant have nil balance and are blocked for further transactions. The CP code of the FPI is also blocked.
 - ii. There are no dues or fees pending towards SEBI.
 - iii. There are no actions or proceedings pending against the FPI.
- b. DDP to ensure the following within 10 working days from the date of receipt of NOC from SEBI:

- i. All the accounts (including bank account and securities account) held by the FPI are closed.

- ii. The CP code is deactivated.

Resident Indians (other than individuals), being eligible Fund Managers, permitted to be constituents of FPIs that are approved as 'eligible Investment Funds'

Notification No. SEBI.LAD-NRO/
GN/2021/32 dated 3 August 2021

Amendment to SEBI operating guidelines for FPIs and DDPs - SEBI Circular No. SEBI/HO/FPI&C/P/CIR/2021/609 dated 4 August 2021

SEBI amended the SEBI (FPI) Regulations, 2019 and FPI operating guidelines, permitting eligible resident Indians (other than individuals) to be constituents of FPI, provided such resident Indians (other than individuals) are 'eligible Fund Managers' and the FPIs are approved as 'eligible Investment Funds' under section 9A of the Act.

Resident Indians (other than individuals) permitted to become constituents of FPIs registered as AIFs in the IFSC

Notification No. SEBI/LAD-NRO/
GN/2021/54 dated 26 October 2021

SEBI amended the SEBI (FPI) Regulations, 2019 permitting resident Indians (other than individuals) to become constituents of FPIs that are registered as AIFs in the IFSC and regulated by the IFSCA, subject to following conditions:

- Such resident Indian, other than individuals, is a sponsor or manager of the FPI; and
- the contribution of such resident Indian, other than individuals, is up to
 - a. 2.5% of the corpus of the applicant or US\$7,50,000 (whichever is lower), in case the applicant is a Category I AIF or Category II AIF; or
 - b. 5% of the corpus of the applicant or US\$1.5m (whichever is lower), in case the applicant is a Category III AIF.

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SEBI notified SEBI (Alternative Investment Funds) (Amendment) Regulations, 2021

Notification No. SEBI/LAD-NRO/GN/2021/01 dated 8 January 2021

By virtue of the captioned SEBI notification, members of the Investment Committee have to ensure that their decisions are in compliance with the prescribed policies and procedures unless each investor (other than the sponsor or manager or its directors and employees or the directors and employees of AIF) has committed to invest a minimum of INR70crores (or equivalent amount in foreign currency) as well as furnished a waiver to the AIF in this regard. The format for waiver to be furnished by investors in this regard has been provided vide circular dated 25 June 2021.

SEBI notified AIF Third Amendment Regulations

Notification No. SEBI/LAD-NRO/GN/2021/33 dated 3 August 2021

- Along with the SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013, the concepts of AI, AA and LVF

for AIs have also been introduced in AIF Regulations that provide certain financial criterias which needs to be satisfied for the grant of AI status.

- Furthermore, the SEBI (Alternative Investment Funds) (Third Amendment) Regulations, 2021 (AIF Third Amendment Regulations) also provide Deemed AI status to certain categories of investors including qualified institutional buyers, Category I FPIs, Sovereign Wealth Funds, etc.
- Certain benefits have been provided to AIs and LVFs for AIs such as non-applicability of minimum investment criteria for AIs, relaxation in diversification criteria, extension of tenure beyond two years available subject to certain conditions and relaxation in requirement to file the PPM of a new AIF scheme within 30 days prior to the launch for LVFs for AIs.

Modalities for implementation of 'Accredited Investors' framework in AIF Regulations

Circular No. SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620 dated 26 August 2021

The concept of AIs was introduced vide the AIF Third Amendment Regulations

dated 3 August 2021. For the purpose of implementing the 'AI' framework, SEBI has issued a circular detailing the modalities that encapsulate the process and eligibility criteria for the recognition of subsidiaries of recognised stock exchanges or depositories as AAs, eligibility criteria for qualifying as an AI, procedure and documentation required for applying for an Accreditation Certificate and its validity thereof, procedure for AIs to avail benefits linked to accreditation and flexibility provided to investors to withdraw consent and discontinue availing benefits of accreditation, subject to conditions.

SEBI notified AIF Fourth Amendment Regulations

Notification No. SEBI/LAD-NRO/GN/2021/41 dated 13 August 2021

By virtue of the captioned notification, SEBI notified the SEBI (Alternative Investment Funds) (Fourth Amendment) Regulations, 2021 (AIF Fourth Amendment Regulations), which consist of amendments such as modification of the definition of debt fund to exclude investment in debt and include investment in securitised debt instruments, flexibility of issuance of partly paid-up units of AIFs, requirement of filing PPM through a merchant

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banker, allowing any un-invested portion of the divestment proceeds pending distribution to investors to also be used for temporary investments and allowing Category I AIFs to invest in units of Category II AIFs in addition to units of Category I AIFs.

Modalities for filing of PPM through a merchant banker under AIF Regulations

Circular No. SEBI/HO/IMD/IMD-I/DF6/P/CIR/2021/645 dated 21 October 2021

Vide AIF Second Amendment Regulations dated 5 May 2021, filing of PPM needs to be routed through a SEBI registered Merchant Banker. In this regard, SEBI has issued the captioned circular to all AIFs and merchant bankers detailing the modalities for filing of PPM through a merchant banker, which includes issuance of a due diligence certificate by the merchant banker in the prescribed format post confirming all adequate disclosures in the PPM, submitting such due diligence report along with necessary documents at the time of filing the PPM, details of merchant banker to be disclosed in the PPM.

SEBI notified AIF Fifth Amendment Regulations

Notification No. SEBI/LAD-NRO/GN/2021/57 dated 9 November 2021

In case of investment by Category III AIFs including LVFs for AIs in the listed equity of an investee company, the SEBI (Alternative Investment Funds) (Fifth Amendment) Regulations, 2021 (AIF Fifth Amendment Regulations) extended the erstwhile investment limit of 10% or 20% of investable funds to 10% of the NAV of the AIF. Furthermore, the CPM framework has been introduced in the AIF Regulations along with PM Regulations (applicable from 9 December 2021). Co-investment may be undertaken by the manager or sponsor or an investor of a Category I and II AIF in investee companies where such AIF makes investment. However, investors can make such co-investment only through a CPM. Furthermore, it has been clarified that the manager can provide advisory services to the clients of the CPM in relation to such co-investment.

Clarification to AIF Fifth Amendment Regulations dated 9 November 2021

Circular No. SEBI/HO/IMD/IMD-I/DOF6/P/CIR/2021/663 dated 22 November 2021

By virtue of the captioned circular, SEBI has provided clarifications in relation to the calculation of concentration norms for investment in the listed equity of an investee company based on the NAV of the fund. Such clarifications include the date as on which NAV needs to be considered for the purpose of computing the investment limit, the NAV computation formula and rectification of passive breach of concentration norms within prescribed timelines. Furthermore, in relation to 'Co-investment' by a manager or sponsor or investor of Category I and II AIFs, SEBI has clarified that the requirement for the appointment of the custodian shall be applicable if the sum of corpus of the AIF and the value of the co-investment managed by the manager of the AIF as the CPM is over INR5bn.

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RBI

Relaxation provided to FPIs on investment in NCDs and bonds under default

A.P. (DIR Series) Circular No. 12 dated 26 February 2021 and Circular No. 31 dated 15 June 2018

FPIs are exempted from the following conditions in respect of investment in NCDs and bonds that are under default, either fully or partly, in repayment of principal on maturity or principal instalment in the case of amortising bond:

- **Minimum residual maturity and short-term investment limit:** The minimum residual maturity period of above one year and the investment limit of 30% on short-term investments in corporate bonds are not applicable.
- **Investor limit:** The limit on investment by FPIs (including investments by related FPIs) not exceeding 50% of any issue of a corporate bond is not applicable.

Banks permitted to lend to FPIs for placing margins with CCIL

RBI/2021-22/48 A.P. (DIR Series) Circular No. 06 dated 4 June 2021

RBI allowed banks in India having an AD Category-1 licence to lend to FPIs for the purpose of placing margins with the Clearing Corporation of India Limited (CCIL) in respect of settlement of transactions involving Government Securities (including Treasury Bills and State Development Loans).

FPIs permitted to purchase debt securities issued by REITs and InvITs

Notification No. FEMA.396(1)/2021-RB dated 13 October 2021

RBI notified the Foreign Exchange Management (Debt Instruments) (First Amendment) Regulations, 2021, wherein debt securities issued by (i) InvITs and (ii) REITs have been added to the list of permissible debt securities that an FPI can purchase, subject to the prescribed terms and conditions. The same can be acquired by FPIs under the Medium-Term Framework or the Voluntary Retention Route, subject to respective regulations.

Remittances to IFSCs in India under LRS

RBI Circular No. RBI/2020-21/99 A.P. (DIR Series) Circular No. 11 dated 16 February 2021

The RBI, vide the captioned circular, has permitted resident individuals to make remittances under LRS to the IFSC in India, subject to the following conditions:

- The remittance is made only for making investments in IFSCs in securities, other than those issued by entities or companies resident (outside the IFSC) in India.
- Resident individuals may also open a non-interest bearing foreign currency account in IFSCs, for making the above permissible investments under LRS. Any funds lying idle in the account for a period up to 15 days from the date of its receipt into the account shall be immediately repatriated to the domestic INR account of the investor in India.
- Resident individuals shall not settle any domestic transactions with other residents through these foreign currency accounts held in the IFSC.

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Ministry of Finance

Republic of Cyprus notified as an eligible country for obtaining Category I FPI registration

Order No. F. No. 10/6/2019-EM dated 14 June 2021

The Government of India notified Republic of Cyprus as an eligible country for the purpose of Regulation 5(a)(iv) of the SEBI (FPI) Regulations, 2019. Accordingly, certain entities such as appropriately regulated funds from the Republic of Cyprus would be eligible to obtain registration as a Category I FPI.

IFSC

Regulatory framework for aircraft operating leasing in IFSC

IFSCA Circular No. 28/IFSCA/ALF/2020-21 dated 19 February 2021

The IFSCA issued a circular providing a framework for enabling the operating lease of the aircraft or helicopter, its engines or any other part thereof from the IFSC in India. The framework provides the eligibility criteria for the aircraft lessor in the IFSC, permissible

activities, capital requirement (minimum US\$200,000), registration with the IFSCA, currency for conduct of business and applicable fees.

Regulatory framework for finance companies in IFSC

IFSCA Notification No. IFSCA/2020-21/GN/REG010 dated 25 March 2021

In view of the important role played by non-banking entities in the development of the economy, the IFSCA notified the IFSCA (Finance Company) Regulations, 2021 to provide a regulatory framework for finance companies in the IFSC. The regulations provide the form of set up, eligibility criteria, permissible activities (core, non-core and specialised activities), minimum owned funds requirement and prudential regulatory requirement.

Regulatory relaxations for AIFs in IFSC

IFSCA Circular No. 81/IFSCA/AIFs/2020-21/03 dated 25 June 2021

The IFSCA issued a circular granting the following relaxations to the AIFs set up in the IFSC:

- The continuing interest requirement (for Category I or II AIFs – lower of 2.5% of corpus or US\$750,000, and for Category III AIFs – lower of 5% of corpus or US\$1,500,000) by the manager or sponsor in the AIF has been made voluntary for funds that are established or incorporated or registered outside India and are relocating to the IFSC.
- The AIFs in the IFSC are permitted to invest in units of schemes launched by MFs regulated in FATF-compliant jurisdictions (including India).

Framework for Global or Regional Corporate Treasury Centres activities undertaken by finance companies in IFSC

IFSCA Circular No. 331/IFSCA/GRCTC/2021-22 dated 25 June 2021

The IFSCA (Finance Company) Regulations, 2021 permitted finance companies to undertake Global or Regional Corporate Treasury Centres activities in the IFSC. The IFSCA, vide the captioned circular, has provided the operational framework for conducting Global or Regional Corporate Treasury Centres activities.

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The Global or Regional Corporate Treasury Centre shall perform treasury activities and/ or provide treasury services exclusively to specified Group entities. The framework also provides the eligibility criteria of the treasury centre, its permissible activities and currency for the conduct of business.

IFSCA (Issuance and Listing of Securities) Regulations, 2021

IFSCA Notification No. IFSCA/2021-22/GN/REG015 dated 16 July 2021

The IFSCA notified IFSCA (Insurance and Listing of Securities) Regulations, 2021 to provide an all-encompassing framework to facilitate issuers access global capital by specifying the requirements for the issuance and listing of various types of securities.

The regulations provide the eligibility criteria for issuers proposing to list their securities in IFSC stock exchanges. The regulations provide the regulatory framework for the following types of listing: IPO and FPO, secondary listing of start-ups, SME companies, SPAC, depository receipts and debt securities (including ESG debt securities).

IBU registered as an FPI, permitted to offer ODIs on Government securities and SDLs

IFSCA Circular No. 110/IFSCA/Banking Regulation/2021-22/7 dated 5 October 2021

The IFSCA permitted IBUs holding an FPI license to become market makers for offering ODIs on Indian Government bonds and SDLs. The ODIs are required to be issued in compliance with the SEBI (FPI) Regulations, 2019.

IFSCA (Capital Market Intermediaries) Regulations, 2021

IFSCA Notification No. IFSCA/2021-22/GN/REG018 dated 18 October 2021

The IFSCA notified IFSCA (Capital Market Intermediaries) Regulations, 2021 to provide a comprehensive regulatory framework for capital market intermediaries operating in the IFSC, focusing on ease of doing business and consistent with the fundamental principles laid down by the International Organisation of Securities Commissions. The regulations provide the framework for the following capital market intermediaries in the IFSC:

Broker dealers, clearing members, investment bankers, portfolio managers, investment advisers, credit rating agencies, debenture trustees, depository participants, custodians, account aggregators and any other intermediaries specified by the IFSCA periodically.

The regulations provide registration requirement, legal form, net worth requirement and obligations and responsibilities for capital market intermediaries in the IFSC. Furthermore, the regulations permit undertaking of cross-border business in capital markets in India and foreign jurisdictions by registered capital market intermediaries in the IFSC, subject to certain conditions.

Amendments to IFSCA Banking Regulations

IFSCA Notification No. IFSCA/2021-22/GN/REG013 dated 5 July 2021

The IFSCA notified IFSCA (Banking) (Amendment) Regulations, 2021, making amendments to the IFSCA (Banking) Regulations, 2020 (IFSCA Banking Regulations). The key amendments are provided as follows:

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- The parent bank shall provide the necessary capital for the IBU, subject to a minimum of US\$20m or such other level of capital as may be specified by the IFSCA. Such capital shall be maintained at the parent bank level in the manner specified by the IFSCA.
- An IBU was subjected to an exposure ceiling of 5% and 10% of the parent bank's Tier 1 capital in case of a single borrower and group borrowing, respectively, under the erstwhile IFSCA Banking Regulations. The above has been amended to provide that IBU shall adhere to the norms and guidelines relating to the exposure ceiling as may be specified by the IFSCA.
- Banking units can undertake any or all the activities mentioned under section 3(1)(e) of the IFSC Authority Act, 2019 or section 6 of the Banking Regulation Act, 1949, except those expressly prohibited by the IFSCA. The list of permissible activities mentioned in the IFSCA Banking Regulations have been replaced with the above.

Accounting standard to be followed by IBUs

IFSCA Circular No. F.No.383/IFSCA/IFSC RULE BOOK/IFRS/IRAC NORMS/1 dated 30 July 2021

The IFSCA issued a circular specifying IFRS issued by the IASB as the accounting standards to be followed by IBUs for preparing and maintaining its financial statements on a standalone basis and for reporting and compliance under the IFSCA Banking Regulations, with effect from:

- a. For IBUs whose parent banks are following the IFRS — beginning of the quarter or half-year starting from 1 October 2021
- b. For IBUs whose parent banks are following accounting standards other than the IFRS — beginning from the FY starting from 1 April 2022

The IFSCA may permit an IBU to follow a system of accounting standards, other than the IFRS, that is applicable for its parent bank, based on the specific requests from such IBUs and the merits of each case.

Issue of the IFSCA Banking Handbook

IFSCA Circular No. F.No. 110/IFSCA/ Banking Regulation/2021-22/6 dated 13 August 2021 and IFSCA Circular No. F.No.110/IFSCA/Banking Regulation/2021-22/9 dated 12 November 2021

The IFSCA issued the IFSCA Banking Handbook, which will act as a compendium of all the detailed directions to the IBUs operating in the IFSC. The handbook contains the detailed directions of the IFSCA organised in the following three components — General Directions, Conduct of Business Directions and Prudential Directions. The provisions of the handbook shall come into effect from 1 January 2022.



