

December 2019

Tax Glimpses 2019

We bring you a concise analysis of important judgements and noteworthy regulatory developments in corporate and financial services tax, global mobility, M & A tax, transfer pricing, indirect taxes and regulatory developments during 2019.



Foreword

I am delighted to present our annual compilation, Tax Glimpses 2019.

The proverb ‘Change is the only constant’ has never been more applicable to the tax fraternity as it is in the present times, given the pace and intensity of developments both on the international front and in India.

International developments:

Following the BEPS action plans, the OECD released the “Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalisation of the Economy” for public consultation. This is divided into two pillars:

(a) Pillar One is meant to address the allocation of taxing rights between jurisdictions with proposals for new profit allocation and nexus rules; and

(b) Pillar Two named “GloBE” is to propose the development of a coordinated set of rules to address shifting of profit to no or low tax jurisdictions.

An aggressive timeline for completion and implementation by end of 2020 will drive large corporates to focus on this next year, not just from an effective tax rate perspective, but potentially even for a review of business models.

The United Kingdom HMRC published an updated guidance on tax treatment of cryptoassets (or cryptocurrency) for businesses and individuals. The United States Treasury Department also released its final and proposed regulations determining allowable foreign tax credits under the Internal Revenue Code. These are largely consistent with the proposed regulations

released in 2018, with some modifications.

And in India:

The Government rolled out an unprecedented across-the-board reduction in income-tax rates for domestic companies (30% to 25% base rate), and an even more aggressive cut for new manufacturing companies (15% base rate) with the stated intent to, inter alia, attract investment, generate employment and boost the economy. Coupled with the reduction and/or elimination of the Minimum Alternate Tax, not only does this align Indian tax rates with those of other large economies, but it also appears as a strategic move in the context of global economic and political developments. The impact of this on the fiscal position of the economy should get unveiled in the next Budget

to be announced in February 2020. The Committee set up for simplification of the income tax law submitted its Report on the Direct Tax Code in August of this year, which is with the Government for consideration.

Continuing in the direction of its focus on supporting, and at times leading, global tax changes, India deposited its instrument of ratification with its final positions and notifications on the MLI to implement tax treaty-related measures to prevent BEPS. Pursuant to this, the MLI for India entered into force on 1 October 2019 and shall come into effect from 1 April 2020 for certain Indian tax treaties. On a related note, a Committee formed by CBDT released its report on the manner of attribution of profits to a PE and suggested changes to rule 10 of the Income-tax Rules, 1962, in view of

Foreword

the advances in digital economy. It broadly suggested a three-factor apportionment approach by assigning equal weightage to sales, manpower and assets. On the transfer pricing front, rule 10CB was introduced in the Income-tax Rules, 1962 for computation of interest income becoming taxable, pursuant to secondary adjustments.

On the procedural front, the Government, in its stated endeavour to substantially eliminate face-to-face interactions between taxpayers and Income-tax officers, notified the E-assessment Scheme, 2019.

The CBDT revised its guidelines for compounding of offences, making it more stringent. It also issued a circular to provide relief to start-ups from assessment of the amount received relating to issue of share capital.

On the dispute resolution front, there were two key changes – the first, an introduction of the Sabka Vishwas (Legal Dispute Resolution) Scheme, 2019 for the resolution and settlement of disputes relating to central excise and service tax that have been subsumed under the GST and are pending in litigation at various forums; and the second, a significant increase in the monetary limits for filing of appeals in Income-tax matters by the Revenue ranging between INR 5m – 20m depending on the level of the appellate court.

The GST Council in its 35th meeting decided to introduce an electronic invoicing system in a phased manner for B2B transactions, which is a natural extension of the technology-driven rollout of GST.

On the regulatory front, the Government notified the Code of Wages, 2019 that consolidates some of the labour laws and seeks to ease compliances. The MCA issued a circular to clarify the meaning of the “appointed date” for the purpose of a scheme of rearrangement under the Companies Act 2013. Disclosure of significant beneficial ownership was made mandatory for listed companies by SEBI. FPI Regulations issued in 2014 were replaced by a new set of Regulations. Revised guidelines were issued for FDI in e-commerce models and easing of FDI in other sectors. Changes were made to ECB guidelines, the Insolvency and Bankruptcy Code, and the Companies Act 2013. A new Consumer Protection Act 2019 was enacted.

Tax Glimpses 2019 highlights some of the significant tax and regulatory developments that we shared with you over the year. It also includes a list of PwC publications released during the year.

I trust you will find this compilation useful and look forward to your suggestions. With best wishes for the coming festive season, and beyond!



Gautam Mehra

Leader, Tax and
Regulatory Services

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Corporate Tax

Judgement

Beneficial owner of interest

Tribunal considers factual matrix; holds Cyprus entity beneficial owner of interest for purposes of the tax treaty

ITA No. 6958/Mum/2017

The Mumbai bench of the Tribunal while dealing with the concept of “beneficial ownership” in the context of interest income earned by the taxpayer from an Indian entity held that:

- The taxpayer had “dominion and control” over the interest income earned from the Indian entity.
- The taxpayer was not constrained by any contractual, legal or economic arrangement with any other third party

and was free to utilise the interest income on its sole and absolute discretion.

- The fact that the investment was funded through shareholder loan and capital does not affect the “beneficial ownership/ status” of the taxpayer.
- The taxpayer is the beneficial owner of the interest income and will be taxed as per Article 11 of the India-Cyprus tax treaty at 10%.

The ruling provides some clarity on how “beneficial ownership” could be determined in case of investment holding companies. Further, it would also strengthen claims for lower withholding tax certificates for Cyprus companies, which were hereto being denied by the tax authorities on the basis that they were not the “beneficial owners” of these investments.

Conversion of company into LLP

Tribunal decides on taxability of conversion of company into an LLP

ITA No. 3637/Mum/2015

In case of the taxpayer, the Mumbai bench of the Tribunal held the following:

- Conversion of a company/ PLC into a LLP results in “transfer” of capital assets and is subject to capital gains tax in India in the hands of the PLC, unless covered by specific exemption under the Act. Further, due to conversion, the PLC ceases to exist; hence, such gains will be taxable in the hands of the converted LLP.
- However, such capital gains arising on conversion of a PLC into an LLP tantamount to “nil” as the book value of the assets/ liabilities transferred is to be

considered the full value of consideration received or accrued to the PLC, which is the same as the cost of acquisition.

This ruling clarifies that even if there is conversion of PLC into LLP, which is not tax neutral due to non-satisfaction of prescribed conditions, such transfer happened at book value, and hence, the computation mechanism for capital gains fails, and the tax liability becomes nil.

Capital gains

Exemption under section 54 available on capital gains arising on sale of more than one residential house

ITA No. 1507/Mum/2017

Exemption under section 54 of the Act is available on the investment of capital gains in a new residential house although the



gains arose out of the transfer of more than one residential house converted into a single flat to be used as a compact unit.

Even if additional FSI assumed to be transferred in a joint development agreement, no capital gains arise in the absence of any cost of acquisition

ITA No. 5324/Mum/2016

Capital gains tax should not be applicable on transfer of additional FSI created due to the operation of “Land Development Control Rules, 1991”. The key reason is the absence of an element of cost in acquiring it. Furthermore, section 50C of the Act is applicable only on the transfer of land or building or both.

FMV as on 1 April 1981 to be considered as cost of acquisition to determine capital gains on transfer of leasehold rights

ITA No. 4481/Del/2016

Leasehold rights of land acquired by the taxpayer for a period of 90 years is not a tenancy right, and accordingly, the cost of

acquisition for computing the capital gain on transfer of such leasehold rights should be the FMV as on 1 April 1981.

Characterisation of income

Rental income from letting out of shops in a mall taxable as business income

ITA No. 166 of 2016

Income derived from letting out of shop rooms in a shopping mall constructed by the taxpayer is taxable under the head “profits and gains of business”. Considering that the primary intention of the taxpayer was commercial exploitation of property by way of complex set of activities and not merely letting out of immovable property, such rental income is taxable as business income.

Deemed income

Section 56(2)(vii) applicable to “property” in the nature of capital asset and not which is traded in the normal course of business or trade

ITA No. 392/JP/2019

Section 56(2)(vii) of the Act is applicable to “property” in the nature of capital asset and does not apply in case of transactions entered in the normal course of business or trade, where the profits are taxable under the specific income head. Therefore, it would not apply to a stock-in-trade, raw material and consumable stores of any business of such recipient.

Dividend distribution tax

Delhi bench of Tribunal admits additional ground on applicability of lower rate as per tax treaty to DDT under section 115-O

ITA No. 961/DEL/2015

The Delhi bench of the Tribunal had passed an interim order and admitted the additional ground raised by the taxpayer to restrict the rate of DDT levied on dividend distributed/paid by it to overseas holding company, to 10%, as per Article 10 of the India-Japan tax treaty, and other such tax treaties. The Tribunal will adjudicate on the matter at the time of merit hearing.

The Tribunal, in its ruling, has reiterated the legal position that an additional ground of appeal can be raised and admitted at any time before disposal of the appeal. The Tribunal, relying on an earlier decision of the Supreme Court, held that DDT is a part of tax defined under the Act, and the Act does not prescribe any separate adjudication mechanism for DDT. In the context of claiming the lower rate of DDT as provided in the tax treaty, and the limitations to claim a refund arising from such claim for the past years, this ruling presents an opportunity to taxpayers to evaluate the filing of additional grounds in an ongoing appellate proceeding.

FTS

Reimbursement of salary and payment for support services to non-resident neither royalty nor FTS: Distinguishes Delhi High Court's Centrica decision

ITA No. 784/PUN/2015

The Pune bench of the Tribunal held that reimbursement received by a non-resident



company (taxpayer) towards the salary cost of the seconded expat from the Indian entity is not taxable as FTS under section 9(1)(vii) of the Act.

Further, the Tribunal, while deciding on the taxability of payment received towards provision of Global Information Support services, held that it does not constitute royalty/ FTS under the Act. It does not make available any technical knowledge, experience, skill, know-how to the Indian entity, and hence, it does not constitute FTS under Article 13(4) of the India-France tax treaty when read with the Protocol to India-France tax treaty and Article 13(4) of the India-UK tax treaty.

Issue of notice and assessment order

Issue of notice and assessment order in the name of the amalgamating company, which ceased to exist, is invalid: not a defect curable under section 292B

Civil Appeal No. 5409 of 2019

The Supreme Court, in the case of an amalgamating company, held that the issuance of jurisdictional notice, and thereafter, passing of assessment order by the TO, in the name of a non-existent entity, would render the assessment proceeding non est. The ambiguity over the conflict arising between the decisions of Sky Light Hospitality LLP v. ACIT [SLP (C) No. 7409/2018] and CIT v. Spice Entertainment Limited [Civil Appeal No. 285 of 2014] was put to rest. It was specifically noted that the decision in Sky Light Hospitality LLP v. ACIT [SLP (C) No. 7409/2018] was considering the peculiar facts of the case, whereas, CIT v. Spice Entertainment Limited [Civil Appeal No. 285 of 2014] continues to apply when a jurisdictional notice/ order is issued on a non-existent person. Furthermore, profound importance was given to the rule of certainty, consistency and uniformity.

Partnership firm

Immovable property allotted to retiring partner by firm - on specific facts held not covered by section 45(4) of the Act

Tax Case Appeal Nos. 365 & 366 of 2009

When a partner retires, what he/she receives is his/her share in the partnership and not any consideration for transfer or relinquishment of his/her interest in the firm to the continuing partners. Therefore, section 45(4) of the Act would not apply on the retirement of a partner, when there is a distribution of his/her share in the partnership.

Tribunal holds section 50C not applicable where partner contributes land as capital to a partnership firm

ITA No. 544/Chny/2019

Contribution to a partnership firm is squarely covered under section 45(3) of the Act. The basis for this conclusion was that the provision of section 45(3) of the Act is

exhaustive and that it does not confer any power on the TO to compute gains based on the provisions of section 50C of the Act.

Royalty

Consideration received for granting of distribution rights for a TV channel is not royalty

ITA Nos. 103 and 207 of 2017

The Bombay High Court dismissed the Revenue's appeal against the Tribunal's ruling to hold that the payment received for granting the distribution rights of a TV channel is not taxable as "royalty" under section 9(1)(vi) the Act and the India-Singapore tax treaty. In its decision, the High Court reaffirmed the distinction between "copyright" and "broadcast reproduction right," both being defined under the Copyright Act in the context of foreign telecasting companies.

Furthermore, the decision affirms the position that where a non-resident company has granted the non-exclusive distribution



right for a channel, which enables individual customers to view programmes telecasted on channels, without any right to use/ exploit any copyright, the “distribution fee” received by such non-resident entity should not be treated as “royalty.”

Return filing

Manual return of income can be filed if the online utility is not amended to reflect the correct tax position

W.P.(C) No. 3598/2019

The Delhi High Court held that a mere software glitch cannot prevent the taxpayer from claiming a benefit in its tax return and directed the Revenue to either allow the taxpayer to manually file return or alter the online utility to enable the taxpayer to file the return.

Through this decision, the High Court provided relief to taxpayers to file the ROI manually before the TO, if the online return form utility does not allow a genuine claim/ benefit.

High Court holds that a provision made effective from 1 April of an AY cannot apply to income of the relevant previous year, which ended much before that date

Tax Case No. 126 of 1982 and Tax Case No. 28 of 1986

A full bench of the Patna High Court, while deciding on the scope and applicability of section 64(1)(iii) of the Act, held that it cannot apply to income that had already accrued at the end of the previous year but prior to the provision coming into force on the first day of the relevant AY. The full bench of the High Court disapproved the view expressed in an earlier judgement [Badri Prasad v. Commissioner of Income-tax [1990] 185 ITR 307 (Patna)] of the Division bench, which held that the law in force at the commencement of the AY shall be applicable for the relevant previous year.





Withholding tax

Payment made by airlines for availing lounge services for its passengers is not rent – section 194-I inapplicable

ITA No. 628 of 2018

The payment made by an airline company (company) for the use of lounge space at airports for its in-transit customers is not in the nature of rent, as such space was not exclusively used by the company for its customers. Therefore, the company is not liable to withhold tax under section 194I of the Act on the payment made by it to the intermediary agency from the Airport Authority.