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Bullion Trading and Clearing Member in GIFT - IFSC

IFSCA Circular No. 329/IFSCA/Bullion MIs/2021 dated 17 September 2021

The IFSCA issued a circular specifying the membership eligibility and net-worth or base minimum capital criteria to be fulfilled for acting as a trading or clearing member on the IFSC Bullion exchange. Any new member desirous of becoming a bullion member is required to follow the membership criteria and registration process as determined by the IFSC Bullion exchange or clearing corporation, subject to satisfying the eligibility criteria. Furthermore, the IFSCA has permitted all members of the IFSC stock exchanges and clearing corporations to be enabled as a bullion member, subject to the fulfilment of requisite net worth.

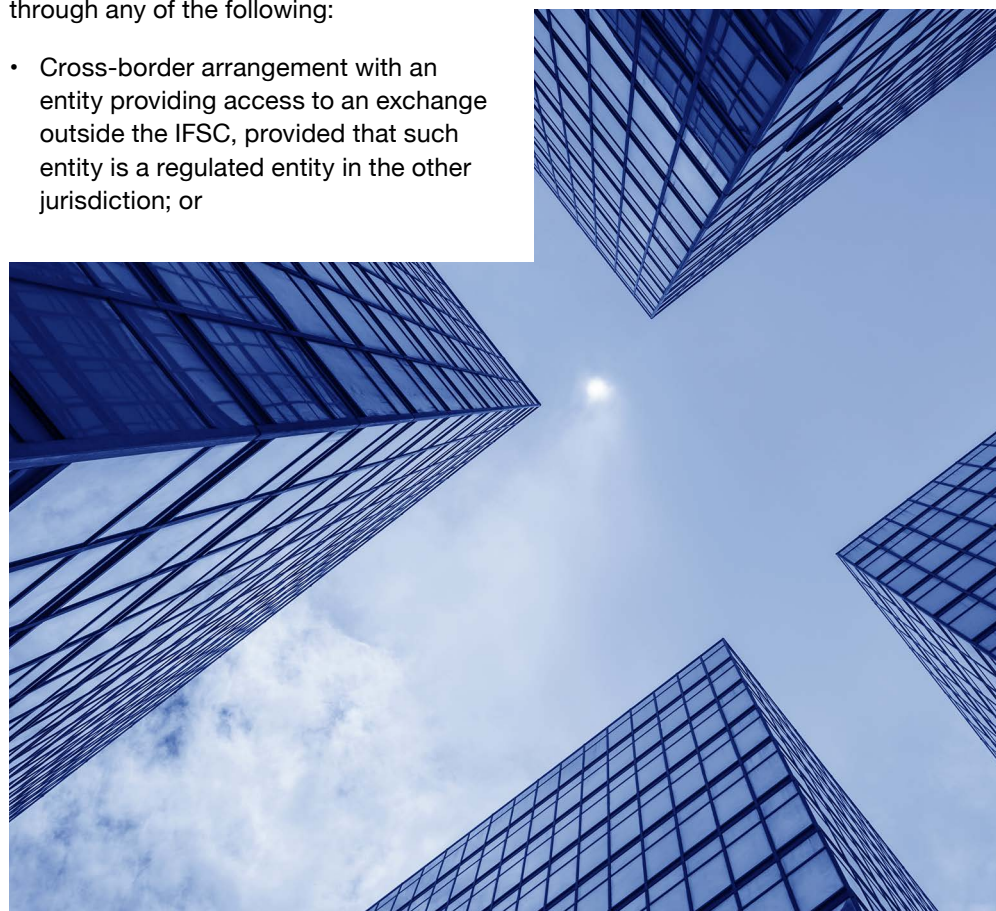
IFSC brokers permitted to access global exchanges outside IFSC

IFSCA Circular No. F. No. 416/IFSCA/Global Access/2021-22 dated 25 November 2021

The IFSCA, vide its circular dated 25 November 2021, has permitted registered brokers that are incorporated in the IFSC (except foreign brokers operating in the form of a branch in the IFSC) to access global exchanges outside the IFSC through any of the following:

- Cross-border arrangement with an entity providing access to an exchange outside the IFSC, provided that such entity is a regulated entity in the other jurisdiction; or

- Registering itself as a trading member of an exchange outside the IFSC, provided that the IFSC broker is trading on its proprietary account and does not have any client dealing.



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Other developments

This covers developments on which PwC has not released Tax & Regulatory Insights.

Circulars, Notifications and Others

Tax

CBDT notifies rule 29BA of the Rules and Form 15E for grant of certificate for determination of appropriate proportion of sum chargeable to tax for payments to non-residents

Notification No. G.S.R. 194(E) dated 16 March 2021

Section 195(2) of the Act provides an option to a person (payer) responsible for paying any sum to non-resident (recipient) to make an application to the TO to determine the appropriate proportion of sum chargeable under the Act. Earlier, the application had to be filed manually. The CBDT has now prescribed rule 29BA of the Rules and Form 15E to enable taxpayers to file the application electronically. Key details pertaining to the payer (TAN, etc), recipient and the transaction in question need to be submitted electronically along with their taxability under the Act as well as the respective tax treaty. Furthermore, the TO needs to verify the tax details of the recipient under this electronic process.

Introduction of Rules to implement amendments to nullify retrospective applicability of tax on indirect transfer of shares

Notification No. 118/2021/F. No. 370142/47/2021-TPL dated 1 October 2021

The Government enacted the Taxation Laws (Amendment) Act, 2021 to nullify tax demands on account of indirect transfer provisions that were introduced vide the Finance Act, 2012 in respect of transactions undertaken before 28 May 2012. In this regard, CBDT has introduced rules 11UF and 11UE of the Rules, which primarily stipulate the form and manner of undertakings to be furnished, and the conditions to be fulfilled by the taxpayer to be eligible for the intended relief of the amendment introduced vide the Taxation Laws (Amendment) Act, 2021 with respect to the indirect transfer provisions.

RBI

Category I AIFs allowed to act as qualified buyers under SARFAESI Act

Notification DoR. FIN. No. 08/26.03.001/2020-2021 dated 10 March 2021

To further enhance the ambit of qualified buyers under the SARFAESI Act, RBI has permitted SEBI registered Category I AIFs which are set up as trusts to act as qualified buyers, subject to the fulfilment of certain prescribed conditions.

IRDAI modifies the provision to allow investment in FoFs by insurers

IRDAI/F&I/CIR/INV/074/04/2021 dated 5 April 2021

IRDAI has permitted Indian insurers to invest in AIFs that are FoFs, subject to conditions such as the following: compliance with section 27E of the Insurance Act, 1938; insertion of a clause in Fund documents of such FoF to restrain it from investing in AIFs that invest in overseas companies or funds; restriction on investment in an AIF that has exposure to an FoF, in which the insurer has taken an exposure; and obtaining a certificate from a concurrent auditor (on a quarterly basis) on compliance of aforesaid conditions and filing with quarterly returns.

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Sponsor contribution to an AIF set up in overseas jurisdictions, including IFSCs

RBI A.P. (DIR Series) Circular No. 04 dated 12 May 2021

The RBI has declared that any sponsor contribution from a sponsor Indian party to an AIF set up in an overseas jurisdiction, including IFSCs in India, as per the laws of the host jurisdiction, will be treated as ODI. Accordingly, an Indian party can set up an AIF in overseas jurisdictions, including IFSCs, under the automatic route, provided it complies with Regulation 7 of the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004.

SEBI

Minimum qualification requirements under the PM Regulations and IA Regulations

Notification No. SEBI/LAD-NRO/GN/2021/10 dated 16 March 2021 and Notification No. SEBI/LAD-NRO/GN/2021/11 dated 16 March 2021

By virtue of the SEBI notifications, among other qualifications, a specific

post-graduate program in the securities market of at least one year from the National Institute of Securities Market (NISM) is included. Furthermore, with respect to the SEBI (Portfolio Managers) Regulations, 2020 (PM Regulations), there is also an amendment to obtain a fresh NISM certification before the expiry of its validity to bring it in line with the SEBI (Investment Advisers) Regulations, 2013 (IA Regulations).

Discontinuation of usage of pool accounts for transactions in units of MFs on stock exchange platforms

Circular No. SEBI/HO/IMD/IMD-I/DOF5/DOF5/P/CIR/2021/635 dated 4 October 2021

SEBI, vide the captioned circular, has decided to discontinue pooling of funds or units by stock-brokers or clearing members in any form or manner, in line with the recommendations in the discussion paper on 'Usage of Pool Accounts in Mutual Fund Transactions'. Existing mechanisms for MF transactions by MF distributors and IAs shall be put in place for stock-brokers or clearing members to promote a secure investing environment in MFs and to counter challenges of getting the investments misused when MF transactions are executed by such intermediaries. Stock

exchanges and Association of Mutual Funds in India (AMFI) shall jointly, in consultation with SEBI, issue Operating Guidelines to stock-brokers or clearing members and asset management companies respectively, to facilitate the MF transactions on stock exchange platforms.

Regulatory reporting by AIFs

Circular No. SEBI/HO/IMD/IMD-I/DOF6/CIR/2021/549 dated 7 April 2021

To provide ease of compliance, SEBI has decided to review and rationalise the existing regulatory reporting requirements by AIFs. By virtue of the captioned circular, SEBI requires all AIFs to submit quarterly reports in a revised format within ten calendar days from the end of each quarter and an additional quarterly report in case of Category III AIF in a revised format where leverage is undertaken. Such reports need to be filed online through SEBI Intermediary Portal. Any changes in Private Placement Memorandum or fund documents need to be intimated to investors and SEBI within one month from the end of the FY on a consolidated basis.

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SEBI notified AIF Second Amendment Regulations

Notification No. SEBI/LAD-NRO/
GN/2021/21 dated 5 May 2021

By virtue of the captioned SEBI notification, the following amendments have been introduced by SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2021 (AIF Second Amendment Regulations):

- Definition of 'start-up' has been introduced and the scope of the definition of Venture Capital Undertaking has been expanded for Category I AIFs by removing the list of restricted activities in the definition of a Venture Capital Undertaking.
- Amendments in general investment conditions as follows:
 - a. Permissibility for investment by an AIF in other AIFs subject to investment limit per investee company for respective categories of AIFs;
 - b. However, an AIF authorised under the fund documents to invest in units of AIFs shall not offer their units for subscription to other AIFs; and

c. Approval of 75% investors by investment value shall also be required where an AIF invests in units of AIFs managed or sponsored by its manager or sponsor or associates of its manager or sponsor.

- A code of conduct for AIFs, AIF managers, their key management personnel, AIF trustees, directors of the AIF trustee and the members of the Investment Committee, if any, has been prescribed by SEBI.

Amendments to AIF Regulations

Circular No. SEBI/HO/IMD-I/DF6/P/
CIR/2021/584 dated 25 June 2021

In relation to the amendments introduced in SEBI (Alternative Investment Funds) Regulations, 2012 (AIF Regulations) by virtue of AIF Second Amendment Regulations dated 5 May 2021, SEBI has further provided the following clarifications. By virtue of the captioned circular, SEBI has introduced a framework for AIFs to invest simultaneously in units of other AIFs and directly in the securities of investee companies. Furthermore, SEBI has defined Key Management Personnel who shall be responsible for complying with the code of conduct as prescribed

under the Fourth Schedule of the AIF Regulations. Additionally, the consent of investors may not be required in case of change in the ex-officio external members (who represent the sponsor, sponsor group, manager group or investors in their official capacity) in the Investment Committee set up by the Manager.

Enhancement of overseas investment limits for AIFs, VCFs and MFs

Circular No. SEBI/HO/IMD/DF6/
CIR/P/2021/565 dated 21 May 2021
and Circular No. SEBI/HO/IMD/IMD-II/
DOF3/P/CIR/2021/571 dated 3 June 2021

SEBI, vide the captioned circulars, has enhanced overseas investment limits as follows:

For AIFs and VCFs:

- Overall overseas investments limit for SEBI-registered AIFs and VCFs has been enhanced to US\$1,500m (as against US\$750m provided earlier).

For MFs:

- MFs can make overseas investments subject to a maximum of US\$1bn per MF (as against US\$600m provided earlier), within the overall industry limit of US\$7bn.

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- MFs can make investments in overseas Exchange Traded Funds are subject to a maximum of US\$300m per MF (as against US\$200m provided earlier), within the overall industry limit of US\$1bn.

Procedure for seeking prior approval for change in control of SEBI-registered Portfolio Managers as notified under SEBI (Portfolio Managers) (Amendment) Regulations, 2021

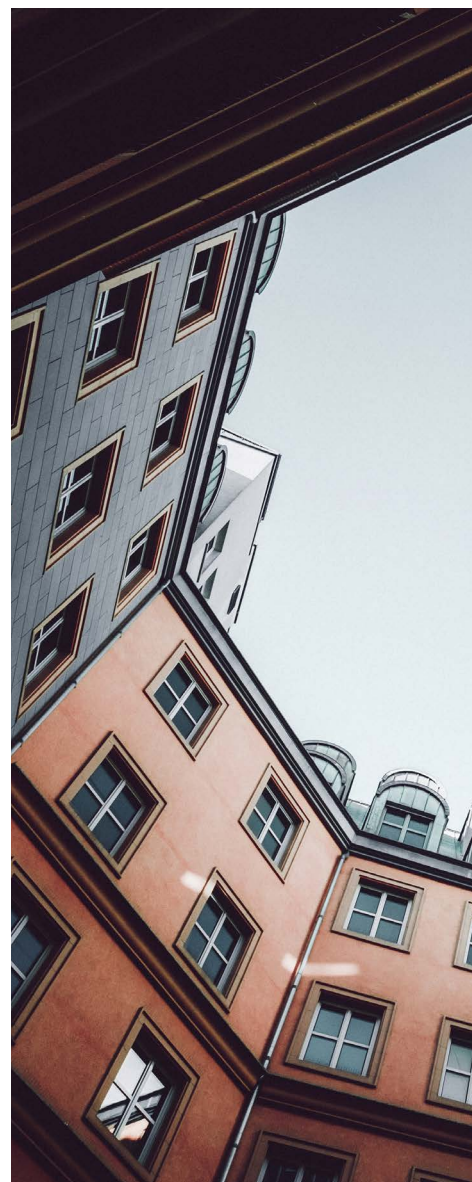
Notification No. SEBI/LAD-NRO/GN/2021/16 dated 26 April 2021 and Circular No. SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2021/564 dated 12 May 2021

SEBI has amended the SEBI (Portfolio Managers) Regulations, 2020 requiring prior approval to be sought for change in control of Portfolio Manager in the manner prescribed by SEBI. In this regard, SEBI, vide the captioned circular, has provided the procedure to seek such approval by making an online application through the SEBI Intermediary Portal. Such prior approval shall be valid for a period of six months from the date of such approval.

Framework for administration and supervision of IAs under the IA Regulations

Press Release No. 21/2021 dated 14 June 2021 and Circular No. SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2021/579 dated 18 June 2021

In line with the captioned Press Release, BSE Administration & Supervision Limited (BASL), a wholly owned subsidiary of BSE Limited, has been granted recognition as the 'Investment Adviser Administration and Supervisory Body' (IAASB) for the administration and supervision of IAs. In this regard, SEBI has issued a circular specifying a framework that provides the responsibilities of the IAASB, constituents of the board of IAASB, administration and supervision to be subject to periodic inspection by SEBI. Pursuant to the grant of the aforementioned recognition, all SEBI-registered IAs need to ensure compliance with respect to their membership, payment of fees in a prescribed manner and periodic reporting in a prescribed manner, to IAASB.



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COVID-19 relaxations

Tax exemption for financial help received for COVID-19 treatment and ex-gratia payments on the death of an individual

CBDT Press Release dated 25 June 2021

An announcement made by the Government on 25 June 2021 provided exemption from taxation to employees in respect of any payment received from their respective employers and/ or any other person to meet their expenditure incurred for treatment of COVID-19. Similarly, ex-gratia payments made by the employer to the family members of the deceased employee, who passed away due to COVID-19, were made fully exempt from income tax in the hands of the recipients. Similar financial help received from persons other than the employer are exempt only up to INR1m in aggregate. The necessary legislative amendments are not yet placed, which is expected to be done in due course. This exemption not only covers the hospitalisation cost but also the cost of treatment at home.

Extension of compliance timelines

Circular No. 17 of 2021 dated 9 September 2021

On account of COVID-19 outbreak and the difficulties faced by the taxpayers in the new e-filing portal, the CBDT extended the timelines for several compliances.