Circulars, notifications and others

Compounding offences

CBDT issues revised guidelines for Compounding of Offences under Direct Tax Laws, 2019

F. No. 285/08/2014-IT (Inv.V)/147 dated 14 June 2019

The CBDT has issued guidelines for compounding of offences under the Direct Tax Laws, 2019, in supersession of its previous guidelines dated 23 December 2014. The new guidelines shall come into effect from 17 June 2019 and shall apply to all applications for compounding received on or after the aforesaid date.

By introducing the new guidelines, the CBDT has introduced a more stringent framework for compounding offences punishable under the Direct Tax Laws. The new guidelines emphasise the prevention of compounding of serious offences under the Black Money Act and the Benami Transaction (Prohibition) Act. Certain other offences, such as contravention of search and seizure orders, denial of access to electronic records to the authorities, property-related offences to thwart tax recovery, etc., are no longer compoundable. The CBDT has also tried to ensure that taxpayers do not face difficulties in genuine cases. For instance, compounding can be allowed up to three occasions (only one

opportunity was available earlier) in case of non-filing of return of income. Further, the Finance Minister has the powers to relax the restrictions for compounding of an offence in deserving cases, based on the CBDT's recommendation.

Finance Bill

Taxation Laws (Amendment) Ordinance, 2019

The Taxation Laws (Amendment) Ordinance, 2019 No. 15 of 2019

On 20 September 2019, the Government promulgated the Taxation Laws (Amendment) Ordinance, 2019 (approved by the Cabinet on 20 November 2019), announcing key changes to corporate tax rates in the Act. While existing domestic companies have been provided an option to pay tax at a concessional rate of 22% (excluding surcharge and cess), new domestic companies set up on or after 1 October 2019, and commencing manufacturing before 31 March 2023, would

have the option to pay tax at 15% (excluding surcharge and cess). However, the reduced tax rates come with consequential surrender of specified deductions/ incentives. No MAT would be applicable in either of these options. Companies that do not opt for the concessional tax rates will continue to enjoy the benefit of such specified deductions/ incentives, and where applicable, be subject to MAT at 15%.

PE profit attribution

CBDT proposes to amend rules for profit attribution to PEs – calls for public consultation

CBDT Report dated 18 April 2019

The issue of profit attribution to a PE has been the subject matter of extensive litigation. In the past, the Indian Revenue authorities and the Indian judiciary have adopted/ upheld different approaches to profit attribution based on the facts of each case by applying Rule 10 of the Rules. To bring greater clarity, objectivity, and



predictability in the matter of attribution of profit to a PE, the CBDT formed a Committee (the Committee) to examine the existing scheme of profit attribution under Article 7 of the tax treaties, and to recommend changes in Rule 10 of the Rules. The Committee has suggested a three-factor apportionment approach, by assigning an equal weightage to sales, manpower (i.e. employees and wages) and assets. This represents a mix of both demand and supply related factors, thereby, allocating profits derived from India, partly to the jurisdiction where sales take place (driven by consumers and market), and partly where the factors of production are located or where supply related activities are conducted.

Further, referring to the concept of SEP (specifically in the context of digital enterprises), a four-factor approach has been suggested to apportion profits. The fourth factor is “users,” whereby a weightage of 10% has been assigned for business models involving low or medium user

intensity, and 20% in other cases. In this scenario, the weightage given to sales would remain fixed at 30%, while the balance would be assigned to employees and assets equally.

Overall, the report submitted by the Committee is detailed in terms of analysing judicial precedents in India on the attribution of profit to PEs, models of profit attribution followed internationally, and the views of academicians and experts. The CBDT has put up the conclusions and recommendations set forth in the report for public consultation.

Tax treaty

Multilateral Instrument: Implementation of tax treaty-related measures to prevent Base Erosion and Profit Shifting

The MLI is a unique instrument developed by the OECD to prevent BEPS. It will enable the signatories to implement BEPS principles swiftly, as it covers a large number of tax treaties.

On 25 June 2019, India deposited its instrument of ratification with the nominated authority with its final MLI position to implement tax treaty-related measures to prevent BEPS. Pursuant to the above, the MLI for India entered into force on 1 October 2019 and shall be applicable on various tax treaties of India from 1 April 2020. India has listed 93 of its bilateral tax treaties in the final MLI position.

The MLI covers minimum standards and various other recommendations of Action Plan 6 (on abuse of treaties) and Action 14 (on dispute resolution). It also includes some of the best practices of Action 2 (on hybrids) and Action 7 (on PEs), and new optional standard binding arbitration on cross-border treaty-related disputes. Broadly, the MLI is structured under four categories: hybrid mismatches, treaty abuse, dispute resolution and avoidance of PE status.

India’s MLI position essentially includes the following lists:

- Bilateral treaties that India wishes to cover under the MLI (CTAs);
- Reservations, i.e., opting out of some provisions of MLI partly or entirely; and
- Notifications of choice of optional provisions and the relevant provisions of its listed treaties, which may be amended/ replaced by the MLI.

Start-ups

CBDT circular regarding assessment of start-ups

Consolidated Circular No. 22/2019 dated 30 August 2019 and Press release dated 2 September 2019

To provide a hassle-free environment for start-ups and to give effect to the Finance Minister’s announcements in her budget speech, and thereafter, the CBDT clarified various issues, such as assessment of start-ups, time limit for completion of their pending assessments, procedure for addition made under section 56(2)(viib) of the Act in the past assessment, outstanding income-tax



demands, etc. In addition to providing these much-awaited and necessary clarifications, to redress grievances and address various tax related issues in the case of start-ups, the CBDT has also constituted a start-up cell.

Infrastructure Investment Trusts

Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2019, w.e.f. 22 April 2019

Notification No. SEBI/LAD-NRO/GN/2019/10 dated 22 April 2019

- Leverage limits have been enhanced from 49% to 70% (subject to certain conditions).
- For an InvIT raising funds by public issue, the minimum subscription from any investor in initial and follow-on offer has been reduced to INR 0.1m.
- The trading lot of listed InvITs has been revised to 100 units from INR 0.5m.

- The concept of privately placed unlisted InvITs has been introduced. Key aspects of this framework are as follows: (a) Maximum 20 investors; (b) Leverage limits not applicable; (c) Existing privately placed listed InvITs can migrate to privately placed unlisted InvITs subject to approval from 60% of unitholders and exit of dissenting unitholders; and (d) A privately placed unlisted InvIT may choose to get listed by complying with the conditions for privately placed listed InvITs.

Real Estate Investment Trust

Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2019, w.e.f. 22 April 2019

Notification No. SEBI/LAD-NRO/GN/2019/09 dated 22 April 2019

- For a REIT raising funds by public issue, the minimum subscription from any investor in initial and follow-on offer has been reduced to INR 0.05m.

- The trading lot of listed REITs has been revised to 100 units from INR 0.1m.

Withholding tax

CBDT raises revenue effect threshold for issue of lower or nil withholding tax certificate in case of non-resident taxpayers

F. No. 275/16/2019-IT(B) dated 2 September 2019

The CBDT, vide Instruction (Instruction No. 7/2009 dated 22 December 2009), required administrative approval for the issuance of a certificate under section 197 of the Act if the amount of tax foregone exceeded INR 5m in Delhi, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad, Ahmedabad and Pune stations, and INR 1m for other stations. These thresholds created various administrative and systematic difficulties under the newly introduced online application process and led to significant challenges and delays in non-resident taxpayers obtaining withholding tax orders. Therefore, the CBDT increased

the threshold of tax foregone that require prior approval of the Commissioner of Income-tax (International Taxation) [CIT-IT] to INR 100m for all the applications of non-resident taxpayers, across stations, either pending as on date, or filed hereafter. The increased thresholds should expedite the issuance of section 197/ 195 certificates to non-resident applicants.

Filing of appeals

CBDT enhances monetary limits for filing of appeals by Revenue Authorities before various appellate forums

Circular No. 17/2019 dated 8 August 2019

The CBDT, vide its circular issued under section 268A of the Act, enhanced the monetary limits for filing of appeals by the Income-tax department before the Tribunal, High Courts and Special Leave Petitions/ appeals before the Supreme Court with effect from 8 August 2019. The monetary limit to file an appeal before the aforesaid authorities is as follows:



- Tribunal – INR 50,00,000
- High Court – INR 1,00,00,000
- Supreme Court – INR 2,00,00,000

Further, the CBDT also amended its previous circular (Circular No. 03/2018 dated 11 July 2018; F. No. 279/Misc. 142/2007-ITJ (Pt.) as amended on 20 August 2018). It now provides that when an appellate authority passes composite orders for multiple AYs in the case of a taxpayer, the aforementioned monetary limits shall be checked individually for each AY while filing further appeals. No appeal shall be filed for AY(s) in which the tax effect is less than the monetary limit specified above.

The above revision will help in reducing tax litigation for taxpayers where tax demand is on account of small issues appearing in multiple AYs.

Assessment

Central Government notifies E-assessment Scheme laying down procedure for electronic assessment

Notification No. 61 & 62 dated 12 September 2019

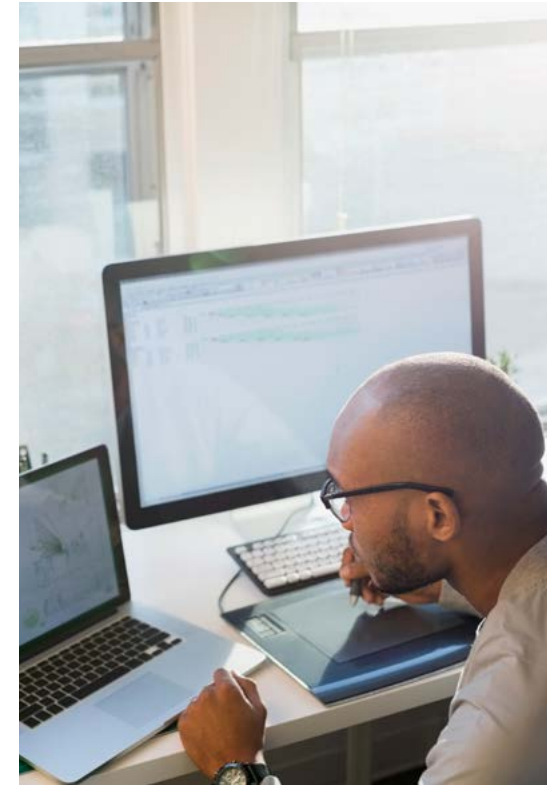
The Central Government, in its endeavour to eliminate face-to-face interactions between taxpayers and TOs, has notified the E-assessment Scheme, 2019 (scheme). The scheme attempts to almost eliminate human interface and lays down a detailed step-by-step procedure for e-assessments. The scheme discusses the setting up of e-assessment centres, various units (assessment, verification, technical, etc.), lays down a procedure to carry out assessments seamlessly and focuses on transiting to a faceless, paperless, speedy and fair conduct of assessment. Considering the volume of data and transactions, the implementation of the scheme may be juxtaposed with the technical feasibility of carrying such voluminous data.

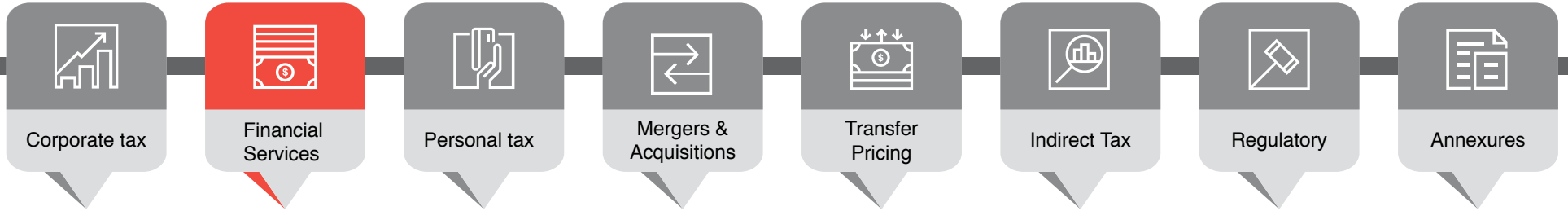
Prosecution

CBDT lays down guidelines for launching prosecution in specified categories of offences

Circular No. 24/2019 dated 9 September 2019

The CBDT, vide a circular, has prescribed guidelines to streamline the identification and processing of cases to initiate prosecution under the Act. The CBDT noted that prosecution is a criminal proceeding; therefore, to ensure that only deserving cases, where the offences are grave and can be proven beyond doubt are prosecuted under the Act, it has laid down criteria for prosecution in specified cases. It has also laid down a transparent approval mechanism to identify these cases.





Judgement

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Circulars, notifications and others

SEBI
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Miscellaneous



Financial Services

Judgement

Capital gain

Tribunal holds that units of an equity-oriented mutual fund are not “shares” for purposes of the article relating to capital gains in the India-UAE tax treaty

ITA No. 423/Coch/2018

The Cochin Bench of the Tribunal held that units of mutual fund cannot be regarded as “shares,” and hence, short-term capital gains earned by the taxpayer on transfer of such units should be exempt from tax under Article 13(5) of the India-UAE tax treaty. The Tribunal noted that as the term “share” is not defined under the tax treaty, as per Article 3(2) of the tax treaty, it shall have the meaning it has under the laws of the country whose tax is being applied. The

Tribunal held that units issued by the mutual funds cannot be regarded as shares for the purpose of the CA Act, and as per the definition of the term “securities” under the Securities Contract (Regulation) Act, 1956, “shares” and “units of mutual fund” are two separate types of securities.

Trust

Trust is “revocable” in case contributions are revocable and the income of such Trust should be taxable in the hands of the contributors

ITA No. 122 and 123 of 2019

The Madras High Court held that in case the funds transferred by the contributors to the Trust were revocable, section 62(2) read with section 61(1) of the Act would become applicable. Accordingly, the income of such

Trust should be taxable in the hands of the contributors and not in the hands of the Trust. The High Court also observed that section 164 of the Act does not apply, as the contributors, their respective shares and the extent of their beneficial interest in the Trust are identifiable.

High Court upholds denial of US entity’s claim for carry forward of losses declared in separate returns filed by funds managed by it

Writ Petition No. 9358 of 2018

The petitioner was formed as a Statutory Trust under the laws of the USA, and each of its investment series had a separate PAN and filed the tax returns individually. Subsequently, the petitioner reorganised/converted itself from a trust to an LLC. The petitioner filed an application with the AAR

to obtain a ruling on whether it would be entitled to carry forward accumulated capital losses incurred by its investment series. The AAR held that the petitioner would not be entitled to carry forward accumulated capital losses, as the losses were incurred by its investment series and not by it.

The High Court upheld the AAR’s ruling and denied the carry forward of capital losses to the petitioner (being an LLC) on the ground that capital loss for previous years were claimed by its investment series and not by it. Since the LLC was the only petitioner and the names of the investment series funds were only mentioned in its application, the investment series cannot be added as petitioners. Additionally, the High Court held that this decision will not impact the case of the series funds to claim the benefit of carrying forward losses.



Overseas fund

High Court upholds the allowance of fee paid for fund raising related services, by an investment advisory company

ITA No. 1094 of 2018

The High Court dismissed the Revenue's appeal against the Tribunal ruling that allowed deduction for a one-time payment made by the taxpayer (rendering investment advisory services to overseas funds) to its Mauritian affiliate (affiliate) for identifying investment opportunities for overseas funds. The High Court, in its decision, upheld that the affiliate's efforts benefitted the taxpayer, as it increased its share of fees from the overseas fund. Therefore, the fee paid by the taxpayer to its affiliate should qualify as an expenditure incurred wholly and exclusively for the purpose of its business.

Tribunal holds that income arising to a revocable securitisation trust taxable in the hands of the investors

ITA Nos. 2701, 3459, 2702, 3458, 2703, 3456, 2704, 3460, 2705, 3457/Mum/2017

The Mumbai bench of the Tribunal rejected the Revenue's action of taxing the taxpayer trust as an AOP/ assessing it at Maximum Marginal Rate under section 161(1A) of the Act, as against the status of the trust claimed by it. The Tribunal held that as the share of beneficiaries in the trust is determinate and the contribution made in the trust by the SR holders was revocable, the income arising from the activities undertaken by the Trust should be liable for tax in the hands of beneficiaries, i.e., SR holders.

VCF does not lose exemption under section 10(23FB), even if some investments made in mutual fund units, etc.

ITA No. 7472/Mum/2017

The Mumbai bench of the Tribunal granted exemption under section 10(23FB) of the Act to a VCF on income from investments in VCUs, where the VCF had, inter alia, temporarily deployed funds in units of mutual funds and had invested in convertible debenture application money. The Tribunal held that the taxpayer is permitted by its trust

deed and by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 to temporarily deploy funds in units of mutual funds and invest in convertible debenture application money. The Tribunal observed that the Certificate of Registration as a VCF continued to subsist during the period under consideration, which contradicted the assertion of the revenue authorities of a violation of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.

Circulars, notifications and others

SEBI

Amendments to guidelines for public issue of Real Estate Investment Trusts and Infrastructure Investment Trusts

Circular Nos. SEBI/HO/DDHS/ CIR/P/2019/15 dated 15 January 2019 and SEBI/HO/DDHS/CIR/P/2019/16 dated 15 January 2019

The SEBI amended the guidelines for REITs and InvITs to ease the process of public

issue of their units. The key changes are as follows:

- REITs/ InvITs can now accept bids only using Application Supported by Blocked Amount facility.
- In case of force majeure, banking strike or similar circumstances, REITs/ InvITs may extend the bidding issue period for a minimum of three working days without exceeding the 30 day bidding period.
- The time period for announcing the floor price of the bid, prior to the opening of the bid, has been reduced from five working days to two working days.
- Investors are required to submit a complete bid-cum-application form to self-certified syndicate banks with whom the bank account to be blocked is maintained, or to any of the intermediaries prescribed in this circular.
- These intermediaries would be responsible for uploading this on the electronic bidding system of the stock exchanges and to self-certified syndicate banks for blocking of funds.



Disclosure of significant beneficial ownership in the shareholding pattern

Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000149 dated 7 December 2018

The SEBI, vide circular dated 7 December 2018, prescribed the format for the disclosure of significant beneficial ownership for listed companies. This format has been inserted in the format of the shareholding pattern of specified securities, which is submitted by the entities under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details to be provided in the statement, inter alia, include the name, PAN and nationality of both significant beneficial owner and registered owners, and the percentage of shares held by the beneficial owner.

Investments by AIFs incorporated in IFSC

Circular No. SEBI/HO/IFSC/CIR/P/2019/91 dated 9 August 2019

To harmonise the permissible investments by AIFs in IFSC with the permissible investments made by domestic AIFs, the SEBI, in addition to the existing list of permissible investments, permitted AIFs incorporated in IFSC to invest in the following:

- a) LLPs
- b) REITs
- c) InvITs
- d) Derivatives
- e) Complex or Structured products
- f) Goods received in delivery against physical settlement of commodity derivatives
- g) SPVs

Disclosure of divergence in the asset classification and provisioning by banks

Circular Nos. CIR/CFD/CMD1/79/2019 dated 17 July 2019 and CIR/CFD/CMD1/120/2019 dated 31 October 2019

The SEBI, vide circular dated 17 July 2019, directed all banks that have listed specified securities to disclose to the stock exchanges divergences in the asset classification and provisioning, if either or both of the following conditions are satisfied:

- a) The additional provisioning for NPAs assessed by the RBI exceeds 10% of the reported profit before provisions and contingencies for the reference period; and
- b) The additional gross NPAs identified by RBI exceed 15% of the published incremental gross NPAs for the reference period.

The SEBI, vide circular dated 31 October 2019, made the above provisions applicable to listed banks. In addition, the SEBI decided that the listed banks shall make such disclosures within 24 hours upon receipt of the RBI's Final Risk Assessment Report, instead of waiting to publish them as part of the Financial Statements by the banks.

Enhanced disclosure in case of listed debt securities

Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2019/68 dated 27 May 2019

The SEBI, vide circular dated 27 May 2019, tightened the disclosure norms for entities that issued listed debt securities in the following manner, the details of which are prescribed in the Circular:

- Disclosure of compensation arrangements with clients by DTs on their websites;
- Calendar of interest/ redemptions, due and paid, to be displayed on the website of DTs for the financial year;
- Furnishing of updated list of debenture holders to the DTs by Issuers/ Registrars to an Issue and Share Transfer Agent; and
- Additional covenants in case of privately placed shares.



Guidelines for determination of bidding, allotment and trading lot size for REITs and InvITs

Circular No. SEBI/HO/DDHS/DDHS/ CIR/P/2019/59 dated 23 April 2019

The SEBI, vide circular dated 23 April 2019, prescribed the following guidelines for publicly offered REITs/ InvITs:

- Limits for aggregate consolidated borrowings and deferred payments, net of cash and cash equivalents, have been increased to 70% of the value of the InvIT assets.
- For the initial offer, the value of each allotment lot shall not be less than INR 0.1m for InvITs and INR 50,000 for REITs, where such lot shall consist of 100 units.
- For follow-on offer, the minimum allotment shall be of such number of lots, whose value is not less than INR 0.1m for InvITs and INR 50,000 for REITs, where each lot shall consist of such number of units as in its trading lot.

- InvITs with aggregate consolidated borrowings and deferred payments above 49% shall make additional disclosures as prescribed in the circular.

Disclosure of reasons for encumbrance by promoter of listed companies

Circular No. SEBI/HO/CFD/DCR1/ CIR/P/2019/90 dated 7 August 2019

According to circular dated 7 August 2019, encumbrance of significant shareholding by promoter along with persons acting in concert with him equal to or more than 50% of their shareholding in the company or 20% of the total share capital of the company, requires additional disclosure by the promoter, with detailed reasons for such encumbrance, in the format prescribed in the circular. The disclosure on reasons shall be made to every stock exchange where the shares of the company are listed and to the listed company.

Framework for listing of commercial paper

Circular No. SEBI/HO/DDHS/DDHS/ CIR/P/2019/115 dated 22 October 2019

The SEBI, vide circular dated 22 October 2019, issued a framework for listing of Commercial Papers on stock exchange(s). The circular has been issued to broaden investor participation in Commercial Papers and to ensure investor protection by directing the issuers to make appropriate disclosures, both at the time of listing and on a continuous basis. The framework is based on the recommendations of the Corporate Bonds & Securitisation Advisory Committee chaired by H.R. Khan.

FPI Regulations, 2014 replaced by FPI Regulations, 2019

Notification No. SEBI/LAD-NRO/GN/2019/36 dated 23 September 2019

The SEBI notified SEBI (FPI) Regulations, 2019 (new Regulations) replacing the SEBI (FPI) Regulations, 2014 (erstwhile Regulations). The SEBI also issued operational guidelines thereto. The key features of the new Regulations are as follows:

- Under the new Regulations, FPIs shall be categorised into two categories, instead of three under the erstwhile Regulations. Broadly, Category I and II FPI in the erstwhile Regulations have been subsumed into Category I in the new Regulations, and Category III has been reclassified as Category II.
- Broad based criteria have been eliminated.
- Appropriately regulated entities are permitted to undertake investments on behalf of their clients as Category II FPIs, by taking separate registration.
- Only Category I FPIs are permitted to issue to offshore derivative instruments. Category I and entities eligible to obtain registration as Category I are eligible to subscribe to offshore derivative instruments.
- FPIs permitted to transfer off-market unlisted, suspended or illiquid securities to a domestic or foreign investor.



- There are no changes with respect to ownership and control restrictions for non-resident Indians, overseas citizens of India and resident Indians.

Working Group on Social Stock Exchanges

Press Release No. 21/2019 dated 19 September 2019

The SEBI, vide Press Release dated 19 September 2019, constituted a working group on Social Stock Exchanges under the Chairmanship of Shri Ishaat Hussain [Director, SBI Foundation; Ex-Director (Finance) Tata Sons Limited]. This is in line with the proposal made by the Finance Minister as part of the Budget Speech for FY 2019-20 to initiate steps towards creating a Social Stock Exchanges for listing social enterprises and voluntary organisations. The working group shall examine and make recommendations on possible structures and mechanisms, within the securities market domain, to facilitate fund raising by social enterprises and voluntary organisations.

RBI

Bank's exposure to a single Non-Banking Financial Company

Notification Nos. DBR.BP.BC. No.17/21.04.098/2018-19 dated 28 December 2018 and DBR.No.BP.BC.18/21.01.003/2019-20 dated 12 September 2019

Earlier, the single borrower limit for NBFCs (not financing infrastructure) was 15% of capital funds. With effect from 1 April 2019, banks' exposures to a single NBFC shall be restricted to 15% of their eligible capital base (Tier-1 capital). The RBI vide circular dated 12 September 2019, decided that banks' exposures to a single NBFC (excluding gold loan companies) shall be changed to 20% of their available eligible capital base. Bank Finance to NBFCs predominantly engaged in lending against gold will continue to be 7.5% of the banks' capital funds or 12.5% of the banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector (as prescribed in circular dated 18 May 2012).

Deferral of implementation of Ind AS

Notification No. DBR.BP.BC. No.29/21.07.001/2018-19 dated 22 March 2019

Scheduled Commercial Banks, excluding Regional Rural Banks, were required to implement Ind AS from 1 April 2018, which was deferred by one year to 1 April 2019, vide RBI Press Release dated 5 April 2018. The legislative amendments recommended by the RBI are under consideration by the Government of India. Accordingly, the RBI, vide Notification dated 22 March 2019, decided to defer the implementation of Ind AS for Scheduled Commercial Banks until further notice. No further notice has been received until date.

Permission to acquire financial asset from other ARC

Notification No. DNBR.PD (ARC) CC.No.07/26.03.001/2018-19 dated 28 June 2019

In view of amendment to the SARFAESI, it has been decided to permit ARCs to acquire

financial assets from other ARCs on the following conditions:

- The transaction is settled on cash basis;
- The price discovery for such transaction shall not be prejudicial to the interest of SR holders;
- The selling ARC will utilise the proceeds so received for the redemption of underlying SRs;
- The date of redemption of underlying SRs and total period of realisation shall not extend beyond eight years from the date of acquisition of the financial asset by the first ARC.

RBI releases Financial Benchmark Administrators (Reserve Bank) Directions, 2019

Notification No. FMRD. FMSD.17/03.07.035/2018-19 dated 26 June 2019

Some key highlights of the Directions are as follows:



- These Directions shall apply to FBAs who administer significant benchmarks in the markets for financial instruments regulated by the RBI with respect to interest rates or interest rate products.
- On the RBI notifying a benchmark as a significant benchmark, the person administering that benchmark shall, within a period of three months make an application to the RBI for authorisation to continue administering that benchmark.
- FBAs, with regard to the “significant benchmarks” they administer, shall be responsible for the formulation, determination and dissemination of benchmarks value, ensuring transparency in the benchmark administration and periodic review of the benchmark.
- The FBA will set up the Oversight Committee, with fair representation of major stakeholders, to undertake regular reviews of various aspects of the significant benchmark determination process.

Priority Sector Lending – Lending by banks to NBFCs for on-lending

Notification No. FIDD.CO.Plan.
BC.7/04.09.01/2019-20
dated 13 August 2019

Bank credit to registered NBFCs (other than Micro Finance Institutions) for on-lending will be eligible for classification as priority sector under the respective categories, subject to the following conditions:

- The sector and limits are as follows:
 - Agriculture – On-lending by NBFCs for “Term Lending” component will be allowed up to INR 1m per borrower.
 - Micro & Small Enterprises – On-lending by NBFCs will be allowed up to INR 2m per borrower.
 - Housing - Enhancement of the existing limits for on-lending by HFCs from INR 1m per borrower to INR 2m per borrower.