Such compliances included filing of income-tax return for the individuals for FY 2020–21 (from 31 July 2021 till 31 December 2021), filing of belated and revised income-tax return for FY 2020–21 (from 31 December 2021 till 31 March 2022), filing of tax withholding return for Quarter 4 of FY 2020–21 (from 31 May 2021 till 15 July 2021), issue of Form 16 (from 15 June 2021 till 31 July 2021) etc. Although the statutory deadline to file the income tax return for FY 2020–21 is extended, taxpayers having an unpaid self-assessment tax liability exceeding INR100,000 will need to pay interest, as computed under section 234A of the Act, post expiry of the original due dates.

Social Security/ PF

CBDT notifies rule 9D of the Rules for calculating taxable interest in respect of employee's contribution to PF

Notification No. 95 of 2021 dated 31 August 2021

In August 2021, the CBDT prescribed rule 9D of the Rules prescribing the detailed manner of calculating taxable amount in respect of interest accrued on an employee's contribution in the PF account exceeding INR250,000 (INR500,000 if there is no employer contribution), effective FY 2021–22. The PF authorities are required to maintain separate accounts for 'taxable' and 'non-taxable' contributions made by the employee. Interest accrued in the 'non-taxable' account will not be subject to tax, and interest accrued on the 'taxable' account will be subject to tax.

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COVID-19 vaccination certificate

Linking passport to COVID-19 vaccination certificate

www.cowin.gov.in

The Indian government issued an update for Indian passport holders wherein they are required to link their passport with the COVID-19 vaccination details on the CoWin portal (GoI portal for COVID-19 vaccination-related facilities). It provides the steps on how to link the passport on the CoWIN portal, correct the mismatch in the name (if any) among the name of the individual in the passport and the COVID-19 vaccination certificate.



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COVID-19 relaxations

Guidelines for individuals stuck due to COVID-19

Circular No. 2 of 2021 dated 3 March 2021

The circular deliberated various situations arising in the case of individuals stranded in India during the pandemic, including the possibility of double taxation, applicability of relevant tax treaty and availability of relief from double taxation, OECD commentary and how some of the other countries have dealt with this issue in similar situations. It provided guidelines for the stranded individuals who are subject to double taxation in India and the respective overseas country. Such individuals were required to submit factual details of their situation in the form of an application (notified Form NR) before the tax authorities on or before 31 March 2021. The tax authorities will examine such situations on a case-to-case basis and grant relaxation, if required.

Social Security/ PF

Rules for perquisite valuation of annual accretion on employer's contribution to retiral funds

Notification No. 11/2021/ F. No. 370142/52/2020-TPL dated March 05, 2021

In March 2021, the CBDT prescribed the manner of computing taxable value in respect of the aggregate sum of the employer's contribution to retiral funds (Recognised PF, NPS and Superannuation Fund) in excess of INR750,000, along with annual accretion on such excess contributions by inserting rule 3B of the Rules effective FY 2020–21. Such taxable value is to be considered as a perquisite in the hands of the employees. The new rule makes it imperative for the employer to obtain requisite information, maintain detailed records and compute the perquisite value for withholding purposes.

Aadhar seeding with UAN mandatory for PF contributions by employer

Notification No. BKG-27/7/2020-G/Pt.file dated 1 June 2021

The employers would be allowed to file the ECR only for those employees whose Aadhaar numbers are seeded and verified with their respective PF identification number (referred to as UAN). Furthermore, the member employees would not be able to continue using the services of EPFO until their Aadhaar seeding process is completed.



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Income from other sources

High Court holds bonus shares received by a shareholder are not taxable under section 56(2)(vii) of the Act

ITA No. 501 of 2016 (Karnataka)

The Karnataka High Court held that the allotment of bonus shares by the capitalisation of reserves is merely a reallocation of the companies' funds and, therefore, not taxable as income from other sources under section 56(2)(vii) of the Act. The High Court agreed with the finding of the Tribunal that allotment of bonus shares, not being transfer of shares, should not attract provisions of section 56(2)(vii) of the Act. Furthermore, the court has given importance to the fact that the transfer of bonus shares with the intent to evade tax was not proved, which was the objective of the provisions of section 56(2)(vii) of the Act.

Tribunal rules that section 56(2)(viib) of the Act did not apply on amalgamation, where such shares were issued at face value

ITA No. 2081/Ahd/2018 with Cross Objection No. 103/Ahd/2019

The Ahmedabad bench of the Tribunal dismissed the Revenue's appeal, upholding inapplicability of section 56(2)(viib) of the Act on issue of shares at face value on amalgamation. This was based on the finding that issue of shares on amalgamation is not compatible with the object and purpose for which the provisions of section 56(2)(viib) of the Act was introduced.

For the purposes of section 56(2)(viib) of the Act, the Tribunal upholds valuation of shares as on the 'appointed date' under a Scheme of Arrangement

ITA No. 6940/Mum/2018

The Mumbai bench of the Tribunal held that the valuation date, nearer to 'appointed date' under a Scheme of Arrangement (Scheme) approved by the High Court, is the appropriate date

for the purpose of valuation of shares to be issued as per the Scheme. The Tribunal rejected the TO's contention that the valuation date should be the same date as on which the shares are issued pursuant to the Scheme.

Circulars, Notifications and Others

FMV computation of capital gains

CBDT notifies Rules for FMV computation of capital gains on slump sale transactions

Notification No. 68/2021 dated 24 May 2021

According to rule 11UAE of the Rules, the FMV of capital assets is to be determined on the date of slump sale.

Rule 11UAE of the Rules provides that, for the purpose of clause (ii) to section 50B(2) of the Act, the 'FMV of capital assets' shall be higher of:

- FMV of capital assets (FMV1); or
- FMV of consideration received (FMV2)

The formula for FMV1 valuation is on similar lines to that provided under rule 11UA of the Rules.

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The formula for FMV2 is – $FMV2 = E + F + G + H$,

where E is the value of the monetary consideration received or accruing on the transfer; F is the FMV of jewellery, artistic work, shares and securities received or accruing as consideration on the transfer determined according to rule 11UA of the Rules; G is the price of the movable property (not covered under F) received or accruing on the transfer that would fetch in the open market based on a valuation report obtained from a registered valuer; and H is the value assessable by any authority of the government for the purpose of payment of stamp duty in respect of the immovable property received or accruing as a result of the transfer.

Computation of WDV and STCG

New Rule 8AC introduced to determine WDV and STCG for block of 'intangible' assets involving goodwill

Notification No. 77/2021 dated 7 July 2021

The new rule lays out the computation methods of STCG and WDV applicable for those companies that have obtained depreciation on goodwill in the assessment year beginning on or before 1 April 2020.

The mechanism to compute the opening WDV as on 1 April 2020 for block of assets where goodwill was included is as under:

- The closing WDV as on 31 March 2020 needs to be reduced by the tax WDV of goodwill computed as the difference between actual cost of goodwill and depreciation allowable on such goodwill till 31 March 2020. The reduction shall, however, not exceed the closing WDV of intangible assets as on 31 March 2020.
- It is further provided that, if the actual cost of goodwill after reducing depreciation exceeds the aggregate of opening WDV and the actual cost of asset acquired during the year, such excess shall be deemed to be the capital gains on transfer of short-term capital asset.
- No capital gain would be charged on the cessation of such block of asset, if goodwill of the business or profession was the only asset in the block of 'intangible' asset, and no other intangible asset is acquired in FY 2020–21.

Delisting regulations

SEBI notifies new delisting of equity shares regulations, replacing the erstwhile regulations

Notification No. SEBI/LAD-NRO/GN/2021-25 dated 10 June 2021

The SEBI notified the SEBI (Delisting of Equity Shares) Regulations, 2021 (Regulations) replacing the SEBI (Delisting of Equity Shares) Regulations, 2009 (erstwhile Regulations). These Regulations came into force from 10 June 2021.

The Regulation applies to all public announcements made after 10 June 2021 and makes the process time bound. It brings in the concept of initial public announcement.

Special provisions introduced

- The Regulations prescribe special provisions for the delisting of shares listed on the innovator's growth platform, after making a public issue.
- The Regulations have introduced a separate process for delisting equity shares of a listed subsidiary company by its listed holding company without following the procedure for voluntary delisting. The delisting shall be pursuant to a Scheme of Arrangement

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(Scheme). The Scheme should be approved by the public shareholders of the listed subsidiary company such that votes cast in favour of the proposal are at least two times the number of votes cast against it, and by the majority of public shareholders of the listed holding company.

Scheme of Arrangement by Listed Entities

SEBI introduces additional framework for Schemes of Arrangement by Listed Entities

Circular No. SEBI/HO/CFD/DIL2/
CIR/P/2021/0000000657 dated 16
November 2021

The SEBI Circular provides that, with effect from 16 November 2021, the following additional documents need to be submitted with the stock exchanges for processing the draft Scheme of Arrangement (Scheme):

- Undertaking from the listed entity stating that no material event affecting the valuation has occurred during the period of filing the Scheme documents with stock exchanges and period under consideration for valuation along with valuation report;

- Declaration from the listed entity on any past defaults of listed debt obligations of the entities forming part of the Scheme; and
- No objection certificate from the lending scheduled commercial banks or financial institutions.

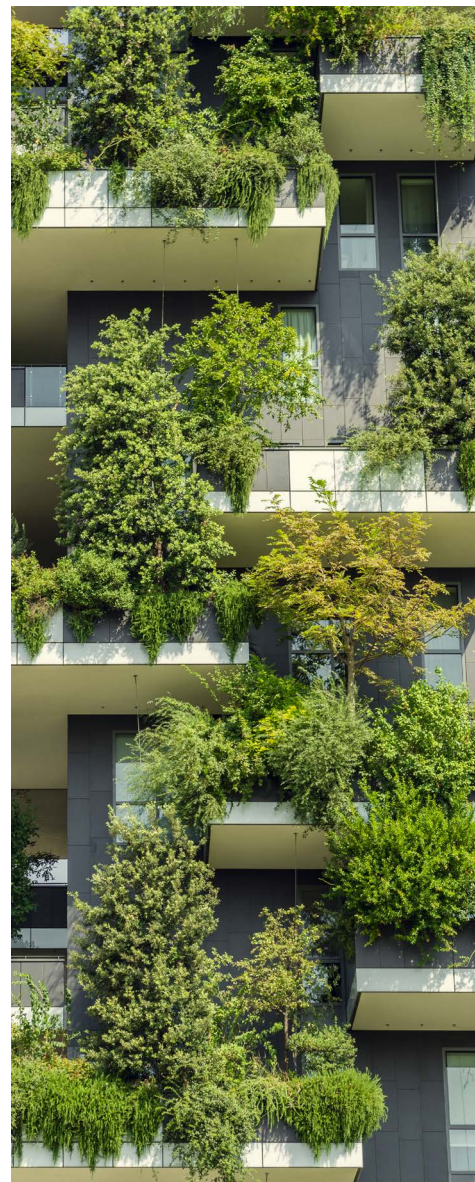
It also provides for a procedure dealing with fractional entitlements.

LODR Regulations

SEBI notifies amendments to related party provisions under the Listing Obligations and Disclosure Requirements Regulations

Notification No. SEBI/LAD-NRO/
GN/2021/55 dated 9 November 2021

The SEBI amends the LODR regulations to tighten the norms for related-party transactions. The amended regulations have expanded the scope of related parties and related party transactions, and mandated prior audit committee and shareholder's approval for transactions involving listed entities subsidiaries with related parties and any material modification to the related party transactions.



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Carry forward and set-off of losses

Tribunal holds that carry-forward and set-off of losses of transfer or company not permissible if 75% shareholding condition not met on 'appointed date'

ITA No. 2767/Chny/2019

The Chennai bench of the Tribunal has held that the requirement of shareholders holding not less than 75% (in value) of shares in the amalgamating company should become shareholders in such company, needs to be checked on the 'appointed date' mentioned in the Scheme of Amalgamation, as approved by the High Court. In the case under consideration, the taxpayer held 26% shareholding in the transferor company, as on the appointed date (which was later increased to 100% before filing the petition for amalgamation with the High Court). Accordingly, the Tribunal denied set-off and carry-forward of accumulated unabsorbed business losses of the transferor company to the taxpayer.

Income from other sources

Tribunal rules on applicability of section 56(2)(viib) of the Act to preference shares issued at face value by a company having negative net worth

ITA No. 1816/Chny/2019

The Chennai bench of the Tribunal has held that provision of section 56(2)(viib) of the Act is not attracted when shares are issued at face value, provided the said transaction is not a sham transaction. In the facts of the case, the taxpayer had negative net worth, and it had issued preference shares having face value of INR10,000. It had not filed any evidence to explain how a prudent businessman would invest in a company, where its net-worth is negative and book value of shares is far less than the face value of preference shares. Based on the sequence of events and manner in which preference share capital was raised, including terms of repayment, rate of return and period of shares, it was showed that the issue of preference shares was in the nature of sham transaction to overcome the provisions of section 56(2)(viib) of the Act. The applicability of section 56(2)(viib) to preference shares issued at face value was thus upheld.

Tribunal holds that discounted cash flow valuation cannot be rejected merely because of difference in projected and actual figures

ITA No. 316/Del/2019

The Delhi bench of the Tribunal has held that, in the absence of specific defects being pointed out by the TO in the valuation report, the TO cannot reject the valuation report merely on account of difference in the actual and projected figures.

High Court affirms the principle that no addition can be made under section 56(2)(viib) of the Act, if valuation is done as per prescribed methodology

ITA 1007/2019 & CM APPL. 54134/2019

The Delhi High Court held that the methodology adopted by the taxpayer was accepted by the Tribunal based on material and facts available, and the TO was unable to demonstrate that the methodology adopted by the taxpayer is not correct. The TO had simply rejected the valuation of the taxpayer and failed to provide any alternate fair value of shares. Accordingly, the appeal was dismissed because the question of law urged by the tax department was purely based on facts and did not call for consideration as a question of law.

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UN TP Manual

Third edition of the United Nations Practical Manual on Transfer Pricing for Developing Countries: India chapter updates

https://www.un.org/development/desa/financing/sites/www.un.org.development.desa.financing/files/2021-04/TP_2021_final_web%20%281%29.pdf

The UN recently released its third edition (2021) of the United Nations Practical Manual on Transfer Pricing for Developing Countries (UN Manual). It primarily intends to achieve a common understanding on the application of the arm's-length principle to avoid double taxation and prevent or resolve TP disputes. The third edition of the UN Manual draws upon the experience of the first edition (2013) and second edition (2017), including feedback on the latter version. The third edition also intends to reflect developments in the area of TP analysis and administration since that time ('Foreword' to the UN Manual).

This third edition of the UN Manual makes improvements in terms of usability and practical relevance; updates and improves the existing text, including on country practices; and includes new content, particularly on financial transactions, profit splits, centralised procurement functions and comparability issues.

Some of the emerging TP issues in India, as have been described by the Indian tax administration, is discussed in the India chapter. Some key emerging issues covered include comparability adjustments, location savings, intragroup services, intangibles generated through research and development services, and marketing intangibles. Largely, the India chapter remains the same, with no notable key updates to the second edition. However, it has a new section on 'Issues related to cost base under TNMM', where TNMM refers to the transactional net margin method.

Dispute resolution

India's peer review assessment under OECD's BEPS Action 14

https://www.oecd-ilibrary.org/taxation/making-dispute-resolution-more-effective-map-peer-review-report-india-stage-2_cc6e7579-en

The BEPS Action 14 on Making Dispute Resolution More Effective is a minimum standard which seeks to improve the tax dispute resolution between jurisdictions. Inclusive Framework jurisdictions (including India) have committed to comply with this minimum standard, ensuring that their peers have reviewed and monitored the implementation against this standard via a two-stage peer review process.

Members of the Forum on Tax Administration Mutual Agreement Procedure Forum review and provide comments on practical implementation of the minimum standards of BEPS Action 14. They conduct this review in two stages. Stage 1 involves assessing and providing recommendations to countries on the minimum standards in BEPS Action 14. Stage 2 focuses on monitoring the follow-up of any recommendations made in the Stage 1 Peer Review Report.

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The Stage 1 Peer Review Report for India was published on 24 October 2019. It evaluated India's implementation of the BEPS Action 14 and provided several recommendations to improve the dispute resolution mechanism. In response to these recommendations, the CBDT amended rule 44G of the Rules and published detailed guidance in relation to the MAP (MAP guidance). Rule 44G of the Rules deals with the procedure for filing an application for and giving effect to a MAP. (The Stage 2 Peer Review Report provides recommendations or specific comments on several aspects, to many of which India has responded that these have already been addressed in the MAP guidance. These aspects are discussed in detail in our Tax Insight on MAP guidance released on 14 August 2020).

The Stage 2 Peer Monitoring Review for India was published on 26 July 2021. It aimed to evaluate if the recommendations provided in Stage 1 were implemented. This review also provides additional recommendations for improving the MAP. The Stage 2 Peer Review Report states that India has mostly complied with the recommendations provided in Stage 1.