- Banks can only classify the fresh loans sanctioned by NBFCs out of bank borrowings, on or after 13 August 2019, as priority sector loans.
- Bank credit to NBFCs for on-lending will be allowed up to a limit of 5% of an individual bank’s total priority sector lending on an ongoing basis.

Priority Sector Lending – Classification of exports under priority sector

Circular No. FIDD.CO.Plan.
BC.12/04.09.01/2019-20
dated 20 September 2019

To boost the credit to export sector, the RBI decided to enhance the sanctioned limit for classification of export credit extended by domestic banks under priority sector lending, from INR 250m per borrower to INR 400m per borrower. The RBI also removed the existing criteria for units to have turnover of up to INR 1b, to classify the export credit extended to them under priority sector lending.

External benchmark based lending

Notification No. DBR.No.BP.
BC.18/21.01.003/2019-20 dated 12
September 2019

To deliver effective transmission of monetary policy, the RBI has directed to switch over to external benchmark based lending by amending the Master Direction on Interest Rate on Advances dated 3 March 2016. The key changes are as follows:

- All new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks from 1 October 2019, shall mandatorily be linked to one of the following external benchmarks:
 - RBI policy repo rate.
 - Government of India three-months Treasury Bill yield published by the Financial Benchmarks India Private Limited.



- Government of India six-months Treasury Bill yield published by the Financial Benchmarks India Private Limited.
- Any other benchmark published by the Financial Benchmarks India Private Limited.
- A bank must adopt a uniform external benchmark and not multiple benchmarks within a loan category.
- The interest rate under external benchmark shall be reset at least once in three months.
- Floating rate term loans sanctioned to borrowers who are eligible to prepay a floating rate loan without pre-payment charges, shall be eligible for switchover to external benchmark without any charges, except for reasonable administrative or legal costs. Other existing borrowers shall have the option to move to external benchmark at mutually acceptable terms.

Lending by banks to InvITs

Circular No. DBR.No.BP.
BC.20/08.12.014/2019-20 dated 14 October 2019

The RBI issued clarifications on banks' lending to InvIT, the key highlights of which are as follows:

- Banks to put in place board-approved policy on exposures to InvIT.
- Banks to assess the ability of the InvIT and the underlying SPVs to service the debt on a timely basis.
- Banks can lend only to those InvITs where none of the underlying SPVs, which have existing bank loans, is facing "financial difficulty."
- Lending for the purpose of acquisition of equity stake by InvIT to be in accordance with Master Circular – Loans and Advances – Statutory and Other Restrictions dated 1 July 2015.

- Audit Committee of the Board to review compliance with the above-mentioned conditions on a half-yearly basis.

Liquidity risk management framework for NBFCs and CIC

Circular No. DOR.NBFC (PD) CC.
No.102/03.10.001/2019-20 dated 4 November 2019

The RBI revised the extant guidelines on liquidity risk management for NBFCs to strengthen and raise the standard of Asset Liability Management framework applicable to them. Some of the key changes are as follows:

- All non-deposit taking NBFCs with asset size of INR 1b and above, systemically important CIC and all deposit-taking NBFCs irrespective of their asset size will segregate the 1-30 day time bucket in the Statement of Structural Liquidity and Interest Rate Sensitivity Statement into granular buckets of 1-7 days, 8-14 days and 15-30 days.

- NBFCs shall adopt liquidity risk monitoring tools/ metrics to capture strains in the liquidity position, if any.
- NBFCs shall also monitor liquidity risk based on a "stock" approach to liquidity, using predefined internal limits as decided by the Board for various critical ratios pertaining to liquidity risk.
- All non-deposit taking NBFCs with asset size of INR 50b and above, and all deposit-taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of Liquidity Coverage Ratio. This will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Assets to survive any acute liquidity stress scenario lasting for 30 days. The stock of High Quality Liquid Assets to be maintained by NBFCs shall be a minimum of 100% of total net cash outflows over the next 30 calendar days.
- The Liquidity Coverage Ratio requirement shall be binding on the above category



of NBFCs from 1 December 2020, as per the prescribed limits and reaching up to 100% by 1 December 2024 in the manner prescribed in the circular.

Report of the Working Group to Review the Regulatory and Supervisory Framework for CIC

Press Release Nos. 2019-2020/43 dated 3 July 2019 and 2019-2020/1118 dated 6 November 2019

The RBI constituted a Working Group on 3 July 2019 to review the regulatory and supervisory framework for CICs, to monitor the complex group structures and inter-connectedness of CICs with financial systems and strengthen the corporate governance framework for them. The key measures suggested by the WG to mitigate the related risks in the Report submitted to the Governor on 6 November 2019 are as follows:

- To prevent multiple gearing and excessive leveraging, for adjusted net worth

calculation, any capital contribution of the CIC to another step-down CIC (directly or indirectly) shall be deducted over and above the 10% of owned funds as applicable to other NBFCs. Further, step-down CICs may not be permitted to invest in any other CIC.

- To prevent complex group structures, the number of layers of CICs in a group should not exceed two.
- To mitigate risks at the group level due to build-up of high leverage, every conglomerate having a CIC should have a Group Risk Management Committee, which inter alia, should be entrusted with the stipulated responsibility.
- RBI to consider implementing certain standards of governance for unlisted CICs.
- RBI should prescribe CICs to file offshore returns in line with NBFCs. Annual submission of Statutory Auditor's Certificates may also be mandated,

coupled with periodic on-site inspection of the CICs.

RBI releases Draft Guidelines for “on tap” licensing of Small Finance Banks in the private sector

Press Release No. 2019-2020/701 dated 13 September 2019

The RBI has issued draft guidelines for “on tap” licensing of Small Finance Banks. The draft guidelines have been formulated for continuous authorisation and covers provisions for eligible promoters, corporate structure, fit and proper criteria for promoters, capital requirements, promoter's contribution, voting rights and transfer/acquisition of shares, Statutory Liquidity Ratio and Cash Reserve Ratio requirements, scope of activities, prudential norms, corporate governance, licensing process, etc. In addition, at least 25% of the banking outlets of an Small Finance Banks will have to be opened in unbanked rural centres. The operations of the bank should be technology driven from the beginning. The bank should

have a high-powered Customer Grievances Cell to handle customer complaints.

CBDT

Clarity regarding the taxability of income earned by a non-resident investor from offshore investments routed through an AIF

Circular No. 14/2019 dated 3 July 2019

Investments made by Category I or Category II AIFs are deemed to have been made by the investor directly, as per the provisions of section 115UB of the Act. In this regard, the CBDT was of the view that any income in the hands of the non-resident investor from offshore investments routed through the above-mentioned AIFs, being a deemed direct investment outside India by the non-resident investor, is not taxable in India under section 5(2) of the Act.

Clarity regarding definition of “Fund Manager” for the purpose of section 9A of the Act

Circular No. 8/2019 dated 10 May 2019



Considering that an AMC is engaged in the activity of fund management of mutual funds, and hence, it is in substance, a Fund Manager, the CBDT was of the view that the SEBI-approved AMCs will be designated as “eligible fund manager,” and therefore, entitled to benefits under section 9A of the Act. Once the AMC is approved under section 9A of the Act, fund management activities for offshore funds by such AMCs would not be regarded as having a “business connection” in India. Even if the overseas fund is managed by AMCs from India, their global incomes will not be subjected to tax in India. This move by CBDT now allows AMCs to become Fund Managers and not merely “advisers” to offshore funds.

GIFT City

Exemption from furnishing return of income for non-residents earning income from investment fund set up in IFSC

F.No. 225/79/2019-ITA.II/Notification No. 55/2019 dated 26 July 2019

A non-resident (not being a company) or a foreign company is now exempt from furnishing a return of income in India if it earns income from investment in a Category I or Category II AIF set up in IFSC, subject to the following conditions:

- Any income-tax due on the income of such investor has been deducted at source and remitted to the Central Government by the investment fund at the rates in force, as per section 194LBB of the Act; and
- There is no other income during the year for which the investor is otherwise liable to file return of income in India.

The above exemption shall not be available to non-resident investors when the income-tax authorities issue a notice under certain sections of the Act.

IRDAI issues guidelines for insurance intermediaries offices in IFSC

IRDAI/RI/GDL/MISC/012/01/2019 dated 16 January 2019

The IRDAI issued Intermediary Guidelines to grant permission to insurance intermediaries to set up shop and undertake operations in IFSC. These guidelines are applicable to an IIIO. Any person or entity who holds a valid certificate of registration issued by the IRDAI can apply for authorisation to act as an IIIO in the same category for which it has been granted a certificate of registration by the IRDAI in India. An IIIO is authorised to undertake insurance intermediary business that is permitted under the Special Economic Zones Act, 2005, and the Rules framed thereunder and which emanates outside the country. An IIIO shall be set up as a branch office and cannot undertake any insurance intermediary business that is otherwise not permitted by the IRDAI.

Special Economic Zone Act, 2005 amended to allow trusts to set up units

Press Release ID: 1566731 dated 28 February 2019

The Government of India notified the amendment to the definition of “person” under section 2(v) of the Special Economic Zone (SEZ) Act, 2005, to now include a trust and any other form of entity as may be notified by the Government. This amendment will enable a trust to be considered for grant of permission to set up a unit in a SEZ in IFSC. This will also provide flexibility to the Government to include any entity that it may wish to notify from time to time to set up a unit in a SEZ.

Union Cabinet approves bill for establishment of a unified authority for regulating all financial services in IFSC

Press Release dated 6 February 2019

On 6 February 2019, the Union Cabinet approved the establishment of a Unified Authority for regulating all the financial



services in IFSCs through the IFSC Authority Bill, 2019. The Unified Authority in IFSC will solely exercise all the powers exercisable by the respective financial sector regulators under the respective Acts for the regulation of the following:

- All financial services, financial products and financial institutions in an IFSC that have already been permitted by the financial sector regulators for IFSCs.
- Such other financial products, financial services or financial institutions as may be notified by the Central Government from time to time.

The transactions of financial services in IFSCs shall be made in foreign currency as specified by the Unified Authority in consultation with the Central Government. This is in line with the existing regulations prescribed by the RBI under the Foreign Exchange Management (IFSC) Guidelines, 2015.

Miscellaneous

Final notifications issued under section 115JG(1) for conversion of Indian branch of foreign bank into an Indian subsidiary company

Notification Nos. 85/2018/F.No.370133/34/2016-TPL dated 6 December 2018 and 86/2018/F.No.370133/34/2016-TPL (Part) dated 6 December 2018

The Central Government has issued two final notifications notifying the conditions to be met to avail capital gains tax exemption on conversion of the Indian branch of a foreign bank into an Indian subsidiary company. The final notifications also provide guidance on exceptions, modifications and adaptations with regard to the applicability of various provisions of the Act on conversion of the Indian branch of a foreign bank into an Indian subsidiary company.

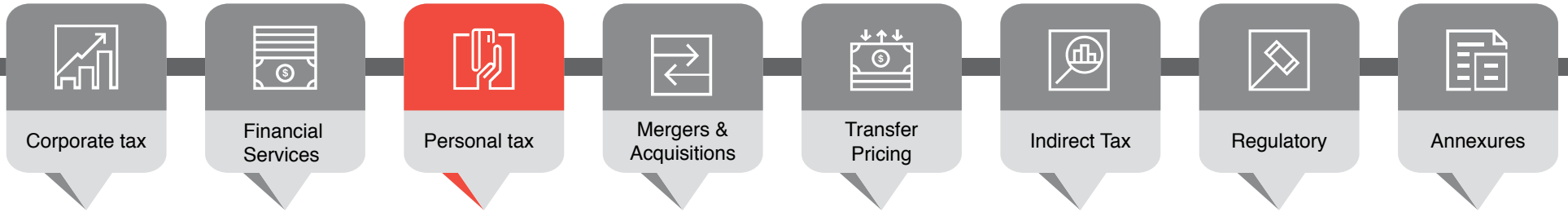
Government amends procedure for seeking exemption from section 56(2)(viib) for start-ups

Notification No. GSR 34(E) dated 16 January 2019

In 2016, the Government notified start-ups to be exempted from the applicability of provisions of section 56(2)(viib) of the Act if such start-ups are recognised by the IMBC under the DPIIT, as eligible for such exemption. The Government amended the procedure to grant exemption to registered start-ups on 16 January 2019. The key changes are as follows:

- Both proposed and past investments are now covered under the exemption. However, the same is not applicable, for which the TO has already passed an assessment order.
- Requirement to obtain a fair valuation report from a merchant banker is no longer required.

- Approval is to be granted by the CBDT and not the IMBC.
- The application is to be processed within 45 days of receipt. Earlier no time limit was prescribed.
- Conditions pertaining to the investor are changed. The investor should now have a returned income of at least INR 5m in the FY preceding the year of investment/proposed investment. The investor should also have a net worth exceeding INR 20m or the amount of investment made/proposed to be made in the start-up, whichever is higher, as on the last date of the FY preceding the year of investment/proposed investment.



Judgement

Black money
Social Security/ Provident Fund
Split residency

Circulars, notifications and others

Pension
Income-tax return



Personal tax

Judgement

Black money

High Court upholds prosecution under the Black Money Act; parallel proceeding under the Act not relevant

Writ Petition No. 568 of 2018

The High Court upheld the initiation of prosecution proceeding under the Black Money Act, 2015, for the non-disclosure of foreign bank account in the tax return of the individual-taxpayer. The contention of the taxpayer that the foreign bank account was inherited, and it belonged to his deceased mother, was also rejected by the High Court. Further, the High Court held that a taxpayer might be prosecuted and punished under either the Act or the Black Money Act, 2015 or both. This decision boosts the confidence

of the Revenue Authorities to bring to task those who failed to make accurate disclosures of foreign income and assets in their tax returns. Non-disclosure of foreign assets and income will not only attract penalty and prosecution under the Black Money Act, 2015, but also penalty under the Act.

Social Security/ Provident Fund

Supreme Court specifies principle for allowances to be included in ambit of “basic wages”

Civil Appeal No. 6221 of 2011 and ors.

The Supreme Court of India, in its recent decision, laid down the principles to exclude a particular allowance/ payment from the definition of “basic wages” to compute the deduction towards PF contribution. The Supreme Court did not analyse the individual

components of salary for PF contribution but laid an important test that must be fulfilled for an allowance to be excluded from the definition of basic wages. According to the decision, allowances that are variable or incentive in nature, are not uniformly paid to all employees, or are specifically paid to an employee, may be excluded from the scope of basic wages. Accordingly, the employers should note this decision and review the salary structure of their employees, particularly of International Workers, to avoid any default on account of PF compliances.

Split residency

Tribunal held taxpayer claim of split residency as per Article 4 India-US tax treaty

ITA No. 1655/Bang/2017

The Bangalore bench of the Tribunal upheld that in the case of dual residency of an

individual, the residency can be determined as per Article 4 of India-US tax treaty and by applying tiebreaker rule, as mentioned in the relevant article of the tax treaty. In this case, it was held that the salary received by the individual after completing his assignment in India was not taxable by applying the tiebreaker test, as per the relevant article of the tax treaty. The taxpayer did not satisfy the conditions for claiming exemption under the tax treaty, as he did not furnish the TRC. The Tribunal held that residency under the tax treaty was not merely to be concluded based on the TRC but analysed on the test of personal and economic relations, as per Article 4(2) of the tax treaty. This ruling brings some clarity to the issue of split residency and the ability of the taxpayer to claim benefits under the tax treaty in case of such dual residency during a particular year.



Circular, notifications and others

Pension

Proposal approved by Government to streamline NPS

Press release by the Ministry of Finance on streamlining of NPS on 10 December 2018

The Government of India approved the proposal to streamline the process of NPS. As per the approved proposal, employer contribution to NPS under Tier-I will be 14% for Central Government employees, while the employee contribution remains the same. The Central Government will have the choice to select the pension fund and investment pattern. The remaining 60% of the accumulated corpus in NPS withdrawn out of total corpus will be exempt from tax. For contribution to the NPS Tier-II account with the lock in period of three years, benefit to claim deduction under section 80C of the Act (within the ambit of INR 0.15m) shall be available. These changes have been made effective immediately upon approval of the concerned ministry.

Income-tax return

Income-tax return form FY 2018-19 notified

Notification No. GSR. 279(E) dated 1 April 2019

The CBDT amended the Rules and introduced new ITR Forms applicable for FY 2018-19. Several changes were made in the Forms seeking additional details, which will help in automatically validating or crosschecking the income. The ITR Forms now require additional details about the overseas tax residency from NRIs, additional details to claim tax treaty benefit, expanded disclosure under foreign asset, etc. RORs are now required to provide more details of their overseas assets, such as foreign depository accounts, foreign custodian account, etc. Foreign nationals, who come to India temporarily, for a period of three to five years and become ROR of India, will face challenges in making such numerous disclosures. Considering the Indian Government's focus on tightening the compliance, taxpayers need to note these changes diligently.





Amendment in Form 16 and 24Q to capture additional details

Notification No. 36/2019 dated 12 April 2019

The CBDT issued a new format for Form 16 to capture additional details pertaining to the bifurcation of allowances exempt under section 10 of the Act, salary received from other employers, income (or loss admissible) under house property and income from other sources, and section-wise breakup of deduction claimed under chapter VI-A of the Act. Corresponding amendments have also been made in the format of Form 24Q (TDS return), such as bifurcation of allowances, perquisite, deduction and the PAN of lender, when a housing loan is taken from persons other than a financial institution. These amendments will expedite individual ITR processing by comparing the line items as appearing in the individual ITR Forms with the TDS returns to allow rightful deductions and exemptions claim.

CBDT specifies procedure, formats and standards for the issuance of Form 16

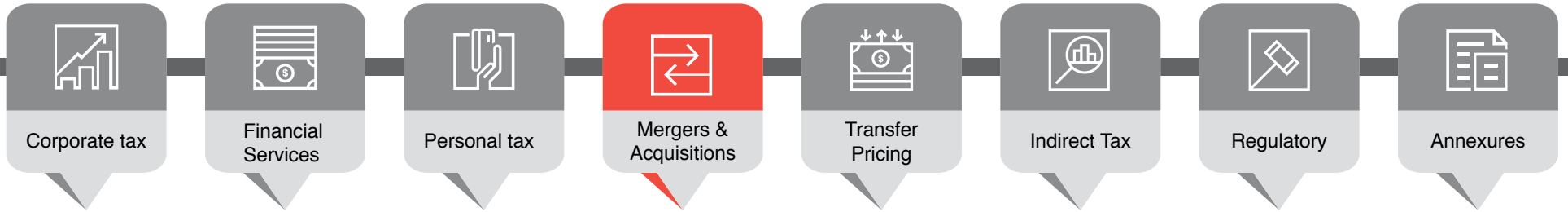
Notification No. 09/2019 dated 6 May 2019

All employers are required to issue Part B of Form 16 as downloaded from TDS TRACES portal, provided Form 24Q is furnished with duly filled in Annexure II. The TRACES-generated Form 16 will have a unique TDS certificate number. The details of exemption under section 10 of the Act and deductions under chapter VI-A of the Act, which are not specifically provided in the Annexure II of Form 24Q, are to be filled manually by the employer before the issuance of Form 16. Employers should also ensure correct and accurate disclosure when filing the TDS statement to avoid any questioning by tax authorities in relation to the difference in the amounts reported in Part A and Part B of Form 16 issued to employees.

CBDT releases FAQ for disclosure in ITR

Circular No. 18/2019 dated 8 August 2019

The CBDT released clarifications in the form of FAQs regarding certain disclosures in the ITR Forms, applicable to FY 2018-19. The FAQs provided clarity to the taxpayer for the purpose of filing ITR, especially after a large number of amendments in the ITR Forms. Some important clarifications provided by the FAQs were as follows: (a) disclosure of the assets already reported in the Schedule FA and held as on 31 March 2019; (b) in Schedule AL, foreign assets to be reported on accounting year basis, (c) issues relating to unlisted share reporting, (d) disclosure on directorship and clarity on reporting of foreign tax identification number, amongst others. The release of these clarifications was a welcome step, as taxpayers were facing challenges in reporting certain details in the absence of guidance in the instructions to the ITR Forms. These FAQs have helped individuals in filing their ITR without any hassle.



Judgement

Capital gains
Income from other sources
Set-off and carry forward of losses
Business income
SEBI informal guidance

Circulars, notifications and others

Appointed date



Mergers & Acquisitions

Judgement

Capital gains

Tribunal holds that amount received by a retiring partner above his capital account is chargeable as capital gains

ITA No. 1700/Bang/2016

The Bangalore bench of the Tribunal held that the retiring partner is liable to capital gains tax on the excess payment received over and above the sum to the credit of her capital account at the time of retirement.

Relying on the judgement passed in *Sudhakar M. Shetty v. ACIT* [2011] 130 ITD 197 (Mumbai) it held that the act of relinquishment of rights as a partner in the firm would amount to transfer of capital asset and the capital gains shall be the sum paid over and above the sum standing to the credit in the capital account.

Conversion of firm into a company does not amount to distribution of assets – firm not liable to capital gains tax

ITA No. 2316/Ahd/2014

In case of conversion of firm into a company, the Ahmedabad bench of the Tribunal has held as follows:

- Revaluation of assets could not be treated as transfer within the meaning of section 2(47) of the Act;
- When converted into a company, the properties of the erstwhile firm were vested into the company. Such vesting could not be equated to the distribution of assets as stipulated under section 45(4) of the Act; and
- No justification found to hold that there was any transfer of asset, and thus, the question of liability to pay tax on capital

gains by the firm does not and cannot arise at all.

Section 47(xiii) of the Act also covers transfer of capital assets by a firm to an existing company

ITA No. 2701/AHD/2011

The Ahmedabad bench of the Tribunal held that there is no requirement under section 47(xiii) of the Act that a firm should be “converted” into a company. It is sufficient if an existing company acquires all assets and liabilities and complies with the conditions laid under section 47(xiii) of the Act. This ruling distinguishes cases of conversion and succession under the Act and provides clarity on interpretation of conditions specified in section 47(xiii) of the Act.





In case of conversion of company into LLP, shareholders liable to tax on capital gains in relation to transfer of shares

AAR No. 1290 of 2012

The AAR, while dealing with taxability in the hands of the shareholders, on conversion of a company into a LLP held that –

- Conversion of shareholding into LLP interest constitutes the extinguishment of rights in the hands of the shareholders, and hence, would amount to transfer under section 2(47) of the Act;
- Computation provision under section 48 of the Act is capable of working out the capital gains arising in the hands of the shareholders; and
- Even if the value of a partner's interest in the LLP is equal to the value of a shareholder's interest in the company, it does give rise to taxable capital gains in the hands of the shareholder.

This ruling distinguishes the judgement CIT v. Texspin Engg. & Mfg. Works [2003] 263 ITR 345 (Bombay) and other rulings, to clarify that those decisions were applicable to conversion of a company into an LLP but not to the shareholders or partners. In future, it is necessary to be careful with taxability in the hands of shareholders on the conversion of a company into an LLP.

Gift of shares made by a company under an internal restructuring exercise not a "colourable device" – revision under section 263 of the Act rejected

ITA No. 2211/Mum/2019

The Mumbai bench of the Tribunal holds that transfer of shares of a company as "gift" by a taxpayer to its group company is not a colourable device. It rejected the Revenue's contention that the taxpayer had resorted to circular transaction of transfer of shares to avoid capital gains tax. The enquiry made

during assessment quashed the revision under section 263 of the Act.

Benefit of 5% variation between stamp duty value and consideration, in section 50C of the Act, is curative and applies retrospectively

ITA No. 2351/Kol/2017

The Kolkata bench of the Tribunal held that the third proviso to section 50C of the Act, inserted by the Finance Act, 2018, should be treated as retrospective in nature. Although the amendment has been made effective from 1 April 2019, the Tribunal held that once it is undisputed that a statutory amendment is being made to remove an undue hardship to the taxpayer or to remove an apparent incongruity, such an amendment has to be treated as curative and declaratory, and hence, shall have a retrospective effect.

Income from other sources

Section 56(2)(viib) of the Act applicable at the time of share allotment, even if application made before insertion of that section

ITA No. 5933/DEL/2018

The Delhi bench of the Tribunal held that the provisions of section 56(2)(viib) of the Act are applicable to shares allotted at premium at the time of allotment. Therefore, the time of receipt of application money, which was before insertion of the section, is not relevant.

Amount received from an HUF by its member not taxable under section 56(2)(vii) of the Act

ITA No. 773/CHD/2018

The Chandigarh bench of the Tribunal held that the provision of section 56(2)(vii) of the Act does not apply to a gift given by a HUF to its members, on the premise that a member has pre-existing right in the family properties. Thus, when a member



receives any sum from the HUF, during the subsistence of the HUF or on its partition, it cannot be treated as receipt without consideration. The Tribunal also held that even otherwise, the taxpayer was entitled to exemption under section 10(2) of the Act.

Section 56(2)(viia) of the Act not applicable to receipt of shares of a foreign company before amendment to Rule 11U with effect from 1 April 2019

ITA No. 1703/Mum/2019

The Mumbai bench of the Tribunal held that provisions of section 56(2)(viia) of the Act read with pre-amended Rule 11U and 11UA of the Rules, did not apply to the purchase of shares of a foreign company by an Indian company.

The Tribunal has held that the provisions of section 56(2)(viia) of the Act cannot be applicable on acquisition of shares of foreign companies prior to 1 April 2019, as otherwise, it will make the amendment to Rule 11U of the Rules redundant.

Advances by a subsidiary, as a business venture on profit share basis, for strategic investments to be made by the holding company, not dividends under section 2(22)(e) of the Act

ITA No. 936/Ind/2018

The Indore bench of the Tribunal held that section 2(22)(e) of the Act will not be applicable to the amount received as loan/advance from a subsidiary for making further strategic investments.

Section 68 of the Act not applicable where primary ingredients required are established

ITA Nos. 1090 & 2569/Mum/2019

The Mumbai bench of the Tribunal held that once the three ingredients of section 68 of the Act, i.e., identity of the share subscriber, genuineness of the transaction and credit worthiness of the share subscriber is established, addition under section 68 of the Act is not warranted. In addition, the Tribunal held that the taxpayer is not required to prove the source of the source of the source of funds.

Set-off and carry forward of losses

Tribunal holds that long-term capital loss, on STT paid sale of listed shares, is eligible for carry forward and set-off

ITA No. 511/Kol/2017

The Kolkata bench of the Tribunal has held that notwithstanding gains on sale of listed shares on which STT is paid is exempt under section 10(38) of the Act, long-term capital loss on the sale of such shares, is eligible to be carried forward.

The Tribunal reiterates the principle that if a source of income is completely exempt from tax, the set-off and carry forward of loss shall not be available. However, if the exemption applies only to a part of the source of income and/ or is subject to fulfilment of some conditions, the loss from such source of income will be allowed to be set-off and carried forward.

Section 79 of the Act not applicable where the shareholder continues to hold 100%, although partly indirectly, post amalgamation of the company having brought forward losses

ITA No. 2336/Mum/2019

The Mumbai bench of the Tribunal held that the condition under section 79 of the Act, for carry forward and set-off of loss, is said to be satisfied if the beneficial shareholders of the company during the year when the loss was incurred, directly or indirectly holds at least 51% shares in the said company during the year of set-off.

This judgement reaffirms that the continuity of the ultimate beneficial owner, and not the immediate direct owner, is required to satisfy the conditions for carry forward and set-off of losses under section 79 of the Act.



Business income

Depreciation on goodwill arising on amalgamation allowed in subsequent year on the principal of consistency; however, on merits, observes claim is not otherwise allowable

ITA Nos. 1439/Ahd/2011, 42/Ahd/2012, 597/Ahd/2014, 2249/Ahd/2018 & IT(SS)A No. 357/Ahd/18

The Ahmedabad bench of the Tribunal, while dealing with the depreciation claim on goodwill arising on amalgamation, allowed it in the second year on the “principle of consistency,” as the claim was not disallowed in the first year of claim. However, the Tribunal, on merit, observed that the intent of the Legislature is to make the amalgamation schemes tax neutral for both companies and shareholders, the depreciation claimed on goodwill arising upon amalgamation impacts such tax neutrality, and hence, is unwanted under the provisions of law.