In Stage 1, the 15 peers who provided their inputs were Australia, Belgium, Denmark, Germany, Ireland, Italy, Japan, the Netherlands, Norway, Slovenia, Sweden, Switzerland, Turkey, the United Kingdom and the United States. In Stage 2, in addition to these 15 peers, Mexico, Singapore and Spain provided their inputs. These peers represent approximately 95% of India's inventory of post-2015 MAP cases (i.e. those starting in 2016, 2017, 2018 or 2019).

MAT

The CBDT prescribed a formula-based mechanism to avail MAT relief for taxpayers subject to double tax due to APA or secondary adjustment

Notification No. 92/2021 dated 10 August 2021 [F. No. 370142/21/2021-TPL (Part)]/GSR 551(E)

The Finance Act, 2021, inserted sub-section 115JB(2D) to the Act. This provision seeks to provide relief in the computation of MAT when there is an increase in book profit of the FY. Such increase may occur because the income of past year(s) is included in the book profit on account of an APA entered

into by the taxpayer or a secondary adjustment required under the Act. The new sub-section 115JB(2D) of the Act requires the aggrieved taxpayer to file an application with the tax officer for re-computation of the past year's book profit and the MAT payable, if any, during the FY. The manner of such re-computation remains to be prescribed.

The CBDT has now introduced rule 10RB of the Rules, laying out the manner of computation of MAT relief. Furthermore, rule 10RB of the Rules prescribes that the application in Form No. 3CEEA must be filed electronically. This rule seeks to ensure that the MAT payable in the FY on past income does not exceed the MAT payable on such income if it were included in the book profit of individual past year(s).

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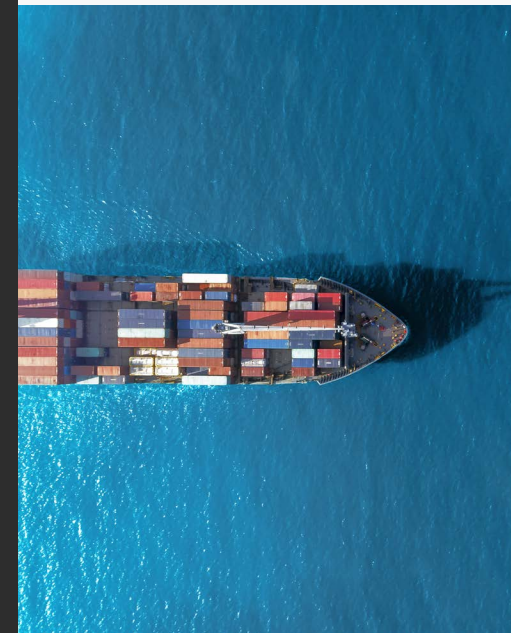
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Judgements

Classification of relays

'Relays' used as part of railway signalling systems is classifiable under Chapter 86 based on the sole/ predominant use test

Civil Appeal No. 37 of 2009

The Supreme Court held that parts of railway signalling equipment that are suitable for use solely or principally with an article in Chapter 86 cannot be classified as 'electrical machinery or equipment' under Chapter 85 by applying the exclusion under Note 2(f) of section XVII of the First Schedule of the Central Excise Tariff Act, 1985.

Inverted duty structure refund

Supreme Court holds refund admissible only on inputs (and not input services) in inverted duty structure

Civil Appeal No. 4810 of 2021

The Supreme Court held that, in case of inverted duty structure, refund of only 'inputs' (and not input services) is admissible under section 54(3) of the CGST Act read with rule 89(5) of the

CGST Rules. The Supreme Court also upheld the constitutional validity of rule 89(5) of the CGST Rules.

Powers of DRI officers

DRI officers not empowered to issue show cause notice when custom officer allows exemption from customs duties at the time of clearance

Civil Appeal No. 1827 of 2018

The Supreme Court held that officers of the DRI are not empowered to issue show cause notices when the custom officer (of the appraisal group) has allowed exemption from custom duties at the time of clearance. Furthermore, the court observed that only an officer who undertakes assessment can re-assess the issue and the term 'the proper officer' under section 28(4) of the Customs Act has to be understood as the same officer (designation) that had assessed the goods at the time of clearance. The Supreme Court also held that the entrustment of the functions of customs officers to the DRI vide notification issued under section 2(34) of the Customs Act is not proper.

Instruction No. 04/2021-Customs dated 17 March 2021

Pursuant to the aforementioned decision of the Supreme Court, the CBIC clarified that for pending proceedings wherein investigation is conducted by the Directorate of Revenue Intelligence, show cause notices are required to be issued by the jurisdictional commissionerates from where imports have taken place.

Sale in the course of import

CST exemption on 'sale in the course of import' denied where end buyer is not importer on record assessed to customs duty

Civil Appeal Nos. 1322-1323 of 2019

In an appeal, the Supreme Court held that as the taxpayer was the importer on record assessed to customs duty and the documents did not evidence that the end customer was the importer. The high sea sales agreement with the end customer, hence, never came into operation.

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Consequently, the sale transaction to the end customer did not constitute 'sale in the course of import' under section 5(2) of the Customs Act.

Online Fantasy Sports

Supreme Court upholds that online fantasy sports are 'games of skill'

Special Leave Petition (Civil) Diary No(s). 18478/2020

The Supreme Court has dismissed the Special Leave Petition against the judgment passed by the Rajasthan High Court, wherein it has been held that online fantasy sports are games of skill and not betting or gambling. This judgement is in line with the existing position maintained by the various courts that online fantasy sports are games of skill.

GST on lotteries

Supreme Court upholds the levy of GST on lottery and inclusion of prize money in taxable value

Writ Petition (Civil) No. 961 of 2018

In a writ petition, the Supreme Court has upheld the validity of levy of GST on lotteries and held that inclusion of 'actionable claim' (lottery in this case) in the definition 'goods' in section 2(52) of CGST Act is not contrary to the legal meaning of goods and is neither illegal nor unconstitutional the provisions of the Constitution. Furthermore, the Supreme Court observed that, when there are specific statutory provisions enumerating the inclusions of prize money in the value under section 15 of the CGST Act read with rule 31A of the CGST Rules and exclusions from the value of the supply, the submission that prize money is to be abated for determining the taxable value was not tenable.

BOCW Cess

Supreme Court holds that BOCW Cess is not leviable on contracts involving mere supply of equipment on the basis of CAG findings

Special Leave Petition (C) No. 8630 of 2020

In a case pertaining to the levy of BOCW Cess on a turnkey project for the installation and erection of pipelines and equipment for power generation, the Supreme Court held that BOCW Cess is not leviable on contracts involving mere

supply and installation of equipment. In the instant case, the project was split into four contracts under Framework Agreement. It was categorically observed that these contracts shall be treated as singular contracts only for the purpose of responsibility for timely execution. For all other purposes, the contracts were held to be separate and distinct. It was also held that the predominant condition for levy of BOCW Cess is construction, repair, demolition or maintenance and mere installation or erection, which do not involve construction and cannot trigger the levy of BOCW Cess.

Intermediary

Split verdict by Division Bench of the Bombay High Court on the constitutionality of the place of supply provisions on intermediary; matter referred to third member

Writ Petition No. 2031 of 2018

On the issue of constitutional validity of place of supply and other provisions of the IGST Act pertaining to intermediary services, the Division Bench of the Bombay High Court pronounced a split verdict with divergent views of the judges. Justice Ujjal Bhuyan held that the Constitution does not empower imposition of tax on export of services

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out of the territory of India by treating the same as a local supply. Justice Abhay Ahuja observed that supply by intermediaries cannot be an intra-state supply and that the Supreme Court decisions on the destination-based tax principle may not apply in the GST regime post the amendment to the Constitution of India. The final verdict by the third judge is expected to be a landmark decision on the taxability of exports by intermediaries and, in general, on the legislative power to fix proxies to deem the place of supply to be in India.

Trade discounts not subject to service tax

No element of service is involved in case the relationship between dealer and manufacturer is on principal-to-principal basis

Writ Petition (MD) No. 4252 of 2021

The Madras High Court quashed an order demanding service tax on trade discounts received by a dealer of auto parts from the manufacturers by way of credit notes on the ground that the transaction between the dealer and the manufacturer is on a principal-to-principal basis and the agreement between them does not specify any trade discount.

Blocking of ITC

Rule 86A of the CGST Rules can be invoked pending inquiry or investigation

Special Civil Application No. 8841 of 2020

In a writ petition filed before the Gujarat High Court, relating to interpretation of rule 86A of the CGST Rules, the Court held that the said rule (providing for the right to block ITC) can be invoked pending inquiry or investigation based on cogent or credible material. The Court, however, expressed its concerns on the wide ambit of rule 86A of the CGST Rules and suggests that guidelines may be issued for exercise the power under the said rule.

Reversal of ITC

Madras High Court sets aside assessment order seeking reversal of ITC for inputs lost during manufacturing process

Writ Petition No. 2885 of 2020

The Madras High Court set aside the assessment order to the extent it seeks the reversal of ITC in proportion to the portion of inputs lost during the

manufacturing process. The Court held that the situations contemplated under section 17(5)(h) of the CGST Act indicate the loss of inputs arising from external factors or compulsions; loss that is occasioned by consumption in the process of manufacture is not enumerated under this section.

Powers of DGGI officers

Gujarat High Court holds that DGGI officers are empowered to issue summons under the GST law

R/Special Civil Application No. 7388 of 2021

The Gujarat High Court held that officers of the DGGI are empowered to issue summons under the CGST Act and the relevant circulars thereunder issued by the CBIC. Although the Court agreed with the principle laid down in the Supreme Court decision in Canon India Private Limited, it was held that the circular issued on the powers of officers is valid wherein DGGI officers were assigned the functions of the proper officer.

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Furthermore, the Court permitted parallel proceedings considering that the subject matter of the enquiry by the DGGI and DRI officers were different.

CERA audit of private entity

CERA audit cannot be extended to call for audit of a private entity

Writ Petition No. 1135 of 2019

The Bombay High Court, in a writ petition filed before it, has held that the CAG does not have the jurisdiction to audit the accounts of non-government entities under section 16 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971.

Service tax on partner remuneration

Remuneration received by a partner from the partnership firm is not service under service tax law

Service Tax Appeal No. 445 of 2011-DB

The Ahmedabad bench of the CESTAT has held that remuneration received by a partner from a firm, as per the obligation of the partnership deed, would be treated as share of profit and not as service under service tax law. Furthermore, it

held that the self-assessment of service tax need not be challenged in the appeal to claim refund of service tax paid wrongly.

Services by VCF Trust

CESTAT confirms service tax demand in the hands of a VCF trust, since it is a service provider to its contributors/ investors/ beneficiaries

Service Tax Appeal No. 2900 of 2012

The Bangalore bench of the CESTAT has confirmed service tax demand in the hands of the VCFs. The ruling pronounced that VCFs manage investor money and such activity is a taxable service, akin to that of a banking and financial institution. Accordingly, the CESTAT held that VCFs are liable to pay service tax for the aforesaid service provided to the investors. The service tax demand is confirmed on (i) the portion of earnings that are retained by debiting expense from the value of the investments made in the VCFs, and (ii) the distribution of carried interest to a specified class of unit holders.

Payment of pre-deposit

Electronic credit ledger cannot be used to make the mandatory pre-deposit for filing an appeal

W.P.(C) Nos. 23508, 23511, 23513, 23514 and 23521 of 2021

The Division Bench of Orissa High Court held that pre-deposit at the time of filing an appeal under section 107(6) of the CGST Act, 2017, cannot be made by debiting the electronic credit ledger since the pre-deposit cannot be equated with 'output tax' as provided in section 41(2) of the CGST Act, 2017.

Rectification of Form GSTR-3B

Supreme Court set aside the Delhi High Court's order allowing revision of returns and grant of refund of excess tax paid in cash

Special Leave Petition (Civil) No. 8654 of 2020

The Delhi High Court held that corrections to past Form GSTR-3B can be made in the month in which the error is identified. The High Court allowed the petitioner to carry out rectifications in Form GSTR-3B for the period of July 2017 to September 2017. The Supreme Court set aside this order to hold that the GST Portal is merely a facilitator, and the taxpayer is obligated to maintain the requisite records and books of account. The Supreme Court also upheld the validity of paragraph 4 of Circular No. 26/26/2017-GST dated 29

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December 2017, which allows taxpayers to make adjustments to the return in the subsequent month. The Supreme Court also observed that Form GSTR 3B will be considered a monthly return in view of the amendment to rule 61(5) of the CGST Rules, 2017.

Transitional credit of cess

Bombay High Court set aside the show cause notice seeking to deny transition credit of cess to the GST regime

Writ Petition No. 3226 of 2019 with interim application No. 423 of 2021

The Bombay High Court held that Explanation 3 to section 140 of the CGST Act, 2017 which excludes cess from the definition of 'eligible duties and taxes' is not applicable to section 140(1) of the CGST Act, 2017. This explanation specifically clarified that 'eligible duties and taxes' used in section 140(1) of the CGST Act, 2017 exclude any cess not specified in Explanations 1 or 2 to section 140 of the CGST Act, 2017 as well as any cess collected as additional duty of customs under section 3(1) of the Customs Tariff Act, 1975.



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Circulars, Notifications and Others

Key amendments

Notifications amending key provisions on ITC restriction/ utilisation, cancellation/ suspension of registration; 1 January 2021 notified as effective date for certain earlier amendments

Notification Nos. 92 to 94/2020-Central Tax dated 22 December 2020

The CBIC issued notifications amending the CGST Act and the CGST Rules. Important amendments inter alia include the following:

- The claim of ITC on invoices not furnished by the corresponding vendors has now been restricted to 5% from 10%.
- Restriction has been placed on setting off more than 99% of output tax liability from ITC, where the value of taxable supplies other than exempt supplies and zero-rated supplies exceeds INR5m in a month.
- Blocking of Form GSTR-1 in case of non-filing of Form GSTR-3B (with effect from 22 December 2020).

GST Council meetings

GST Council at its forty third meeting recommends COVID-19-related relief measures and other changes in GST rates, law and procedure

Press release dated 28 May 2021

The forty third meeting of the GST Council was held on 28 May 2021 wherein the Council discussed various aspects of GST pertaining to exemptions on COVID-19-related medical goods, other changes in GST rates of goods and services, compliance-related relief measures and a few other changes in the GST law and procedures.

GST Council at its forty fifth meeting recommends key legal and procedural changes, announces changes in various GST rates and issuance of certain clarifications –

Press release dated 17 September 2021

The forty fifth meeting of the GST Council was held on 17 September 2021 at Lucknow and was chaired by Union Finance and Corporate Affairs Minister Nirmala Sitharaman. The GST Council discussed various aspects of GST pertaining to legal and procedural changes to remove ambiguity or

disputes, exemptions on COVID-19-related medical goods, changes in GST rates of goods and services, and few compliance-related relief measures.

Circular No. 162/18/2021-GST dated 25 September 2021 and Circular Nos. 163/19/2021-GST and 164/20/2021-GST dated 6 October 2021

Pursuant to the forty fifth GST Council meeting, the CBIC issued circulars clarifying the applicable GST rates and classification of certain goods and services in light of industry representations and existing ambiguity, e.g. for solar photovoltaic power projects, mineral exploration and mining services, and cloud kitchens.

The CBIC also issued a circular clarifying the manner and time limit for claiming refund of incorrect tax paid as specified in section 77(1) of the CGST Act, 2017 and section 19(1) of the IGST Act, 2017.

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Clarifications on refund

CBIC issues clarifications to remove ambiguity on scope of intermediary services, scope of branch and head office transactions and certain other issues on GST law

Circular No. 159/15/2021-GST, Circular No. 160/16/2021-GST and Circular No. 161/17/2021-GST dated 20 September 2021

The CBIC has issued circulars on few key issues, such as scope of intermediary services, scope of the transactions between branch and head office and certain other issues pertaining to GST law. The other issues include time limit for availing ITC in respect of debit notes, waiver of physical invoice requirement in case of e-invoice and restriction on refund of accumulated ITC only on goods subjected to export duty. These circulars have been issued in consequence to the announcements made in the forty fifth meeting of the GST Council.

RoDTEP

Government notifies guidelines for RoDTEP along with manner of for issuance of duty credit

Notification No. 19/2015-20 dated 17 August 2021 and Notification No. 76/2021-Customs (N.T.) dated 23 September 2021

In August 2021, the Central Government notified the guidelines for RoDTEP scheme along with the rates at which a claim can be made by the exporter for exports made on or after 1 January 2021. The guidelines indicated that RoDTEP will be operationalised through end-to-end digitisation in the form of a transferable duty credit or electronic scrip (e-scrip), which will be maintained in an electronic ledger by the CBIC. The Central Government has subsequently notified the manner in which duty credit will be issued to exporters and other procedural and compliance matters relating to the operationalisation of RoDTEP.

Export benefit

Government notifies revised guidelines to avail SEIS benefit by service exporters in FY 2019-20

Notification No. 29/2015-20 dated 23 September 2021

The SEIS was notified as part of the FTP 2015-20 to promote the export of notified services. Benefit shall be computed at 5% of net foreign exchange earning with an overall cap of INR50m. The list of eligible services to claim the benefit has been revised. Furthermore, the application to claim the benefit needs to be filed by 31 December 2021. In future, the government, in consultation with service exporters, may consider coming out with an alternative to SEIS as part of the new FTP or otherwise with for promoting exports with focus on making India a key hub for value-added services.

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Other developments

This covers developments on which PwC has not released Tax & Regulatory Insights.

Judgements

Parallel proceedings by Central and State authorities

Delhi High Court holds that parallel proceedings can be initiated by Central and State GST authorities

W.P.(C) 121/2021

Search was conducted by the CGST authorities at director's residence, which was challenged by the taxpayer in the Punjab and Haryana High Court, and was subsequently quashed. The SGST authorities initiated another search action on the taxpayer for the same period, even though the taxpayer has already been subjected to search action at the hands of CGST authorities. The taxpayer contended that the action of SGST authorities is illegal, unlawful and contrary to the provisions of the CGST Act. The Delhi High Court dismissed the petition by the taxpayer, and held that, if the action of both the Central and State authorities are overlapping, then the taxpayer would be at liberty to take action to challenge the same in accordance with law, which was not the case.

Extension of limitation

Supreme Court ceased enforcement of the extended period of limitation as per the suo moto orders while providing a grace period of 90 days

Miscellaneous Application No. 665 of 2021 in SMW(C) No. 3 of 2020 and Circular No. 157/13/2021-GST dated 20 July 2021

In March 2020, the Supreme Court, taking suo moto cognisance of the difficulties taxpayers faced on account of the COVID-19 pandemic, extended the period of limitation prescribed under the general laws or special laws (whether compoundable or not) with effect from 15 March 2020. The Supreme Court extended this further several times. The Supreme Court discontinued this extension while providing a grace period for the taxpayers to comply as follows:

- The period from 15 March 2020 till 2 October 2021 shall stand excluded. The balance period of limitation remaining as on 15 March 2021, if any, shall become available with effect from 3 October 2021.
- All persons shall have a limitation period of 90 days from 3 October 2021, notwithstanding the actual balance period of limitation remaining.

Where the actual balance period of limitation remaining is greater than 90 days, that longer period shall apply.

The CBIC issued clarifications on the abovementioned suo moto order specifying that the extension the Supreme Court granted applied only to quasi-judicial proceedings by tax authorities and to the appeals by taxpayers or tax authorities against any quasi-judicial order. It also clarified that the extension does not apply to scrutiny of returns, issue of summons, search enquiry or investigations, or consequential arrests in accordance with the GST law.

Input tax credit

Madras High Court holds that credit cannot be denied to a buyer in the absence of any proceedings against defaulting sellers

W.P. (MD) No. 2127 of 2021

The Madras High Court quashed the orders for recovery of ITC against the buyer and directed the government to initiate recovery proceedings against the defaulting seller before initiating any recovery proceedings against the buyer. The High Court observed that the seller had collected the appropriate GST and not paid the tax to the government.

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Circulars, Notifications and Others

- Foreign investments
- Telecommunications Sector



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Circulars, Notifications and Others

Foreign investments

Indian Insurance Companies (Foreign Investment) Rules, 2015 further amended

Notification No. CG-DL-E-19052021-227094 dated 19 May 2021

The foreign investment in the insurance sector was liberalised vide amendments to the Insurance Act, 1938 following which draft foreign investment amendment rules for public consultation were released by the MoF. On 19 May 2021, the MoF released the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021. These Rules are effective from 19 May 2021.

- Foreign investors' direct and indirect investments shall be counted as prescribed under regulations for the registration of insurance companies issued by the IRDAI.

- All insurance companies with foreign investment shall have resident Indian citizens appointed as majority of directors, key managerial personnel, at least one amongst the chairperson or managing director or chief executive officer.
- Insurance companies with more than 49% FDI shall also comply with
 - minimum 50% independent directors on the board, except where the chairperson is an independent director (in such case, one-third of directors to be independent); and
 - retention of net profits for dividend declaration, where prescribed solvency margins are not met for a financial year.

Additional amendments to the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and IRDAI guidelines on Indian ownership and control are now expected.

Draft Rules and Regulations governing Overseas Investments by persons resident in India

The RBI had placed on its website the Draft Foreign Exchange Management (Non-debt Instruments – Overseas Investment) Rules, 2021 (Draft Rules) and the Foreign Exchange Management (Overseas Investment) Regulations, 2021 (Draft Regulations) governing overseas investment in equity and debt instruments and immovable property outside India by Indian resident. These guidelines were open for public comments until 23 August 2021. While the Draft Rules dealt with overseas investment in equity and immovable property, the Draft Regulations dealt with overseas financial commitment by debt and guarantee and other miscellaneous matters. The Draft Rules and Regulations introduce several procedural and conceptual changes, which are expected to rationalise the regulatory regime and improve the ease of doing business.

Whilst the Draft Rules and Regulations appear to be comprehensive, some provisions might need further clarification from the Government of India and RBI, which may be addressed in due course.

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Foreign investment norms in the insurance sector further liberalised – FEMA notification

Notification No. S.O. 3411(E) dated 19 August 2021

The Department of Economic Affairs, Ministry of Finance issued the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2021 (Amended Rules), which are effective from 19 August 2021. These Amended Rules have been issued subsequent to the notification of the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 and the amendment of the Insurance Act, 1938 and related regulations thereunder.

The key changes introduced by the Amended Rules are as follows:

1. FDI of 74% will be allowed in the insurance sector along with conditionalities laid down by the IRDAI and Department of Financial Services, notified under the FEMA, 1999.
2. Applications for FDI in private banks having insurance joint ventures or subsidiaries will be considered both by the RBI and the IRDAI to ensure compliance with the 74% FDI limit mentioned in the above point.

3. Board composition and key managerial personnel for intermediaries and insurance intermediaries will be governed as per guidelines by the IRDAI from time to time.

The notification has enabled the revised FDI policy limit with effect from 19 August 2021. This development will allow Indian insurance companies to increase foreign investment beyond 49%, up to the prescribed limit of 74%.

Liberalisation of foreign investment in the telecom sector

Press Note 4 (2021 Series) dated 6 October 2021

The Ministry of Commerce and Industry, DPIIT has released a Press Note allowing 100% foreign investment in telecom services (including the Telecom Infrastructure Providers Category-I) under the automatic route.

However, this is subject to compliance with

- a. the licensing, security and other terms and conditions as notified by the DoT; and
- b. Press Note 3 (2020 Series).

Telecommunications Sector

DoT releases revised and simplified OSP guidelines

No. 18-8/2020-CS-I (Pt.) dated 23 June 2021

The Ministry of Communications, DoT has released revised OSP guidelines (Revised Guidelines), which is in supersession of the earlier orders. These Revised Guidelines further liberalise the special dispensation provided to OSPs. This is in addition to the major measures previously announced and implemented via the earlier guidelines. The DoT has defined key aspects such as 'voice-based BPO services' and 'toll bypass'. It has removed the distinction between domestic and international OSPs, allowing employees of an OSP to connect directly to the OSP centre using any technology, including the permissibility to place self-owned EPABX at third-party data centres.

These Revised Guidelines aim to liberalise the provisions governing OSPs by bringing more clarity. It additionally allows greater flexibility in the use of telecom resources and would create synergies among different companies.

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Treaties & Agreements

- Tax Information Exchange Agreements
- Social Security Agreements
- Limited Tax Treaties
- Double Taxation Avoidance Agreements
- Countries with whom India has ratified the Multilateral Convention to implement Tax Treaty related measures to prevent BEPS
- Signatories of the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports

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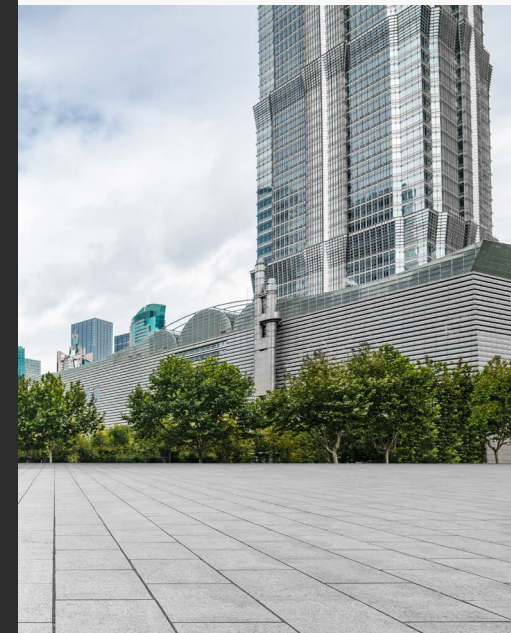
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1	1 December 2020	High Court holds that notice/ order not uploaded on the GSTN portal, but sent over an email, to be invalid in view of Rule 142 of the CGST Rules	W.P. No. 16131/2020
2	4 December 2020	High Court allows pro-rata deduction under section 80-IB(10) of the Act to the extent the number of residential units complied with the prescribed conditions	TXA Nos. 2/2016 and 4/2016 & Ors.
3	8 December 2020	Supplementary FAQs clarifying the VsV Scheme	Circular No. 21/2020 dated 4 December 2020
4	11 December 2020	Tribunal upholds business connection and PE where the Indian subsidiary carried out installation and commissioning of equipment and participated in negotiations for supply	ITA Nos. 1500 & 6921/Del/2014; 937, 6376 & 6377/Del/2016; 6799/Del/2017; 5506/Del/2018; 8263/Del/2019
5	17 December 2020	Supreme Court upholds levy of GST on lottery as 'actionable claim' and inclusion of prize money in taxable value	Writ Petition (Civil) No. 961 of 2018
6	24 December 2020	CBIC issues notifications amending key provisions on ITC restriction/ utilisation, cancellation/ suspension of registration and notifies 1 January 2021 as effective date for certain earlier amendments	Notification Nos. 92 to 94/2020-Central Tax dated 22 December 2020
7	30 December 2020	CESTAT holds penalty, forfeiture of earnest money deposit and liquidated damages recovered against breach of contract do not qualify as 'consideration' for 'tolerating an act'	Final Order No. 51651/2020
8	6 January 2021	Allahabad High Court holds that Tendering Authority is liable to provide correct HSN classification where bidders are ranked based on price inclusive of GST	WRIT C No. 17620 of 2019
9	10 January 2021	Delhi bench of CESTAT holds that cancellation fee paid on termination of agreement, cannot be treated as 'consideration' for a taxable service	Service Tax Appeal No. 51888 of 2015
10	12 January 2021	Tribunal holds that a specific notification covering any subsequent treaty for purposes of the MFN clause in the India-Sweden tax treaty not necessary for its application	ITA No. 7315/Mum/2018
11	12 January 2021	Gujarat High Court holds that Rule 86A of the CGST Rules can be invoked pending inquiry/ investigation; Observes that cogent material is required to invoke Rule 86A of the CGST Rules and suggests guidelines may be issued by the Government for exercise of the said Rule	R/Special Civil Application No. 8841 of 2020
12	25 January 2021	Supreme Court dismisses SLP filed by Revenue against reopening GSTN portal to file Form GST TRAN-01 after the due date	Special Leave Petition (Civil) Dairy No. 22386/2020
13	25 January 2021	Kerala Budget 2021-22 aims at curbing tax evasion, increase tax revenues and improve efficiency of GST department	
14	27 January 2021	Supreme Court denies CST exemption on 'sale in the course of import', where end buyer is not importer on record assessed to customs duty	Civil Appeal Nos. 1322-1323 of 2019

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Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
15	19 February 2021	Tribunal holds that transfer of a Letter of Intent for allotment of land is not covered by section 50C of the Act	ITA No. 1270/Chd/2019
16	23 February 2021	Karnataka High Court holds that section 50C of the Act does not apply to transfer of rights in land	ITA No. 70 of 2015
17	3 March 2021	High Court holds bonus shares received by a shareholder are not taxable under section 56(2)(vii) of the Act	ITA No. 501 of 2016
18	4 March 2021	Supreme Court holds that consideration received by a non-resident from distributors or end users for providing a copy of the software is not royalty under the relevant Indian DTAA	Civil Appeal Nos. 8733-8734 of 2018
19	4 March 2021	Bombay High Court holds that CERA audit cannot be extended to call for audit of a private entity and quashes audit notice issued by the Department	Writ Petition No. 1135 of 2019
20	4 March 2021	Tribunal, in the case of a Joint Development Agreement, holds that capital gains taxable in the year of receipt of possession of the constructed area, in the absence of any construction and any willingness to perform by the developer in year of agreement	ITA No. 988/Bang/2018
21	8 March 2021	Allahabad High Court directs functioning of GST Tribunal latest by 1 April 2021	Writ Tax No. 655 of 2018
22	9 March 2021	CESTAT holds that Revenue Authorities cannot challenge correctness and legality of tax paid by service providers to deny credit to a service receiver	Service Tax Appeal No. 40938 of 2017
23	15 March 2021	Supreme Court endorses 'predominant or sole/ principal use' and confirms classification of 'relays' used as part of railway signalling systems under Chapter 86	Civil Appeal No. 37 of 2009
24	15 March 2021	CESTAT holds that no cash refund of the pre-GST credit is available where credits are reversed from GST ITC Ledger; Observes that refund to recipient is not maintainable when duty paid under self-assessment by supplier is not challenged	Service Tax Appeal No. 85110 of 2020
25	16 March 2021	CBDT notifies specified persons to furnish information on capital gains, dividend and interest income for pre-filled ITR Form	CBDT Notification No. 16/2021 dated 12 March 2021
26	18 March 2021	Supreme Court holds that DRI officers not empowered to issue SCN when custom officer allows exemption from customs duties at the time of clearance	Civil Appeal No.1827 of 2018
27	19 March 2021	CBDT notifies Rule 29BA and Form 15E for grant of certificate to determine appropriate proportion of sum chargeable to tax for payments to non-residents	Notification No. G.S.R. 194(E) dated 16 March 2021
28	25 March 2021	Finance Bill, 2021 as passed by both the Houses of Parliament – amendments related to Financial Services sector	Bill No. 15 of 2021

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Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
29	26 March 2021	Amendments to the Finance Bill, 2021 as passed by both houses of the parliament	Bill No. 15 of 2021
30	26 March 2021	Larger Bench of CESTAT holds that incentives received by travel agents from airlines and CRS companies cannot be subject to service tax as BAS	Service Tax Appeal No. 59716 of 2013
31	28 March 2021	Tribunal holds that lower rates under the relevant DTAA shall prevail over section 206AA of the Act even if the non-resident does not have a PAN	ITA No. 666/Ahd/2018
32	30 March 2021	Procedure to file BoE amended based on enactment of the Finance Act, 2021	Notification No. 34/2021-Customs (N.T.) amending Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018; Notification No. 35/2021-Customs (N.T.) amending Bill of Entry (Forms) Regulations, 1976; Notification No. 36/2021-Customs (N.T.) amending section 46(3) of the Customs Act, 1962; and Circular No. 08/2021-Customs dated 29 March 2021
33	1 April 2021	Karnataka Government introduces a Scheme to settle pre-GST/ legacy assessments and clear tax arrears expeditiously	Para No. 344 of the Budget Speech of the Chief Minister and Finance Minister for the year 2021-22
34	2 April 2021	IFSC update IFSCA (Finance Company) Regulations, 2021	Notification No. IFSCA/2020-21/GN/REG010 dated 25 March 2021
35	6 April 2021	CBIC notifies Customs Verification Rules for verification of identity and compliance of importers, exporters and custom brokers	Notification No. 41/2021-Customs (N.T.) dated 5 April 2021
36	19 April 2021	Tribunal rules that section 56(2)(viib) of the Act did not apply on amalgamation, where such shares were issued at face value	ITA No. 2081/Ahd/2018 with Cross Objection No. 103/Ahd/2019
37	22 April 2021	UN Tax Committee approves Article 12B on income from Automated Digital Services	This news flash has been prepared on the basis of the finalised draft version of Article 12B released on 6 April 2021. https://www.un.org/development/desa/financing/sites/www.un.org.development.desa.financing/files/2021-04/CITCM%2022%20CRP.1_Digitalization%206%20April%202021.pdf
38	24 April 2021	High Court applies MFN clause provided in the protocol to India-Netherlands DTAA and holds that 5% WHT rate should apply on dividend payments by India company to Netherlands parent company	W.P.(C) 9051/2020 and W.P.(C) 882/2021, CM Appl. 2302/2021