Non-compete fees received by a non-resident, not taxable in the absence of a PE in India

ITA No. 3985/Mum/2018

The Mumbai bench of the Tribunal held that non-compete fees received by a non-resident individual taxpayer shall not be taxable in India unless such non-resident has a PE in India. The mere holding of shares in an Indian company cannot be construed to constitute a PE in India.

This ruling reiterates that business connection is not established merely on account of being a shareholder/ promoter in an Indian company.

Waiver of section 234C interest payable by the resulting company; citing uncertainty of profits until approval of the demerger Scheme

Writ Petition No. 544 of 2019

The Bombay High Court allows waiver of interest on the basis of the CBDT circular and impliedly provides precedence, for

allowing the credit of tax paid by the transferor company to the transferee company.

SEBI informal guidance

Guidance Note Nos. CFD/DIL-1/OW/2019/2726/1 dated 28 January 2019 and CFD/DIL/OW/2019/13729/1 dated 29 May 2019

Lock-in requirement under SEBI (Issue of Capital and Disclosure requirements), Regulations 2018 for allotment of warrants: lock-in period shall commence from the relevant date and end on the expiry of six months from the date of allotment of the warrants.

Guidance Note No. CFD/DCR1/OW/P/2019/14383/1 dated 6 June 2019

Exemption under regulation 10(1)(d)(iii) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 for open offer obligations available, if persons holding 100% stake, directly or indirectly over the transferor company, continue to hold

33%, directly or indirectly in the transferee company.

Guidance Note No. SEBI/HO/ISD/OW/P/2019/25981/2019 dated 1 October 2019

A person who is being named as a promoter owing to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but who is not exercising control shall still be classified as a designated person for the purpose of SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT regulations) and will have to comply with the company’s code of conduct.

Guidance Note No. SEBI/HO/ISD/OW/P/2019/31266/1 dated 25 November 2019

If a person is specified as a “designated person” by the board of directors of a company, the restrictions of contra-trade under PIT regulations would be applicable to all shares held under the PAN of such person irrespective of the capacities in which such person holds shares in the company.



Circulars, notifications and others

Appointed date

MCA issues clarification on appointed date to be specified in scheme of mergers/ amalgamation

General Circular No. 09/2019 dated 21 August 2019

The MCA has issued a circular clarifying the meaning of the appointed date mentioned in a scheme of merger/ amalgamation. The Companies Act, 1956, did not contain any provision relating to the appointed date. The Supreme Court, in the case of Marshall Sons & Co India Limited v. ITO [1997] 223 ITR 809, held that every scheme of amalgamation has to provide a date from which such scheme shall take effect. The CA, 2013, contains a specific provision under section 232(6), prescribing that a scheme should indicate an appointed date from which it shall be effective.

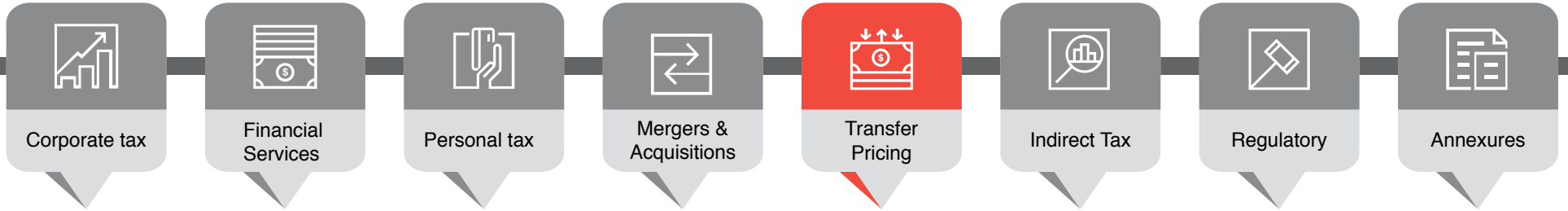
In response to queries received, the MCA clarified as follows:

- The appointed date may be a specified calendar date or may be tied to the occurrence of an event or fulfilment of any preconditions, which are relevant to the scheme or as agreed upon between the parties.
- The appointed date shall also be deemed as the “acquisition date” and the date of transfer of control for the purpose of accounting as per Ind AS 103.
- In addition, an appointed date can be a date preceding the filing of the scheme application with the NCLT. In case the appointed date precedes the date of filing the application with the NCLT by more than one year, specific justification shall be required to be brought out in the scheme, and it should not be against public interest.
- If an event-based appointed date could trigger post filing of certified copy of

NCLT order with the RoC, an intimation regarding the triggering of such an event shall also be required to be filed with

the RoC within 30 days of the scheme coming into force.





Judgement

Penalty proceedings

Tested party

Validity of draft assessment order

Circulars, notifications and others

Secondary adjustment

CbCR



Transfer Pricing

Judgement

Penalty proceedings

Penalty proceedings can be initiated even if dispute resolved by enforcement of MAP

Writ Petition No. 57865/2015

The High Court of Karnataka has ruled on the constitutional validity of penalty proceedings to hold that the provisions of section 271(1)(c) of the Act would continue to apply to cases resolved under a MAP, unless the tax treaty or the MAP specifically waives the penalty.

Tested party

Tribunal holds that selection of the foreign AE as tested party lacks statutory sanction

ITA Nos. 1260 & 1308/PUNE/2018

The Pune bench of the Tribunal has held that there is no statutory sanction in the

Indian law for selection of foreign AEs as the tested party. Considering the contrary decisions, apparently, the opinion of different benches of the Tribunal is divided on selection of “foreign tested party.” Contrary to the subject ruling, various judgements have been concluded in favour of selecting the foreign tested party. Considering the litigation scenario, taxpayers may have to wait for certainty on the use of foreign tested party, until the litigation reaches finality.

Validity of draft assessment order

Draft assessment order issued erroneously in the name of the amalgamating entity invalidates final assessment on the amalgamated entity

ITA No. 857/Mum/2016

The Mumbai bench of the Tribunal has quashed an entire assessment, as the draft of the proposed order of assessment, i.e.,

the draft assessment order, was passed incorrectly in the name of a non-existent entity, although the final assessment order was framed in the correct entity’s name. The Tribunal ruled that since the TPO’s order was made in the name of a non-existent entity, the “eligible taxpayer” did not exist as per section 144C of the Act. A draft assessment order passed in the absence of an “eligible taxpayer” is a jurisdictional defect and not a procedural irregularity; thus, the assessment was bad in law.

Circulars, notifications and others

Secondary adjustment

CBDT amends rules for computation of interest in case of secondary adjustment

Notification No. 76 of 2019 dated 30 September 2019

Rule 10CB of the Rules was introduced for the purpose of computation of interest income pursuant to secondary adjustment provisions introduced in section 92CE of the Act. The CBDT has now amended Rule 10CB of the Rules vide its notification dated 30 September 2019.

The notification has replaced the words “excess money” with the words “excess money or part thereof” in Rule 10CB of the Rules. It has amended the time limit for repatriation of money. The notification has also inserted a new sub-rule (3) to Rule 10CB of the Rules, which prescribes the start date to be considered for computation of interest, in the absence of repatriation of such excess money or part thereof. In addition, the notification also inserted a new explanation to Rule 10CB of the Rules, which provides that the rate of exchange for calculating the amount of international



transaction in foreign currency should be the Telegraphic Transfer buying rate as on the last day of the previous year.

CbCR

CBDT prescribes due date for filing CbCR by inbound constituent entities in certain cases

CBDT Notification No. 88 of 2018 dated 18 December 2018

A filing requirement of a CbCR arises in India for an inbound constituent entity (i.e., a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India) if any of the circumstances mentioned in section 286(4) of the Act apply to that CE.

The CBDT has now prescribed the due date for filing the CbCR by an inbound CE to which section 286(4) of the Act applies. In this regard, Rule 10DB(4) of the Rules has been amended to prescribe the due date to be 12 months from the end of the RAY. This Rule becomes effective from 18 December 2018.

In addition, as per a proviso to the amended Rule, if the parent entity of the inbound CE is the resident of a country or territory where there has been a systemic failure by the country or territory, and the said failure has been intimated to such CE, the due date for submission of CbCR in such cases would be six months from the end of the month in which such systemic failure has been intimated to the inbound CE.

BCAA for exchange of CbCRs between India and the US has been finalised and signed

CBDT Press Releases dated 15 March 2019 and 27 March 2019

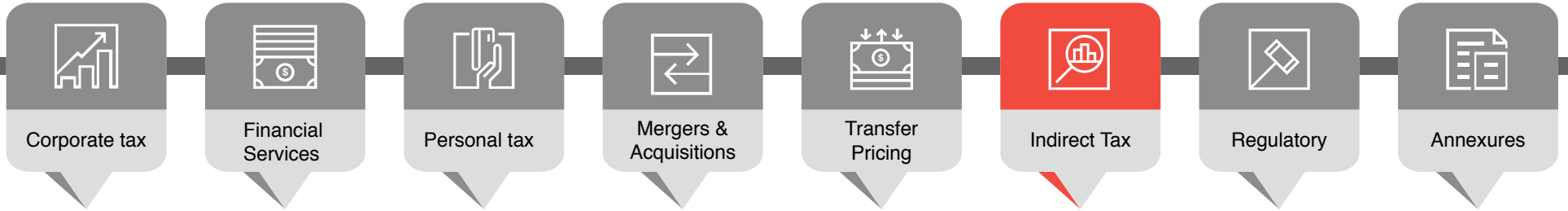
A filing requirement of a CbCR arises in India for an inbound CE (i.e., a CE, resident in India, of an international group, the parent entity of which is not resident in India) if any of the circumstances mentioned in section 286(4) of the Act apply to that CE. Such circumstances include a situation in which the parent entity of an international group is the resident of a country, with which India does not have an agreement for exchange

of CbCRs. The due date for filing the CbCR in India by an inbound CE to which section 286(4) of the Act applies is 12 months from the end of the RAY.

A BCAA for exchange of CbCRs was under negotiation between India and the USA. The CBDT confirmed that the aforesaid BCAA for exchange of CbCRs was finalised and signed on 27 March 2019. Further, it stated that the exchange will be effective for CbCRs pertaining to RAYs commencing on or after 1 January 2016.

In view of the press releases, inbound CEs whose parent entities have filed CbCRs in the US for RAYs commencing on or after 1 January 2016, would not be required to undertake any CbCR filing in India. This would include any CbCR that has been filed on a voluntary basis in the USA. However, if the USA parent entity of an international group has not undertaken any voluntary filing of the CbCR in the USA, the inbound CE belonging to such international group would need to undertake a CbCR filing in India.





Judgement

GST
Service tax
VAT
Customs

Circulars, notifications and others

GST
Customs
Excise



Indirect Tax

Judgement

GST

No requirement of pre-import for advance authorisation holders for exemption from IGST and compensation cess

R/ Special Civil Application No. 14558 of 2018

The Gujarat High Court struck down the pre-import condition in notification exempting advance authorisation holders from IGST and compensation cess. The pre-import condition mandated that export obligation be fulfilled only by physical exports. The pre-import condition renders the scheme of advance authorisation ineffective, and it does not have any nexus with the objective of the advance authorisation scheme, viz., to boost exports, rendering it unsustainable in law.

Input tax credit of inputs and services used in construction allowed

Writ Petition No. 20463 of 2018

The Orissa High Court allowed ITC on input materials/ services used for developing a shopping mall against GST payable on rent received from tenants. It held that section 17(5)(d) of the CGST Act, 2017, should also apply to a situation in which the property is let out at par with a situation in which the property is sold in an under-construction stage.

Gujarat High Court issues decision on last date for claiming ITC for invoices from July 2017 to March 2018

R/ Special Civil Application No. 18962 of 2018

The Gujarat High Court held that para 3 of the Press Release dated 18 October 2018,

clarifying that the last date for availing ITC relating to invoices issued during July 2017 to March 2018, as the last date for filing return in Form GSTR-3B, is illegal and contrary to section 16(4) of the CGST Act, 2017 read with section 39(1) and Rule 61 of the CGST Rules, 2017, as Form 3B is not a stipulated monthly return issued under section 39(1).

Patna High Court holds that no recovery proceedings can be initiated against ITC availed but not utilised

Civil Writ Jurisdiction Case No. 2125 of 2019

It was held that no recovery proceedings under section 73 of the Bihar Goods and Services Tax Act, 2017, can be initiated against ITC availed but not utilised. It was held that the mere reflection of credit (carried forward under Form TRANS-1) in the electronic credit ledger cannot be termed as

equivalent to availment of credit or utilisation of credit, unless it is actually utilised for payment of tax liability at the time of filing returns.

Gujarat High Court holds that filing of online declaration to claim transitional credit within the due date contemplated under Rule 117 of CGST Rules, 2017, is procedural and directory in nature

R/ Special Civil Application Nos. 5758, 5759, 5760, 5762 of 2019

The Gujarat High Court has held that the online filing of the form to claim transitional credits within the due date contemplated under Rule 117 is not a mandatory provision and the manual filing of Form TRANS 1 should be permitted in case of technical difficulties faced in online filing.



Madras High Court allows accumulated credit of cesses from CENVAT regime to be transitioned to GST

Writ Petition No. 4773 of 2018

The Madras High Court upheld the right to carry forward of secondary and higher secondary cess as a vested right accruing to a taxpayer to avail credit, and in concurrence with the guiding objective of the seamless flow of credit under GST. It thus held the CGST Act, 2017, enacted for such purpose does not contain specific provisions providing for lapse of credit of historical cesses. It also noted that the amendment to section 140(1) of the CGST Act, 2017, restricting the carry forward of credit under CENVAT, did not extend to section 140(8) of the CGST Act, 2017, applicable for services providers under the centralised registration scheme, who therefore, were unrestricted.

Madhya Pradesh High Court holds GST payable on goods supplied by Duty-Free Shops

Writ Petition No. 17999/2018

The High Court held that no exemption from payment of GST is provided to goods supplied to duty-free shops at international airports of India. It was observed that duty-free shops situated at the airport cannot be treated as territory outside India under the IGST Act, 2017. It was held that such shops are not exporting goods out of India and are instead selling to a customer, who is within India and the point of sale is at Indore, as the supplier is receiving the price of goods at Indore.

Allahabad High Court holds that no GST would be payable on goods supplied by a duty-free shop

PIL Civil No. 12929 of 2019

The Allahabad High Court clarified that the sale or supply of goods at the duty-free shops at the arrival and departure terminals of international airports would be considered as export of goods under Customs Law and be considered as export of goods under the IGST Act, 2017. Hence, no tax shall be levied in case of purchase made at duty-

free shops situated at international airports. It was reasoned that that the destination of outgoing passengers, purchasing such goods and the passengers would act as the carrier of the goods.

Gujarat High Court quashed notification/circular denying refund of accumulated ITC to Textile Industry

R/ Special Civil Application No. 16213 of 2018

The Gujarat High Court quashed notification no. 20/2018 dated 26 July 2018 and circular no. 56/2018 dated 24 August 2018, wherein it was provided that the ITC lying unutilised in balance, after payment of tax for and up to the month of July 2018, on the inward supplies received up to 31 July 2018, shall lapse, as ultra vires, and beyond the scope of section 54(3)(ii) of the CGST Act, 2017, as the provision does not empower to issue such notifications. Consequently, it held in favour of entitlement of credit.

Importer liable to pay IGST on RCM basis on ocean freight even if such freight is part of CIF value of imported goods

Order No. 01/2019/AAR/R-28/14

The applicant imported crude soybean oil on CIF basis, which included the component of ocean freight in the price of imported goods. It was held that there was no ambiguity in the relevant notifications, i.e., notification no. 8/2017 - Integrated Tax (Rate) dated 28 June 2017, and 10/2017 - Integrated Tax (Rate), dated 28 June 2017, regarding the payment of IGST on ocean freight. The importer has to pay IGST on ocean freight under the reverse charge mechanism, irrespective of the fact that such freight charges are included in the intrinsic CIF value.

*It is to be noted that a stay has been granted by the Gujarat High Court in the matter of levy of IGST on ocean freight on CIF value and the matter is still sub judice.



Profit sharing agreement between employee and various shareholders is an actionable claim, not taxable under GST

Order No. 19/AAR/2019

The applicant, an employee of the applicant company, was the Chairman and Managing Director and a shareholder. The applicant entered into a PSA, in which the applicant would get a profit for a strategic sale of equity shares over and above a specified sale price per equity share by a set of shareholders of the company. It was held that transaction between the applicant company and the shareholders was an “actionable claim,” as defined under section 2(1) of CGST Act, 2017 read with section 3 of the Transfer of Property Act, 1882, and accordingly, not taxable by virtue of sr. of its inclusion under Schedule III of the CGST Act, 2017.

ITC of motor vehicles purchased for providing rent-a-cab services is inadmissible under GST

Order No. 08/WBAAR/2019-20

The applicant supplied cabs on rental basis to institutions. Invoices were raised for duration of renting, which was based on a fixed number of hours in a month. On holidays, or for additional hours on a working day, an additional amount is charged irrespective of distance travelled. The nature of service provided by the applicant was held to be renting of motor vehicle and not passenger transport service. Accordingly, the applicant was held to not fall under the expectation carved out under section 17(5) of the GST Act, 2017 for motor vehicle used for transportation of passengers.

No ITC admissible on ambulance purchased prior to amendment to section 17(5) with effect from February 2019

Order No. 43/WBAAR/2018-19

An ambulance, being a motor vehicle, is not admissible under section 17(5)(a) of the CGST Act, 2017 as it stood before the amendment with effect from 1 February 2019. The exception carved out under the erstwhile section 17(5)(b)(iii)(A) of the CGST

Act, 2017 for services that are obligatory for an employer to provide to its employees under any law for the time being in force is limited only to rent-a-cab, life insurance and health insurance.

Value of tool supplied by OEM to component manufacturer for free shall not be added to the value of the component

Order No. KAR/AAAR/07/2018-19

The appellant manufactures sheet metal pressed components for OEMs. The appellant also designed and manufactured the tools required to manufacture these components. Such manufactured tools are billed to OEM customers; however, the appellant retains the tools for the manufacture of components. The Karnataka AAR, by impugned order, had held that the amortised cost of tools, which are resupplied back to the appellant free of cost, shall be added to the value of the components as per section 15 of the CGST Act, 2017.

The AAAR Karnataka subsequently overturned the decision and observed

that the appellant and the OEM were unrelated parties. Basis the agreement, it was examined that the price paid by the customers is the sole consideration for the supply made by the appellant and the OEM assumed the responsibility to provide the tools to the appellant to ensure an uninterrupted supply of the components.

NO GST on bottling fees paid by liquor brand owner to contract bottling

Order No. GST-ARA-67/2018-19/B-155

The question was whether there is supply by the brand owner to its CBU. It was held that the agreement between the applicant and the CBU was on principal-to-principal basis, as the applicant paid bottling charges that were fixed on per month basis and not a derivation of the sale of the product. The applicant was not receiving any consideration for allowing the CBU to use its brand, and hence, the activity does not fall within the scope of supply. Hence, there is no supply rendered by the applicant to the CBU.



GST would be levied on services by corporate office to branch offices in other states

Order No. KAR/AAAR/05/2018-19

The AAR Karnataka held that corporate office and branches are distinct persons as per section 25(4) of the CGST Act, 2017 and have no employee-employer relationship with the other distinct branches. Hence, activities performed by employees at the corporate office in the course of employment, such as accounting, other administrative and IT system maintenance for units located in other States as well, shall be treated as supply, as per Entry 2 of Schedule I of the CGST Act, 2017. The AAAR upheld the ruling passed by the AAR. It was held that the cost of employees working in the corporate office has to be factored in when arriving at the cost of provision of the service by the corporate office. It further held that employees stationed at the location of a particular establishment of a distinct person are

deemed to be rendering their services only to that establishment of a distinct person and not to any other distinct person

Restaurant and sweetshop operated from same premises are “Composite Supplies” of the principal restaurant service

Order No. 09/2018-19

The sale of edible items through restaurant will be treated as “composite supply” and the existing GST rates on restaurant service will also be applicable on all such sales without availment of ITC. The sale of edible items from the sweetshop counter will be treated as supply of goods with applicable GST rates of the items being sold and ITC will be allowed on such supply. Separate records should be maintained for the restaurant and sweetshop.

Foreign supplier exporting goods to FTWZ and then selling them to Indian customer not liable for GST registration

Order No. 24/AAAR/2018

The applicant is a leather manufacturer who operates a global network of offices. The applicant supplies leather, which is stored in third part FTWZ, to DTA customers. It was observed that the applicant is exclusively exporting the foods to FTWZ, which are subsequently sold to Indian customers who clear the same on payment of appropriate custom duties. Hence, the applicant is not liable to GST registration.

Penalty recovered by finance company due to delay in payment of EMI taxable under GST

Order No. MAH/AAAR/SS-RJ/24/2018-19

Penal charges/ penalty recovered by the appellant from their borrowers on account of the delay in payment of EMI by borrowers are covered under clause 5 (e) of the Schedule II of the CGST Act, 2017 and will attract GST.

Maharashtra ARA holds that technical know-how provided by a foreign entity to an Indian entity are intangible goods and the situs of sale is where the property is registered for the purposes of VAT

Order No. ARA Mumbai – 09 of 2016-17/2019-20

The situs of intangible property is where the property is registered, or, if not registered, where the rights to the property can be enforced.

Tamil Nadu AAR holds that value of applicant’s interstate stock transfer shall be either “open market value” or “90% of the open market value” of supplies of similar goods

AAR Order No. 27/AAR/2019

It was held that the second proviso, which states that the invoice value shall be the open market value if the recipient is eligible for full ITC, has to be read along with the first proviso of Rule 28 and it cannot be read independently. The first proviso of



Rule 28 of the CGST Rules, 2017 states that if the goods are intended for further supply by the recipient, the supplier has an option of adopting value as 90% of price charged to an unrelated recipient for goods or services of similar kind and quality. If the value adopted is as per the first proviso, then such value appearing in the invoice will be assumed as open market value. If the second proviso to Rule 28 of the CGST Rules, 2017, is to be directly adopted, any value, either higher or lower, will be adopted, which leads to passing on of higher credit or ITC accumulation, respectively. This is not the intention of taxation based on value addition.

Rajasthan AAAR holds that 70:30 deemed valuation is applicable for supply, design, installation, commissioning and testing of solar-based well pumping systems

AAAR Order No. RAJ/AAAR/APP/09/2018-19

The standard solar energy based bore well water pumping system comprised

SPV panels, structures, storage tank, controller, pipes and cables. The appellant was also adding a de-fluoridation unit (DFU) and understanding the installation, commissioning, operation and maintenance of the system. Thus, the appellant is supplying solar power based devices along with other goods (DFU) and undertaking installation services; thus, they would be eligible for the benefit of deemed valuation of goods and services under the Central Tax (Rate) notification no. 24/ 2018 (i.e. 70% of value taxed at 5% and balance 30% taxed at 18%).

Service tax

Deputation of employees by Indian entity to foreign company is not provision of manpower service

Civil Appeal Diary No. 45344/2018

The Supreme Court upheld the decision of the CESTAT that salary reimbursed by an Indian entity to a foreign company for

deputation of employees is not taxable as manpower supply.

It was held that the CESTAT had correctly appreciated that the deputed person worked under the control, direction and supervision of the Indian entity, and the compliance to withhold tax was undertaken as an employer by the Indian entity. The Indian entity did not pay any direct or indirect compensation to its parent overseas company for the deployment of employees, apart from the reimbursement of salary at cost. The terms of the agreement demonstrated that the relationship between the Indian entity and the deputed employee is that of employer-employee.

Mumbai Tribunal, while holding that lease of land for 60 years is chargeable to service tax, expresses reservations on constitutional grounds

Service Tax Appeal Nos. 89766/2013, 88472/2014, 86197/2015, 86274/2015, 87442/2015

Lease premium along with lease rentals received should be treated as consideration for services of “renting of immovable property.” “Transfer of title” is not equivalent to transfer of “right” or “interest” in immovable property, as only the former category is precluded from taxation under section 65B(44) of the Finance Act, 1994. The assessee is a “development agent” under section 113(3A) of the Maharashtra Regional and Town Planning Act, 1966 and not a “development authority” under section 113(3) of the Maharashtra Regional and Town Planning Act, 1966. Hence, the benefit of circular no. 89/7/2206-ST dated 18 December 2006, which extended to public authorities undertaking statutory functions, cannot be availed. The assessee, being an industrial development corporation created by Government of Maharashtra, was in-principle entitled to the exemption granted under section 104 of Finance Act, 1994 to long-term lease of industrial plots. The matter was remanded back.



VAT

Situs of intangible goods to be the location of the principal place of business of the owner from where right to sell exercised

Writ Petition (C). No. 13408 of 2009

That situs for transactions in intangible goods to be determined with reference to the owner, as the location of the principal place of business is from where the owner of the trademark exercises its right to sell the goods under trademark; this is where the trademark/ patent exists. It was observed that the situs of the owner of an intangible asset would be the closest approximation of the situs of an intangible asset.

Bombay High Court holds that the principle of promissory estoppel does not provide immunity to the State Government to curtail benefits promised under State Incentive Scheme

Writ Petition No. 2209 of 2018

The Bombay High Court held that the Government of Maharashtra was allowed

to modify the Incentives Scheme of 1993, which provided an industrial promotion subsidy, refund of octroi/ entry tax, etc., to be consistent with the new tax structure, but it should be ensured that this does not result in reducing or restricting the benefits that have been conferred to the detriment of the promisee.

Larger Bench of Supreme Court holds sales tax and service tax cannot be imposed on supply of food & beverages by a club/ association to its members

Civil Appeal Nos. 4184 of 2009/7497 of 2012 and others

Larger Bench of the Supreme Court held that the “doctrine of mutuality” survives after the Forty Sixth Constitutional Amendment Act, 1982 which inserted a new clause (29-A) in Article 366 of the Constitution of India, 1950 to qualify sale of goods by members’ club or association (whether registered or unregistered) to its own as deemed sales. The absence of mutuality renders services by a members’ club to its members as

services to self and would not qualify as a service that attracts tax. It also repels the applicability of sales tax by clubs on supply of food and beverages to its members, as there is no “seller” or “buyer” relationship in the passing of consideration.

Customs

Supreme Court holds that self-assessment is an appealable order of assessment

Civil Appeal No. 293294 of 2009

The Supreme Court was posed with the question on whether any refund application against the assessed duty can be entertained in the absence of any challenge to the order of assessment in appeal. It answered that self-assessment is also an order of assessment and the same is an appealable order. The Supreme Court also observed that amendment to section 27 of the Customs Act, 1962 due to introduction of self-assessment provisions would not alter the basis of filing the refund application, i.e., it is to be filed pursuant to an order of

assessment, as was the case before the amendment. It was observed that custom authorities processing refund cannot make fresh assessments on merit unless a re-assessment order is passed pursuant to an appellate order.

Circulars, notifications and others

GST

CBIC notifies amendment to CGST Rules, bars a person from generating e-way bill if returns not filed for two consecutive periods

Notification No. 74/2018 – Central Tax dated 31 December 2018

The CBIC notified the CGST (Fourteenth Amendment) Rules, 2018 to makes changes to the CGST Rules, 2017:

- Rule 12(2) of the CGST (Fourteenth Amendment) Rules, 2018 inserted to allow a person who is required to collect tax in a State, where it does not have a physical presence, to obtain registration



in that State by mentioning the details of its principal place of business located in another State.