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Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
39	27 April 2021	Supreme Court held the power of provisional attachment as 'draconian'; demands strict compliance with the statutory safeguards before such power is exercised	Civil Appeal No. 1155 of 2021
40	29 April 2021	High Court holds that tax authorities can adjust refunds against outstanding demands only in accordance with the instructions/ guidelines issued by the CBDT	Writ Petition (L) No. 7231 of 2020
41	4 May 2021	Central Government notifies thresholds for SEP to constitute business connection	Notification No. G.S.R. 314(E) dated 3 May 2021
42	4 May 2021	CBIC notifies various relaxations in GST compliance norms to counter COVID-19 impact on taxpayers and businesses	Notification No. 8 to 14/2021-Central Tax dated 1 May 2021
43	5 May 2021	IFSC update EFIs and non-resident investors of Category III AIFs exempt from obtaining PAN	Notification No. 42/2021 F. No. 370133/08/2020-TPL dated 4 May 2021
44	6 May 2021	CESTAT holds that remuneration received by a partner from the partnership firm is not service under service tax law	Service Tax Appeal No. 445 of 2011-DB
45	6 May 2021	Central Government issues guidelines for PLI Scheme for Food Processing Industry	F. No. 11-18/3/2021-PLIS Division dated 2 May 2021
46	18 May 2021	CBIC clarifies specific procedure and compliances in relation to IGCR 2021	Circular No. 10/2021-Customs dated 17 May 2021
47	19 May 2021	Social security, insurance and relocation expenses paid to a foreign group company by a resident taxpayer are reimbursements and not taxable as FTS under the Act read with the India-Switzerland DTAA	AAR No. 1366 of 2012
48	20 May 2021	Capital gains arising in the hands of the non-resident holding company on share buy-back by Indian subsidiary is taxable under section 46A of the Act and not exempted under section 47(iv) of the Act	AAR No. 1195 of 2011
49	20 May 2021	Amendment to CGST Rules with respect to refunds, revocation of cancellation of registration, etc.	Notification No. 15/2021-Central Tax dated 18 May 2021
50	20 May 2021	Indian Insurance Companies (Foreign Investment) Rules, 2015 further amended	Notification No. CG-DL-E-19052021-227094 dated 19 May 2021
51	20 May 2021	Third edition of the UN Practical Manual on TP for Developing Countries - India chapter updates	https://www.un.org/development/desa/financing/sites/www.un.org.development.desa.financing/files/2021-04/TP_2021_final_web%20%281%29.pdf
52	21 May 2021	CBDT extends time limit of certain compliances	Circular No. 9 of 2021 dated 20 May 2021

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Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
53	26 May 2021	CBDT notifies Rules for FMV computation of capital gains in case of slump sale transactions	Income-tax (Sixteenth Amendment) Rules, 2021 vide Notification No. 68/2021, dated 24 May 2021
54	30 May 2021	GST Council at its forty third meeting recommends COVID-19 related relief measures and other changes in GST rates, law and procedure	Press Release on the 43rd GST Council Meeting dated 28 May 2021
55	3 June 2021	Madras High Court holds that no element of service is involved in case the relationship between seller and buyer is on principal-to-principal basis; dealership agreement is to be read as a whole to ascertain the purport and object of a contract	W.P.(MD) No. 4252 of 2021
56	3 June 2021	Government issues operational guidelines for the PLI scheme for pharmaceuticals	Notification No. 31026/60/2020-Policy-DoP dated 3 March 2021
57	6 June 2021	Government issues operational guidelines for the PLI scheme for promoting telecom and networking products manufacturing in India	File No. 13-01/2020-IC dated 3 June 2021
58	9 June 2021	High Court of Karnataka declares levy of GST on entire bet value received into the totalisator by horse race clubs as ultra vires the GST statute	WP No. 11168/2018 and WP No. 11167/2018
59	10 June 2021	Supreme Court holds that BOCW cess is not leviable on contracts involving mere supply of equipment on the basis of CAG findings	Special Leave Petition (C) No. 8630 of 2020
60	18 June 2021	SEBI notifies new delisting of equity shares regulations, replacing the erstwhile regulations	Notification No. SEBI/LAD-NRO/GN/2021-25 dated 10 June 2021
61	22 June 2021	CBDT issues new functionality for compliance check of TDS/ TCS through reporting portal of the Income-tax Department	Circular No. 11 of 2021 dated 21 June 2021
62	24 June 2021	IFSC Update Transactions executed at Disaster Recovery Site and Introduction to Negotiated Large Trade facility at IFSC stock exchanges	F. No. 257/IFSCA/CMD-DMIIT/BCP-DR/2021/1 dated 22 June 2021 and F. No. 286/IFSCA/PM (CMD-DMIIT)/2021/2 dated 22 June 2021
63	24 June 2021	DoT releases revised and simplified OSP guidelines	No. 18-8/2020-CS-I (Pt.) dated 23 June 2021
64	28 June 2021	Split verdict by Division Bench of the Bombay High Court on constitutionality of the place of supply provisions on intermediary; matter placed before Chief Justice	Writ Petition No. 2031 of 2018
65	29 June 2021	Central Government announces COVID-19 tax relief measures and extension of certain compliance timelines under the Income-tax Act and other laws	Press Release dated 25 June 2021
66	29 June 2021	IFSC Update Regulatory relaxations for AIFs in IFSC	Circular No. 81/IFSCA/AIFs/2020-21/03 dated 25 June 2021

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67	29 June 2021	IFSC Update Framework for Global /Regional Corporate Treasury Centres activities undertaken by Finance companies in IFSC	Circular No. F. No. 331/IFSCA/ GRCTC/2021-22 dated 25 June 2021
68	30 June 2021	Linking passport to Covid-19 vaccination certificate	The CoWin application or the web portal (www.cowin.gov.in) is an initiative by the Indian Central Government to facilitate and administer vaccination against COVID-19 in India. A registered user can access the web portal and the application for facilities such as booking appointment slots, accessing the vaccination certificate, accessing details of the type of vaccine sought, etc.
69	1 July 2021	CBDT issues guidelines for TDS on purchase of goods	Circular No. 13/2021 dated 30 June 2021
70	1 July 2021	Madras High Court sets aside assessment order seeking reversal of ITC for inputs lost during manufacturing process	W.P. Nos. 2885 of 2020, etc., batch
71	2 July 2021	Digitisation of T-2 and T-3 application process under the AEO scheme	Circular No. 13/2021-Customs dated 1 July 2021
72	7 July 2021	Central Government releases guidelines to determine capital gains tax for restructured or dissolved partnership firms	Circular No. 14/2021 dated 2 July 2021
73	8 July 2021	Measures introduced to expedite customs faceless assessment and clearance processes	Circular No. 14/2021-Customs dated 7 July 2021
74	9 July 2021	CESTAT confirms service tax demand in the hands of a VCF trust, since it is a service provider to its contributors/ investors/ beneficiaries	Service Tax Appeal No. 2900 of 2012
75	12 July 2021	New Rule 8AC introduced to determine WDV and STCG for block of 'intangible' assets involving goodwill	Notification No. 77/2021 dated 7 July 2021
76	15 July 2021	High Court of Gujarat holds that DGGI officers are empowered to issue summons under the GST law	R/Special Civil Application No. 7388 of 2021
77	15 July 2021	For the purposes of section 56(2)(viib) of the Act, Tribunal upholds valuation of shares as on the Appointed Date under a scheme of arrangement	ITA No. 6940/Mum/2018
78	23 July 2021	AAAR holds that reimbursement of post-sale discount by principal to distributor constitutes 'consideration' liable to GST	Order No. AAR/10/20 dated 1 March 2021
79	24 July 2021	CBIC clarifies the scope of applicability of Supreme Court's suo moto order that extends the limitation period for litigants in GST proceedings	Circular No. 157/13/2021-GST dated 20 July 2021

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80	2 August 2021	Assessment order passed in violation of mandatory procedure laid under section 144C of the Act liable to be set aside - Bombay High Court	WP (L) No. 11293 of 2021
81	3 August 2021	New guidelines for Auto renewal of AEO-T1 for entities certified on or after 1 April 2019	Circular No. 18/2021-Customs dated 31 July 2021
82	4 August 2021	IFSC update Accounting Standard to be followed by IFSC Banking Units for the purpose of IFSCA regulatory reporting and compliance	F.No. 383/IFSCA/IFSC RULE BOOK/ IFRS/ IRAC NORMS/1 dated 30 July 2021
83	5 August 2021	India's peer review assessment under OECD's BEPS Action 14	Making Dispute Resolution More Effective – MAP Peer Review Report, India (Stage 2) – Inclusive framework on BEPS: Action 14
84	6 August 2021	Benefits of DTAA cannot be denied merely due to re-domiciliation of taxpayer – Mumbai bench of Tribunal	ITA Nos. 4628 and 4629/Mum/2006 and 1877/Mum/08, and CO No. 123/ Mum/2008
85	7 August 2021	Indian Government proposes amendments to nullify retrospective tax on indirect transfer of shares	Bill No. 120 of 2021
86	7 August 2021	Supreme Court upholds that online fantasy sports are 'games of skill'	Special Leave Petition (Civil) Diary No(s). 18478/2020
87	11 August 2021	IFSC update Rules for computation of income of a Category III AIF in IFSC attributable to units held by non-resident investors	Notification No. 90/2021/ F. No. 370142/20/2021-TPL dated 9 August 2021
88	11 August 2021	CBDT prescribes formula-based mechanism to avail MAT relief for taxpayers subject to double tax due to APA/ secondary adjustment	Notification No. 92/2021 dated 10 August 2021 [F. No. 370142/21/2021-TPL (Part)]/GSR 551(E)]
89	12 August 2021	IFSC Update Clarification on separate registration under Finance Company Regulations	Circular No. F. No 172/ IFSCA/Finance Company Regulations/2021-22/08 dated 9 August 2021
90	12 August 2021	OIO liable to be set aside when the initial SCN was issued by officers of DRI	Writ Petition No. 4628/2018
91	13 August 2021	Draft Rules and Regulations governing Overseas Investments by persons resident in India	
92	17 August 2021	Operation and maintenance of a sewerage treatment plant is a composite supply with design and building of the plant	Appeal No. UK GST ARA-02/06/19.03.2021/2020-21 dated 9 August 2021

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93	17 August 2021	Government notifies guidelines for RoDTEP	Notification No. 19/2015-20 dated 17 August 2021
94	19 August 2021	Tamil Nadu AAAR upholds ruling by AAR that 'air springs' are classifiable under tariff heading 8708 attracting 28% GST, based on the test of commercial identity	Order No. 01/AAR/2021 dated 24 February 2021
95	20 August 2021	Government of Haryana - Investment subsidy in lieu of net SGST	Notification No. 25/05/2020 - 4IB-I dated 29 July 2021
96	23 August 2021	Foreign investment norms in the insurance sector further liberalised – FEMA notification	S.O. 3411(E) dated 19 August 2021
97	31 August 2021	Draft rules to implement amendments to nullify retrospective applicability of tax on indirect transfer of shares	Press Release and Communication dated 28 August 2021
98	3 September 2021	Chhattisgarh High Court holds notices issued under section 148 of the Act post 1 April 2021 as valid; no adherence to section 148A required till 30 June 2021	W.P.(T) No. 149 of 2021
99	3 September 2021	1 September 2021 specified as notified date for constitution of BAR to replace AAR and to give effect to transitional amendments	Notification No. S.O. 3562(E) dated 1 September 2021
100	3 September 2021	CBDT notifies rule to calculate taxable interest in respect of employee's provident fund contribution	Notification No. G.S.R. 604(E) dated 31 August 2021
101	10 September 2021	CBDT further extends time limit to furnish return of income and audit reports for AY 2021-22	CBDT Circular No. 17 of 2021 dated 9 September 2021
102	14 September 2021	Supreme Court holds refund admissible only on inputs (and not input services) in inverted duty structure	Civil Appeal No. 4810 of 2021
103	15 September 2021	Applicability of section 79 of the Act denied where there is no change in voting power and beneficial ownership – Mumbai bench of the Tribunal	ITA No. 3914/Mum/2019
104	17 September 2021	IFSC update Non-bank custodians permitted to become a Clearing Member in IFSC	Circular No. F. No. 224/IFSCA/ CMD-DMIIT/CUST/2021/2 dated 15 September 2021
105	17 September 2021	IFSC update Fee Structure on Issuance and Listing of Securities on IFSC stock exchange	Circular No. F. No. IFSCA-PLNP/5/2021-Capital Markets dated 15 September 2021
106	18 September 2021	Supreme Court allows Revenue's appeal emphasising that taxpayer should have taken recourse to alternate statutory remedy	Civil Appeal No. 5121 of 2021

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107	18 September 2021	GST Council at its forty-fifth meeting recommends key legal and procedural changes, announces changes in various GST rates and issuance of certain clarifications	Press Release on the forty-fifth GST Council Meeting dated 17 September 2021
108	20 September 2021	IFSC update Bullion Trading/ Clearing Member in GIFT-IFSC	F. No. 329/IFSCA/Bullion MIs/2021 dated 17 September 2021
109	22 September 2021	Supreme Court holds no interest liability under section 234B of the Act for payee, where payer defaulted to withhold tax on payments made prior to 1 April 2012	Civil Appeal No.1262 of 2016
110	22 September 2021	CBIC issues clarifications to remove ambiguity on scope of intermediary services, establishment of distinct persons and certain other issues on GST law	Circular No. 159/15/2021-GST, Circular No. 160/16/2021-GST and Circular No. 161/17/2021-GST dated 20 September 2021
111	23 September 2021	Government notifies revised guidelines to avail SEIS benefit by service exporters in FY 2019-20	Notification No. 29/2015-20 dated 23 September 2021
112	24 September 2021	CBIC notifies Electronic Duty Credit Ledger Regulations, 2021 for credit of duty in CAS	Notification No. 75/2021-Customs (N.T.) dated 23 September 2021
113	24 September 2021	Central Government notifies the manner for issuance of duty credit for goods exported under RoDTEP	Notification No. 76/2021-Customs (N.T.) dated 23 September 2021
114	27 September 2021	Cabinet approves PLI Scheme for automobile and auto components industry	Notification No. S.O. 3946(E) dated 23 September 2021
115	30 September 2021	Central Government announces PLI Scheme for Textile Industry	Notification No. F. No. 12015/03/2020-IT
116	6 October 2021	IFSC update IBUs registered as an FPI allowed to offer ODIs on Government Secs and SDLs	F.No. 110/IFSCA/Banking Regulation/2021-22/7 dated 5 October 2021
117	8 October 2021	CBIC issues clarifications regarding GST rates and classification of certain goods and services	Circular No. 163/19/2021-GST and Circular No. 164/20/2021 dated 6 October 2021
118	8 October 2021	Liberalisation of foreign investment in the telecom sector	Press Note 4 (2021 Series) dated 6 October 2021
119	12 October 2021	Allahabad High Court quashes notices issued under section 148 of the Act issued on or after 1 April 2021 under the old reassessment regime	Writ Tax No. 524 of 2021
120	12 October 2021	IFSC update EFIs and non-resident investors in Category III AIFs exempt from filing return of income in India	Notification No. 119/2021/F. No. 225/76/2021-ITA.II dated 11 October 2021

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121	13 October 2021	Allahabad High Court holds that Revenue cannot escape the sanctioning of GST refund and interest liability once the order attains finality	Writ Tax No. 113 of 2021
122	13 October 2021	Electronic Credit Ledger balance cannot be used for making mandatory pre-deposit for filing of appeal under GST	W.P.(C) Nos. 23508, 23511, 23513, 23514 and 23521 of 2021
123	22 October 2021	IFSC update IFSCA (Capital Market Intermediaries) Regulations, 2021	Notification No. IFSCA/2021-22/GN/REG018 dated 18 October 2021
124	28 October 2021	SEBI update Amendment in SEBI FPI regulations	Notification No. SEBI/LAD-NRO/GN/2021/54 dated 26 October 2021
125	1 November 2021	Supreme Court sets aside Delhi High Court's order allowing revision of returns and grant of refund of excess tax paid in cash	S.L.P. (C) No. 8654 of 2020
126	10 November 2021	Bombay High Court sets aside SCN seeking to deny transition credit of cess to the GST regime, since some retrospective amendments are not operational, and the amended law does not apply to section 140(1) of the CGST Act	Writ Petition No. 3226 of 2019 with interim application No. 423 of 2021
127	17 November 2021	SEBI notifies amendments to related party provisions under the LODR Regulations	Notification No. SEBI/LAD-NRO/GN/2021/55 dated 9 November 2021
128	18 November 2021	SEBI introduces additional framework for Schemes of Arrangement by Listed Entities	Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000657 dated 16 November 2021
129	26 November 2021	India and US agree on transitional approach of 2% Indian Equalisation Levy and US trade actions	PIB Press Release dated 24 November 2021
130	30 November 2021	CBDT issues further guidelines on the applicability of TDS on e-commerce operators and TDS/ TCS on sale of goods	Circular No. 20 of 2021 dated 25 November 2021

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1	Argentina	Notification No. 22/2013 [F. No. 504/3/2010-FTD-II]/S.O. 824(E)	21 November 2011	28 January 2013
2	Bahamas	Notification No. 25/2011 [F. No. 503/6/2009-FTD-I]/S.O. 1049(E)	11 February 2011	1 March 2011
3	Bahrain	Notification No. 44/2013 [F. No. 503/03/1994-FT&TR-II]/S.O. 1766(E)	31 May 2012	11 April 2013
4	Belize	Notification No. 3/2014 [F. No. 503/4/2012-FTD-I]/S.O. 48(E)	18 September 2013	25 November 2013
5	Bermuda	Notification No. 5/2011 [F. No. 503/2/2009-FTD-I]	7 October 2010	3 November 2010
6	British Virgin Islands	Notification No. 54/2011 [F. No. 503/10/2009-FTD-I] S.O. 2301(E)	9 February 2011	22 August 2011
7	Brunei Darussalam	Notification No. 14/2020 [F. No. 503/02/2012-FTD-II]/S.O. 1009(E)	28 February 2019	30 January 2020
8	Cayman Islands	Notification No. 61/2011 [F. No. 503/03/2009-FTD-I]/S.O. 2902(E)	21 March 2011	8 November 2011
9	Gibraltar	Notification No. 28/2013 [F. No. 503/11/2009-FTD-I]/S.O. 924(E)	1 February 2013	11 March 2013
10	Guernsey	Notification No. 30/2012 [F. No. 503/1/2009-FTD-I]/S.O. 1782(E)	20 December 2011	11 June 2012
11	Isle of Man	Notification No. 26/2011 [F. No. 503/01/2008 - FTD-I]/S.O. 1048(E)	4 February 2011	17 March 2011
12	Jersey	Notification No. 26/2012 [F. No. 503/6/2008-FTD-I]/S.O. 1541(E)	3 November 2011	8 May 2012
13	Liberia	Notification No. 32/20012-FT&TR-II [F. No. 503/02/2010-FT&TR-II]/S.O. 1877(E)	3 October 2011	30 March 2012
14	Macao	Notification No. 43/2012 [F. No. 503/04/2009-FT&TR-II]/S.O. 2427(E)	3 January 2012	16 April 2012
15	Maldives	Notification No. S.O. 2865(E) [No. 76/2016 (F. No. 500/79/2008-FTD-II)]	11 April 2016	2 August 2016
16	Marshall Islands	Notification No. S.O. 1789(E) [No.40/2019 (F. No. 503/1/2018-FT&TR-IV)]	18 March 2016	6 December 2018
17	Principality of Liechtenstein	Notification No. 30/2014 [F. No. 503/4/2009-FTD-I]	28 March 2013	20 January 2014
18	Principality of Monaco	Notification No. 43/2013 [F. No. 503/05/2009-FTD-I]/S.O. 924(E)	31 July 2012	27 March 2013
19	Saint Kitts and Nevis	Notification No. 30 Notification No. S.O. 2488(E) [No. 62/2016 (F.NO.503/09/2009-FTD-I)]/2012 [F. No. 503/1/2009-FTD-I]/S.O. 1782(E)	11 November 2014	2 February 2016
20	San Marino	Notification No. 63/2015 [F. No. 500/02/2003-FTD-I]	19 December 2013	29 August 2014
21	Seychelles	Notification No. S.O. 2894(E) [No. 80/2016 (F. No. 503/07/1993-FT&TR-IV)]	26 August 2015	28 June 2016



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Social Security Agreements			
Sr. No.	Country	Date when signed	Date of coming into force
1	Australia	18 November 2014	1 January 2016
2	Austria	4 February 2013	1 July 2015
3	Belgium	3 November 2006	1 September 2009
4	Canada	6 November 2012	1 August 2015
5	Czech Republic	9 June 2010	1 September 2014
6	Finland	12 June 2012	1 August 2014
7	French Republic	30 September 2008	1 July 2011
8	Germany	8 October 2008	1 October 2009
9	Hungary	3 February 2010	1 April 2013
10	Japan	16 November 2012	1 October 2016
11	Kingdom of Denmark	17 February 2010	1 May 2011
12	Kingdom of Netherlands	22 October 2009	1 December 2011
13	Luxembourg	30 September 2009	1 June 2011
14	Norway	29 October 2010	1 January 2015
15	Portugal	4 March 2013	8 May 2017
16	Republic of Korea	19 October 2010	1 November 2011
17	Sweden	26 November 2012	1 August 2014
18	Swiss Federal	3 September 2009	29 January 2011

Limited Tax Treaties		
Sr. No.	Country	Notification
1	Afghanistan	Notification No. GSR 514(E)
2	Ethiopia	Notification No. GSR 8(E) and GSR 159(E)
3	Iran	Notification No. GSR 284(E)
4	Lebanon	Notification Nos. GSR 1552 and 1553
5	Maldives	Notification No. S.O. 2853(E) [No. 77/2016 (F. No. 503/4/2013-SO/FT&TR-II(1))]
6	Pakistan	Notification No. GSR 792(E)
7	People's Democratic Republic of Yemen	Notification No. GSR 857(E), dated 12 August 1988
8	Yemen Arab Republic	Notification No. GSR 2(E), dated 1 January 1987

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Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
1	Albania	Notification No. 2/2014 [F. No. 501/1/2003-FTD-I]/SO 47(E), dated 7 January 2014	8 July 2013	4 December 2013
2	Armenia	Notification No. GSR 800E dated 8 December 2004 as amended by Notification No. S.O. 3266(E) [No. 30/2018 (F. No. 503/05/1996-FTD-I)] dated 5 July 2018	31 October 2003	9 September 2004
3	Australia	Notification No. GSR 60(E) dated 22 January 1992 as amended by Notification No. 74/2013 [F. No.503/1/2009-FTD-II]/S.O. 2820(E), dated 20 September 2013	25 July 1991	30 December 1991
4	Austria	Notification No. GSR 682(E) dated 20 September 2001	8 November 1999	5 September 2001
5	Bangladesh	Notification No. GSR 758(E) dated 8 September 1992	27 August 1992	27 May 1992
6	Belarus	Notification No. GSR 392(E) dated 17 July 1998	27 September 1997	17 July 1998
7	Belgium	Notification No. GSR 632(E) dated 31 October 1997, as amended by Notification No. S.O. 54(E) dated 19 January 2001. Earlier agreement was entered into vide GSR 323(E) dated 6 June 1975 which was later amended by GSR 321(E) dated 2 March 1988.	26 April 1993	1 October 1997
8	Bhutan	Notification No. 42/2014 [F. No. 503/4/2004-FTD-II] dated 5 September 2014	4 March 2013	17 July 2014
9	Botswana	Notification No. S.O. 1494(E) dated 18 June 2008	8 December 2006	30 January 2008
10	Brazil	Notification No. GSR 381(E) dated 31 March 1992 as amended by Notification No. S.O. 93(E) [F. No. 500/101/2006-FT&TR-V] dated 4 January 2018	26 April 1988	11 March 1992
11	Bulgaria	Notification No. GSR 205(E) dated 9 May 1996	26 May 1994	23 June 1995
12	Canada	Notification No. S.O. 28(E) dated 15 January 1998. Earlier agreement was entered into vide GSR 1108(E) dated 25 September 1986, as amended by GSR 635(E) dated 24 June 1992. Circular No. 638 dated 28 October 1992 dealt with this agreement.	11 January 1996	6 May 1997
13	China	Notification No. S.O. 2562(E) [No.54/2019/F. No. 503/02/2008-FTD-II] dated 17 July 2019	26 November 2018	21 November 1994
14	Croatia	Notification No. 24/2015 [F. NO. 501/09/1995-FTD-I] dated 17 March 2015	12 February 2014	6 February 2015
15	Colombia	Notification No. 44/2014 [F. No. 501/3/99-FTD-II] dated 23 September 2014	13 May 2011	7 July 2014
16	Cyprus	Notification No. S.O. 64(E) [No.3/2017 (F. NO. 504/05/2003-FTD-I)] dated 10 January 2017	18 November 2016	14 December 2016
17	Czech Republic	Notification No. GSR 811(E) dated 8 December 1999	1 October 1998	27 September 1999
18	Denmark	Notification No. GSR 853(E) dated 25 September 1989	8 March 1989	13 June 1989



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Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
19	Egypt (United Arab Republic)	Notification No. GSR 2363 dated 30 September 1969	20 February 1969	1 January 1961
20	Estonia	Notification No. 27/2012 [F. No. 503/02/1997- FTD-1]/S.O. No. 1677(E) dated 25 July 2012	19 September 2011	20 June 2012
21	Ethiopia	Notification No. 14/2013 [FT & TR-II/F. No. 503/01/1996-FT&TR-II] dated 21 February 2013	25 May 2011	15 October 2012
22	Fiji	Notification No. 35/2014 [F. No. 503/11/2005-FTD-II] dated 12 August 2014	30 January 2014	15 May 2014
23	Finland	Notification No. 36/2010 [F. No. 501/13/1980-FTD-I] dated 20 May 2010	15 January 2010	19 April 2010
24	France	Notification No. 9602 [F. No. 501/16/80-FTD] dated 6 September 1994, as amended by Notification No. SO. 650(E) dated 10 July 2000	29 September 1992	1 August 1994
25	Georgia	Notification No. 4/2012 [F. No. 503/05/2006-FTD.I] dated 6 January 2012	24 August 2011	8 December 2011
26	Germany	Notification No. S.O. 836(E) [No. 10235 (F. No. 500/47/90-FTD)] dated 29 November 1996	19 June 1995	26 October 1996
27	Greece	Notification No. GSR 394 dated 17 March 1967	11 February 1965	1 April 1964
28	Hong Kong	Notification No. S.O. 6247(E) [No. 89/2018/F. No. 500/124/97-FTD-II] dated 21 December 2018	19 March 2018	30 November 2018
29	Hungary	Notification No. GSR 197(E) dated 31 March 2005	3 November 2003	4 March 2005
30	Iceland	Notification No. S.O. 241(E) dated 5 February 2008	23 November 2007	21 December 2007
31	Indonesia	Notification No. S.O. 1144(E) [No. 17/2016 (F. No. 503/4/2005-FTD-II)] dated 16 March 2016	27 July 2012	5 February 2016
32	Iran	Notification No. S.O. 1442(E) [No. 29/2021/F. No. 501/03/92/FTD-II] dated 1 April 2021	17 February 2018	29 September 2020
33	Ireland	Notification No. 45/2002 [F. No. 503/6/99-FTD] dated 20 February 2002	6 November 2000	26 December 2001
34	Israel	Notification No. GSR 256(E) dated 26 June 1996 as amended by Notification No. S.O. 441(E) [No. 10/2017(F. No. 500/14/2004-FT-II)] dated 14 February 2017, w.e.f. 14 February 2017	29 January 1996	15 May 1996
35	Italy	Notification No. GSR 189(E) dated 25 April 1996	19 February 1993	23 November 1995



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36	Japan	Notification No. GSR 101(E) dated 1 March 1990, as amended by Notification Nos. S.O. 753(E) dated 16 August 2000 (w.r.e.f. 1 October 1999), S.O. 1136(E) dated 19 July 2006, w.r.e.f. 28 June 2006 and S.O. 2528(E) dated 8 October 2008, w.e.f. 1 October 2008	7 March 1989	29 December 1989
37	Jordan	Notification No. GSR 810(E) dated 8 December 1999	20 April 1999	16 October 1999
38	Kazakhstan	Notification No. GSR 633(E) dated 31 October 1997 [as amended by Notification No. S.O. 1589(E)] [No. 20/2018 (F. No. 501/06/94-FTD-II) dated 12 April 2018, w.r.e.f. 12 March 2018]	6 January 2017	2 October 1997
39	Kenya	Notification No. S.O. 731(E) [No. 11/2018 (F. No. 503/01/2005/FTD-II)] dated 19 February 2018	11 July 2016	30 August 2017
40	Korea, (Republic of)	Notification No. S.O. 3265(E) [No. 96/2016 (F. No. 500/121/1996-FTD-II)] dated 24 October 2016	18 May 2015	12 September 2016
41	Kuwait	Notification No. S.O. 2000(E) dated 27 November 2000 as amended by Notification No. S.O. 1823(E) [No. 21/2018 (F. No. 501/03/88-FTD-II)] dated 4 May 2018	15 June 2006	17 October 2007
42	Kyrgyz Republic	Notification No. GSR 75(E) dated 7 February 2001	13 April 1999	10 January 2001
43	Latvia	Notification No. 12/2014 [F. No. 503/02/1997-FTD-I] dated 5 March 2014	18 September 2013	28 December 2013
44	Libya	Notification No. GSR 22(E) dated 1 July 1982	2 March 1981	1 April 1983
45	Lithuania	Notification No. 28/2012 [F. No. 503/02/1997-FTD-1] dated 25 July 2012	26 July 2011	10 July 2012
46	Luxembourg	Notification No. 78/2009 [F. No. 503/1/96-FTD-I] dated 12 October 2009	2 June 2008	9 July 2009
47	Macedonia	Notification No. 94/2015 [F. No. 503/08/2004-FTD-I]/ S.O. 3499(E) dated 21 December 2015	17 December 2013	12 September 2014
48	Malaysia	Notification No. 07/2013 [F. No. 506/123/84-FTD-II] dated 29 January 2013	9 May 2012	26 December 2012
49	Malta	Notification No. 34/2014 [F. No. 504/06/2003-FTD-I] dated 5 August 2014	8 April 2013	1 April 2015
50	Mauritius	Notification GSR No. 920(E) dated 6 December 1983	24 August 1982	6 December 1983
51	Mexico (United Mexican States)	Notification No. 86/2010 [F. No. 503/4/91-FTD-I] dated 26 November 2010	10 September 2007	1 April 2011
52	Mongolia	Notification No. S.O. 635(E) dated 16 September 1996	22 February 1994	29 March 1996
53	Montenegro	Notification No. 4/2009 [F. No. 503/1/1997-FTD-I]/S.O. 96(E) dated 7 January 2009	8 February 2006	23 September 2008



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Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
54	Morocco	Notification No. GSR 245(E) dated 15 March 2000	30 October 1998	20 February 2000
55	Mozambique	Notification No. 30/2011-FT&TR-II [F. No. 501/152/2000-FT&TR-II] dated 31 May 2011	30 September 2010	28 February 2011
56	Myanmar	Notification No. S.O. 1518(E) dated 18 June 2009	2 April 2008	1 April 2010
57	Namibia	Notification No. GSR 196(E) dated 8 March 1999	15 February 1997	22 January 1999
58	Nepal	Notification No. 20/2012 [F. No. 503/03/2005-FTD-II] dated 12 June 2012	27 November 2011	1 April 2013
59	Netherlands	Notification No. GSR 382(E) dated 27 March 1989	30 July 1988	21 January 1989
60	New Zealand	Notification No. GSR 314(E) dated 27 March 1987, as amended by GSR 477(E) dated 21 April 1988 and GSR 37(E) dated 12 January 2000	17 October 1986	3 December 1986
61	Norway	Notification No. 24/2012 [F. No. 505/3A/81-FTD-I] dated 19 June 2012	2 February 2011	20 December 2011
62	OECD Member Countries	Notification No. 35/2012 [F. No. 500/154/2009-FTD-I] dated 29 August 2012	26 January 2012	1 June 2012
63	Oman	Notification No. S.O. 563(E) dated 23 September 1997	2 April 1997	3 June 1997
64	Philippines	Notification No. GSR 173(E) dated 2 April 1996 and as amended by Notification No. S.O. 125(E) dated 2 February 2005	12 February 1996	21 March 1994
65	Poland	Notification No. GSR 72(E) dated 12 February 1990 as amended by Notification No. 47/2014 dated 24 September 2014]	21 June 1989	26 October 1989
66	Portuguese Republic	Notification No. GSR 542(E) dated 16 June 2000, as corrected by Notification No. S.O. 673(E) dated 25 August 2000 and GSR 597(E) dated 20 September 2005 and as amended by Notification No. S.O. 4724(E) [No. 43/2018 (F. No. 503/05/1991-FTD-I)] dated 11 September 2018	11 September 1998	30 April 2000
67	Qatar	Notification No. GSR 96(E) dated 8 February 2000	7 April 1999	15 January 2000
68	Romania	Notification No. 13/2014 [F.No.501/10/1995-FTD-I] dated 5 March 2014	8 March 2013	16 December 2013
69	Russian Federation	Notification No. 10677 [F. No. 501/6/92-FTD] dated 21 August 1998	25 March 1997	11 April 1998
70	Saudi Arabia	Notification No. 287/2006-FTD [F. No. 501/7/91-FTD] dated 17 October 2006	25 January 2006	1 November 2006
71	Serbia and Montenegro	Notification No. S.O. 97(E) dated 7 January 2009	8 February 2006	23 September 2008
72	Singapore	Notification No. GSR 610(E) dated 8 August 1994 as amended by Notification S.O. 1022(E) dated 18 July 2005 No. S.O. 2031(E) dated 1 September 2011 and No. S.O. 935(E) dated 23 March 2017	20 April 1981	27 May 1994



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Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
73	Slovenia	Notification No. GSR 344(E) dated 31 May 2005	13 January 2003	17 February 2005
74	Slovak Republic	Notification No. S.O. 813(E) [No. 25/2015 (F. No. 501/12/1995-FTD-i)] dated 23 March 2015	27 January 1986	25 May 1987
75	South Africa	Notification No. GSR 198(E) dated 21 April 1998 as amended by Notification No. S.O. 316 (E) [No.10/2015-FT&TR-II] (F. No. 500/144/2005-FTD-II) dated 2 February 2015	4 December 1996	28 November 1997
76	Spain	Notification No. GSR 356(E) dated 21 April 1995	8 February 1993	12 January 1995
77	Sri Lanka	Notification No. 23/2014 [F. No. 503/8/2005-FTD-II]/S.O. 956(E) dated 28 March 2014	22 January 2013	22 October 2013
78	Sudan	Notification No. GSR 723(E) dated 1 November 2004	22 October 2003	15 April 2004
79	Sweden	Notification No. GSR 705(E) dated 17 December 1997 as amended by Notification No. 63/2013 [F. No. 505/02/1981-FTD-II]/ [S.O. 2459(E)] dated 14 August 2013	24 June 1997	25 December 1997
80	Switzerland	Notification No. GSR 357(E) dated 21 April 1995, as amended by Notification No. GSR 74(E) dated 7 February 2001, 62/2011 dated 27 December 2011 w.e.f. 1 April 2012	2 November 1994	29 December 1994
81	Syria	Notification No. 33/2009-FTD-II [F. No. 503/7/2005-FTD-II] dated 30 March 2009	18 June 2008	10 November 2008
82	Tajikistan	Notification No. S.O. 1758(E) dated 16 July 2009 as amended by Notification No. S.O. 1328(E) [No. 15/2018 (F. No. 503/10/95-FTD-II)] dated 23 March 2018	20 November 2008	10 April 2009
83	Tanzania	Notification No. 8/2012 [FT & TR-II/F. No. 503/02/2005-FTD-II] dated 16 February 2012	27 May 2011	12 December 2011
84	Thailand	Notification No. 88/2015 [F. No. 503/5/2005-FTD-II] dated 1 December 2015	29 June 2015	1 April 2016
85	Trinidad & Tobago	Notification No. GSR 720(E) [No. 11111 (F. No. 503/11/95-FTD)] dated 26 October 1999	8 February 1999	13 October 1999
86	Turkey	Notification No. S.O. 74(E) dated 3 February 1997	31 January 1995	1 February 1997
87	Turkmenistan	Notification No. GSR 567(E) dated 25 September 1997	25 February 1997	7 July 1997
88	Uganda	Notification No. GSR 666(E) dated 12 October 2004	30 April 2004	27 August 2004
89	Ukraine	Notification No. GSR 24(E) dated 11 January 2002	7 April 1999	31 October 2001
90	United Arab Emirates	Notification No. GSR 710(E) [No. 9409 (F. No. 501/3/89-FTD)] dated 18 November 1993, as amended by Notification No. S.O. 2001(E) dated 28 November 2007 and Notification No. 29/2013 [F. No. 503/5/2004-FTD-II] dated 12 April 2013	29 April 1992	22 September 1993

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Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
91	United Kingdom	Notification No. GSR 91(E) dated 11 February 1994	25 January 1993	26 October 1993
92	United States of America	Notification No. GSR 992(E) dated 20 December 1990	12 September 1989	18 December 1990
93	Uruguay	Notification No. 53/2013 [F. No. 500/138/2002-FTD-II]/S.O. 2081(E) dated 5 July 2013	8 September 2011	21 June 2013
94	Uzbekistan	Notification No. S.O. 790(E) [No. 10222/96 (F. No. 501/8/92-FTD)] dated 13 November 1996, as amended by Notification No. S.O. 2689(E) dated 7 November 2012	29 July 1993	25 January 1994
95	Vietnam	Notification No. GSR 369(E) [No. 9758/95 (F. No. 503/7/91-FTD.) dated 28 April 1995, as amended by Notification No. 9860 [F. No. 503/7/91-FTD.] dated 12 September 1995 and No. S.O. 2826(E) [No. 82/2017 (500/5/2009-FTD-II)] dated 30 August 2017a	7 September 1994	2 February 1995
96	Zambia	Notification No. GSR 39(E) dated 18 January 1984	5 June 1981	18 January 1984

Countries with whom India has ratified the Multilateral Convention to implement Tax Treaty related measures to prevent BEPS

Sr. No.	India's treaty with*	Date of ratification by other country	Date of entry into force by other country
1.	Albania	22 November 2020	1 January 2021
2.	Australia	26 September 2018	1 January 2019
3.	Austria	22 September 2017	1 July 2018
4.	Belgium	26 June 2019	1 October 2019
5.	Canada	29 August 2019	1 December 2019
6.	Croatia	18 February 2021	1 June 2021
7.	Cyprus	23 January 2020	1 May 2020
8.	Czech Republic	13 May 2020	1 September 2020
9.	Denmark	30 September 2019	1 January 2020
10.	Egypt	30 September 2020	1 January 2021

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Countries with whom India has ratified the Multilateral Convention to implement Tax Treaty related measures to prevent BEPS

Sr. No.	India's treaty with*	Date of ratification by other country	Date of entry into force by other country
1.	Albania	22 November 2020	1 January 2021
2.	Australia	26 September 2018	1 January 2019
3.	Austria	22 September 2017	1 July 2018
4.	Belgium	26 June 2019	1 October 2019
5.	Canada	29 August 2019	1 December 2019
6.	Croatia	18 February 2021	1 June 2021
7.	Cyprus	23 January 2020	1 May 2020
8.	Czech Republic	13 May 2020	1 September 2020
9.	Denmark	30 September 2019	1 January 2020
10.	Egypt	30 September 2020	1 January 2021
11.	Estonia	15 January 2021	1 May 2021
12.	Finland	25 February 2019	1 June 2019
13.	France	26 September 2018	1 January 2019
14.	Georgia	29 March 2019	1 July 2019
15.	Greece	30 March 2021	1 July 2021
16.	Hungary	25 March 2021	1 July 2021
17.	Iceland	26 September 2019	1 January 2020
18.	Indonesia	28 April 2020	1 August 2020
19.	Ireland	29 January 2019	1 May 2019
20.	Israel	13 September 2018	1 January 2019
21.	Japan	26 September 2018	1 January 2019
22.	Jordan	29 September 2020	1 January 2021
23.	Kazakhstan	24 June 2020	1 October 2020
24.	Korea	13 May 2020	1 September 2020
25.	Latvia	29 October 2019	1 February 2020
26.	Lithuania	11 September 2018	1 January 2019

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Countries with whom India has ratified the Multilateral Convention to implement Tax Treaty related measures to prevent BEPS

Sr. No.	India's treaty with*	Date of ratification by other country	Date of entry into force by other country
27.	Luxembourg	9 April 2019	1 August 2019
28.	Malaysia	18 February 2021	1 June 2021
29.	Malta	18 December 2018	1 April 2019
30.	Netherlands	29 March 2019	1 July 2019
31.	New Zealand	27 June 2018	1 October 2018
32.	Norway	17 July 2019	1 November 2019
33.	Poland	23 January 2018	1 July 2018
34.	Portuguese Republic	28 February 2020	1 June 2020
35.	Qatar	23 December 2019	1 April 2020
36.	Russia	18 June 2019	1 October 2019
37.	Saudi Arabia	23 January 2020	1 May 2020
38.	Serbia	5 June 2018	1 October 2018
39.	Singapore	21 December 2018	1 April 2019
40.	Slovak Republic	20 September 2018	1 January 2019
41.	Slovenia	22 March 2018	1 July 2018
42.	Spain	28 September 2021	1 January 2022
43.	Sweden	22 June 2018	1 October 2018
44.	United Arab Emirates	29 May 2019	1 September 2019
45.	United Kingdom	29 June 2018	1 October 2018
46.	Ukraine	8 August 2019	1 December 2019
47.	Uruguay	6 February 2020	1 June 2020

*India is a signatory to the Multilateral Convention to implement tax treaty related measures to prevent BEPS (MLI). India deposited the instrument of ratification on 25 June 2019, and from 1 October 2019 the provisions of the MLI enter into force for India.

Source: OECD



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Signatories of the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports

Sr. No.	Country	Date of signing
1.	Andorra	18 October 2018
2.	Anguilla	11 April 2019
3.	Argentina	30 June 2016
4.	Aruba	12 March 2020
5.	Australia	27 January 2016
6.	Austria	27 January 2016
7.	Azerbaijan	12 March 2021
8.	The Bahamas	10 December 2018
9.	Bahrein	22 December 2019
10.	Belgium	27 January 2016
11.	Belize	20 June 2017
12.	Bermuda	15 April 2016
13.	Brazil	21 October 2016
14.	British Virgin Islands	8 July 2019
15.	Bulgaria	17 November 2017
16.	Canada	11 May 2016
17.	Cayman Islands	21 June 2017
18.	Chile	27 January 2016
19.	China (People's Republic of)	12 May 2016
20.	Colombia	21 June 2017
21.	Costa Rica	27 January 2016
22.	Croatia	6 July 2017
23.	Curacao	30 June 2016
24.	Cyprus	1 November 2016
25.	Czech Republic	27 January 2016
26.	Denmark	27 January 2016

Sr. No.	Country	Date of signing
27.	Estonia	27 January 2016
28.	Finland	27 January 2016
29.	France	27 January 2016
30.	Gabon	26 January 2017
31.	Georgia	30 June 2016
32.	Germany	27 January 2016
33.	Gibraltar	7 May 2020
34.	Greece	27 January 2016
35.	Guernsey	21 October 2016
36.	Haiti	22 June 2017
37.	Hong Kong, China	26 July 2018
38.	Hungary	1 December 2016
39.	Iceland	12 May 2016
40.	India	12 May 2016
41.	Indonesia	26 January 2017
42.	Ireland	27 January 2016
43.	Isle of Man	21 October 2016
44.	Israel	12 May 2016
45.	Italy	27 January 2016
46.	Japan	27 January 2016
47.	Jersey	21 October 2016
48.	Kazakhstan	12 June 2018
49.	Korea	30 June 2016
50.	Latvia	21 October 2016
51.	Liechtenstein	27 January 2016
52.	Lithuania	25 October 2016

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Signatories of the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports

Sr. No.	Country	Date of signing
53.	Luxembourg	27 January 2016
54.	Macau, China	21 August 2020
55.	Malaysia	27 January 2016
56.	Maldives	12 August 2021
57.	Malta	26 January 2017
58.	Mauritius	26 January 2017
59.	Mexico	27 January 2016
60.	Monaco	2 November 2017
61.	Morocco	25 June 2019
62.	Netherlands	27 January 2016
63.	New Zealand	12 May 2016
64.	Nigeria	27 January 2016
65.	Norway	27 January 2016
14.	British Virgin Islands	8 July 2019
15.	Bulgaria	17 November 2017
16.	Canada	11 May 2016
66.	Oman	16 July 2020
67.	Pakistan	21 June 2017
68.	Panama	24 January 2019
69.	Peru	9 November 2018
70.	Poland	27 January 2016

Source: OECD

Sr. No.	Country	Date of signing
71.	Portugal	27 January 2016
72.	Qatar	19 December 2017
73.	Romania	19 December 2017
74.	Russian Federation	26 January 2017
75.	San Marino	10 October 2018
76.	Saudi Arabia	6 August 2019
77.	Senegal	4 February 2016
78.	Seychelles	9 July 2019
79.	Singapore	21 June 2017
80.	Slovak Republic	27 January 2016
81.	Slovenia	27 January 2016
82.	South Africa	27 January 2016
83.	Spain	27 January 2016
84.	Sweden	27 January 2016
85.	Switzerland	27 January 2016
86.	Tunisia	26 November 2019
87.	Turkey	30 December 2019
88.	Turks and Caicos Islands	21 June 2017
89.	United Arab Emirates	24 June 2018
90.	United Kingdom	27 January 2016
91.	Uruguay	30 June 2016

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Abbreviations

Authority for Advanced Ruling – AAR
Accredited Agency – AA
Authorised Dealer – AD
Automated Digital Services – ADS
Alternative Investment Funds – AIFs
Accredited Investor – AI
Advance Pricing Agreement – APA
Asset under Management – AUM
Board for Advance Rulings – BAR
Base Erosion and Profit Shifting – BEPS
Business Process Outsourcing – BPO
Building and other Construction Workers Welfare Cess – BOCW Cess
Comptroller and Auditor General – CAG
Customs Act, 1962 – Customs Act
Central Board of Direct Taxes – CBDT
Central Board of Indirect Taxes and Customs – CBIC
Customs Excise and Service Tax Appellate Tribunal – CESTAT
Central Goods and Services Tax Act, 2017 – CGST Act, 2017
Central Goods and Services Tax Rules, 2017 – CGST Rules, 2017
Custodial Participant – CP
Co-investment Portfolio Manager – CPM
End-User Licence Agreement – EULA
Designated Depository Participants – DDPs
Directorate General of Goods and Services Tax Intelligence – DGGI
Department for Promotion of Industry and Internal Trade – DPIIT
Directorate of Revenue Intelligence – DRI
Digital Services Taxes – DSTs

Department of Telecommunications – DoT
Double Taxation Avoidance Agreement – Tax Treaty
Electronic cum Challan return – ECR
Eligible Foreign Investor – EFI
Employees’ Provident Fund Organisation – EPFO
Electronic Private Automatic Branch Exchange – EPABX
Foreign Direct Investment – FDI
Fund of Funds – FoFs
Fair Market Value – FMV
Foreign Portfolio Investment – FPI
Foreign Trade Policy – FTP
Financial Year – FY
Goods and Services Tax – GST
International Accounting Standards Board – IASB
Income-tax Act, 1961 – the Act
Income-tax Rules, 1962 – Rules
Income-tax Appellate Tribunal – Tribunal
Integrated Goods and Services Tax Act, 2017 – IGST Act, 2017
International Financial Service Centres – IFSCs
IFSC Banking Unit – IBU
Inclusive Framework – IF
International Financial Reporting Standards – IFRS
Infrastructure Investment Trust – InvITs
Insurance Regulatory and Development Authority of India – IRDAI
Input Tax Credit – ITC
Joint Development Agreement – JDA
Letter of Intent – LOI

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Abbreviations

Listing Obligations and Disclosure Requirements – LODR

Liberalised Remittance Scheme – LRS

Large Value Fund for Accredited Investors – LVF for AIs

Mutual Agreement Procedure – MAP

Minimum Alternative Tax – MAT

Ministry of Finance – MoF

Mutual Fund – MF

Multinational Enterprises – MNEs

Net Asset Value – NAV

Non-Convertible Debentures – NCDs

No Object Certificate – NOC

National Pension System – NPS

Non-resident – NR

Overseas Direct Investment – ODI

Organisation for Economic Co-operation and Development – OECD

Other Service Provider – OSP

Permanent Account Number – PAN

Permanent Establishment – PE

Provident Fund – PF

Production-Linked Incentives – PLI

Reserve Bank of India – RBI

Real Estate Investment Trust – REIT

Remission of Duties and Taxes on Exported Products – RoDTEP

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 – SARFAESI Act

State Development Loans – SDLs

Securities and Exchange Board of India – SEBI

Service Exports from India Scheme – SEIS

Significant Economic Presence – SEP

State Goods and Services Tax – SGST

Special Purpose Acquisition Company – SPAC

Short-term capital gain – STCG

Tax Deducted at Source – TDS

Transactional Net Marginal Method – TNMM

Tax Officer – TO

Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020 – TOLA

Transfer of Property Act, 1882 – TOPA

Transfer Pricing – TP

United Nations – UN

Venture Capital Funds – VCFs

Written Down Value – WDV

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