- Omitted the requirement of disclosure of challans in Form GST ITC 04, in case of the goods sent from one job worker to another.
- Omitted the requirement of affixing signature or digital signature on invoice or a bill of supply or consolidated invoice or any other document issued by an insurer or a banking company or financial institution, including NBFCs or ticket issued by a passenger transport company under Rule 49 of the CGST (Fourteenth Amendment) Rules, 2018, if the respective document is issued in accordance with the provisions of the Information Technology Act, 2000.
- The term “relevant period” for claiming refund of accumulated credit in case of inverted duty structure under Rule 54 of the CGST (Fourteenth Amendment) Rules, 2018 defined to mean the period

for which the claim has been filed.

- Rule 138E of the CGST (Fourteenth Amendment) Rules, 2018 has been inserted to bar a person who has not filed returns for two consecutive periods from generation of e-way bills.
- Forms GST RFD-01 (refund application), GST RFD-01A (refund application), GSTR 9 (annual return) and GSTR 9A (annual return) and GSTR 9C (reconciliation statement and GST audit report) have been substituted with revised formats.

GST Amendment Act, 2018 comes into force from 1 February 2019

Notification No. 02/2019 – Central Tax dated 29 January 2019

The GST (Amendment) Act, 2018 became effective from 1 February 2019, except some specified provisions.

Amendments to CGST Rules to include provider of services under composition scheme

Notification No. 03/2019 – Central Tax dated 29 January 2019

Amendments to the CGST Rules, 2017, with effect from 1 February 2019.

- Inclusion of services under the composition scheme.
- Registration of multiple places of business within the State or Union Territory and transfer of credit to such new registration.
- Inclusion and exclusion in the value of exempt supplies and total turnover under Rules 42 and 43 of the CGST Rules, 2017.
- Mandatory particulars of a credit note or a debit note notified by an insertion of Rule 53(1A) of CGST Rules, 2017.

Composition Scheme can be availed by service providers or mix suppliers

Notification No. 02/2019 – Central Tax (Rate) dated 7 March 2019

The composition scheme is available for suppliers of services (or mixed suppliers) with a tax rate of 6% (3% CGST + 3% SGST) having an annual turnover in preceding financial year up to INR 5m from 1 April 2019.

Threshold limit for registration increased for supplier of goods

Notification No. 10/2019 – Central Tax dated 7 March 2019

The threshold limit for registration (aggregate turnover in the FY) increased from INR 2m to INR 4m for persons (except for certain persons) engaged in exclusive supply of goods from 1 April 2019.



Threshold limit increased for persons availing composition scheme

Notification No. 14/2019 – Central Tax dated 7 March 2019

The threshold limit (aggregate turnover in financial year) for availing composition scheme under section 10 of the CGST Act, 2017 increased from INR 10m to INR 15m (except for certain persons). In case of special category States, the threshold limit is INR 7.5m from 1 April 2019.

Reduced rates for residential housing and exemption for Transfer of Development Rights provided

Notification Nos. 03/2019 & 04/2019 – Integrated Tax (Rate) dated 29 March 2019

The Government has reduced the rate of tax for residential housing. In addition, it has provided exemption for Transfer of Development Rights and upfront lease amount.

Kerala levies cess on intra-state supply of goods

G.O.(P) No. 80/2019/TAXES dated 25 May 2019

G.O.(P) No.96/2019/TAXES dated 29 June 2019

The State Government of Kerala notifies 1 August 2019 for the levy of Kerala Flood Cess not exceeding 1% on intra-state supplies to unregistered persons.

Method for determination of value for Kerala cess prescribed, tax amount can be transferred from one head to another in electronic cash ledger

Notification No. 31/2019 – Central Tax dated 28 June 2019

The following changes made in the CGST Rules, 2017:

- Value of supply on which Kerala Flood Cess is leviable shall be determined as per section 15 of the CGST Act, 2017.

- Transfer of tax, interest or fee from one account head to another in electronic cash ledger can be done by filing FORM GST PMT-09.
- The Standing Committee can now apply for an extension of one month from the NAA for examination of compliant received.
- Time limit to complete investigations by the Director General of Anti-profiteering has been increased to six months.
- Provisions relating to the validity of e-way bills extended to goods transported through multimodal transport, in which at least one leg involves transportation by ship.

Threshold limit for registration increased, interest to be discharged on next tax liability

Act No. of 2019

Amendments proposed under the Finance Act, 2019 (yet to be notified):

- A higher threshold exemption limit from

INR 2m to INR 4m for a supplier that is engaged in the exclusive supply of goods.

- To make Aadhaar authentication mandatory for specified class of new taxpayers.
- Specified suppliers will have to mandatorily give the option of specified modes of electronic payment to their recipients.
- The composition taxpayers will furnish annual return along with quarterly payment of taxes; and other specified taxpayers may be given the option for quarterly or monthly furnishing of returns and payment of taxes under the proposed new return system.
- The facility to transfer any amount of tax, interest, penalty and fee from one head to another in the electronic cash ledger will be subject to the manner and restriction as may be prescribed by the Government.
- Interest will be charged only on the net cash tax liability, i.e., on the amount of



tax paid by debiting the electronic cash ledger, except in cases wherein returns are filed subsequent to the initiation of any proceedings under sections 73 or 74 of the CGST Act, 2017 (i.e. tax demand for the normal and extended periods, respectively).

- A new section has been inserted in the CGST Act, 2017 to provide for the transfer of amount between Centre and States because of the amendment, which allows the transfer of an amount from one head to another head in the electronic cash ledger of the registered person.
- A National AAAR authority will be formed to hear appeals against conflicting advance rulings pronounced on the same question by the appellate authorities of two or more States or Union Territories, in case of distinct persons (as defined under section 25 of the CGST Act, 2017).
- The National Anti-Profiteering Authority has been empowered to impose penalty equivalent to 10% of the profiteered amount.

Filing of annual return optional for taxpayers with turnover of less than INR 20m

Notification No. 47/2019 – Central Tax dated 9 October 2019

The CBIC has notified the filing of annual return for FYs 2017-18 and 2018-19 optional for small taxpayers whose aggregate turnover is less than INR 20m and who have not filed the said return before the due date.

Amendment to impose credit restriction up to 20% of unreported invoices

Notification No. 49/2019 – Central Tax dated 9 October 2019

Retrospective amendment made to CGST Rules, 2017 to specify the last date to avail ITC and imposition of credit restrictions to 20% where invoices are not uploaded in GSTR-1.

CGST Rules amended for simplification of GSTR-9 (Annual Return) and GSTR-9C (Reconciliation Statement)

Notification No. 56/2019 – Central Tax dated 14 November 2019

The CBIC has notified the CGST (Seventh Amendment) Rules, 2019 to simplify GSTR-9 (Annual Return) and GSTR-9C (Reconciliation Statement). The key implications for FYs 2017-18 and 2018-19 are as follows:

- Report the breakup of ITC as inputs, capital goods and input services, or report the entire ITC under the “inputs” row.
- Separately report the supplies as exempted, nil rated and non-GST supply, or report consolidated information for all these three heads in the “exempted” supply.
- No requirement to provide HSN level information for inward supplies.

Clarifications provided for penalty on delayed filing, rate of tax on debit/ credit note issued after 1 July 2017, applicability on TDS and valuation in case of TCS under the Act

Circular No. 76/50/2018-GST dated 31 December 2018

Corrigendum to Circular No. 76/50/2018-GST dated 7 March 2019

The CBIC issued clarifications on penalty for delayed filing of GSTR-3B under section 73(11) of CGST Act, 2017, rate of tax on supplementary invoice, debit note, credit note because of revision of prices after appointed day under section 142 of the CGST Act, 2017, applicability of TDS under section 51 of CGST Act, 2017 and valuation methodology in case of TCS under the Act.

CBIC has issued clarifications on Sabka Vishwas Scheme, 2019

Circular No. 1071/4/2019 – CX.8 dated 27 August 2019

The CBIC clarified that Sabka Vishwas (Legal Dispute Resolution) Scheme, 2019 (Scheme) will operationalise from 1 September to 31 December 2019. In addition, for all the cases pending in adjudication or appeal (at any forum), the Scheme offers a relief of 70% from the duty demand if it is INR 5m or less and 50% if it is more than INR 5m. The same relief is available for cases under investigation and audit where the duty involved is quantified



and communicated to the party or admitted by him in a statement on or before 3 June 2019. In cases of confirmed duty demand, where there is no appeal pending, the relief offered is 60% of the confirmed duty amount if the same is INR 5m or less and it is 40% if the confirmed duty amount is more than INR 5m. Finally, in cases of voluntary disclosure, the person availing the Scheme will have to pay only the full amount of disclosed duty.

CBIC has issued clarifications on optional filing of Annual Return

Circular No. 124/43/2019 – GST dated 18 November 2019

The CBIC clarified the option of filing of annual return for registered persons whose aggregate turnover in a FY does not exceed INR 20m. It clarifies that an assessee may, at their own option, file FORMs GSTR-9/9A for the FYs before the due date and the common portal shall not permit furnishing of FORMs GSTR-9/9A after the expiry of the due date. If the assessee, during course of reconciliation of his accounts, notices any

short payment of tax or ineligible availment of ITC, the payment can be made through FORM GST DRC-03.

CBIC has issued order to specify the due date to furnish annual return for FYs 2017-18 and 2018-19

Order No. 08/2019 – Central Tax dated 14 November 2019

The CBIC issued (Eighth Removal of Difficulties) Order, 2019 to specify that annual return for the period 1 July 2017 to 31 March 2018, to be furnished on or before 31 December, 2019 and for the period 1 April 2018 to 31 March 2019, to be furnished on or before 31 March, 2020.

Customs

Clarifications has been issued for post clearance audit in customs

Circular No. 2/2019-Customs dated 8 January 2019

The Government of India issued additional guidance for post clearance audit in customs

and under the new scheme, transaction based audit and premises based audit have been prescribed for all entities concerned with imports or exports. Chief Commissioners have been mandated to monitor the progress and performance of at least 5% of the audit reports, to ensure that audit has been conducted as per prescribed procedures.

Pre-import conditions have been removed for advance authorisation and exemptions have been extended for specified deemed exports

Directorate General of Foreign Trade – Notification No. 53/2015-20 dated 10 January 2019

CBIC – Notification No. 01/2019-Customs dated 10 January 2019

The Government of India removed pre-import condition for Advance Authorisation, extended exemptions of IGST and compensation cess for specified deemed exports.

CBIC has clarified that recovery cannot be initiated in cases where a stay has been granted earlier

Circular No. 1080/2/DLA/Tech/Action Taken/2019 dated 18 July 2019

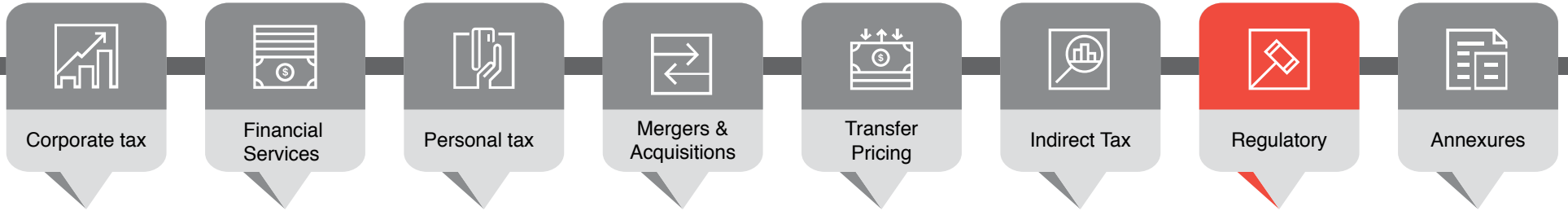
The CBIC has clarified stating that in stay granted matters, recovery proceedings cannot be initiated without filing an application for vacation of stay at the appropriate forum.

Excise

Sabka Vishwas Scheme has been notified from 1 September 2019

Notification No. 04/2019 Central Excise-NT dated 21 August 2019

Sabka Vishwas (Legal Dispute Resolution) Scheme, 2019 has been introduced for the resolution and settlement of legacy taxes, i.e., central excise and service tax that have been subsumed under the GST and are pending in litigation at various forums. The effective date for this scheme was notified as 1 September 2019.



Judgement

Insolvency & Bankruptcy Code

Circulars, notifications and others

Indian Exchange Control/ FDI Policy

Insolvency & Bankruptcy Code

Corporate Law

Indian Stamp Act

Consumer Protection Law

Telecom Sector

Intellectual Property Rights

Labour Laws

Miscellaneous



Regulatory

Judgement

Insolvency & Bankruptcy Code

Supreme Court of India quashes RBI circular on debt resolution

Transferred Case (Civil) No. 66 of 2018

The Supreme Court scrapped the circular issued by RBI on 12 February 2018 dealing with the “Resolution of Stressed Assets” and held that the circular is ultra-vires as a whole and be declared to be of no effect in law. Consequently, all actions taken under the said circular, including actions by which IBC has been triggered, must end along with the said circular. As a result, all the cases in which debtors have been proceeded against by the financial creditors under IBC only because of the operation of the said circular will be proceedings which, being faulted at the very inception, are declared as non-est.

Circulars, notifications and others

Indian Exchange Control/ FDI Policy

Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and Foreign Exchange Management (Debt Instruments) Regulations, 2019

Notification Nos. SO 3732(E) & GSR 796(E) dated 17 October 2019

The Finance Act, 2015 proposed to shift the power to regulate capital account transactions, not involving debt instruments, from the fold of RBI to the Central Government, limiting the powers of RBI to regulate capital account transactions involving only debt instruments. The meaning of “non-debt instruments” and “debt instruments” was to be determined by the Central Government.

It was also clarified that the regulations issued by RBI on capital account transactions would continue till the same are amended or rescinded. These provisions of the Finance Act, 2015 were yet to be notified and thus not effective.

The Exchange Control Regulations have now been amended such that the RBI will regulate capital account transactions involving debt instruments and the Central Government will regulate capital account transactions involving non-debt instruments.

Pursuant to the above, the Central Government has issued the following notifications on 16 October 2019 and 17 October 2019:

1. MoF Notification No. S.O. 3722(E) dated 16 October 2019 determining the instruments that will be classified as “debt instruments” and “non debt

instruments” – All investments in equity in incorporated entities, capital participation in LLP, all instruments of investment as recognised in the FDI policy as notified from time to time; investment in units of AIF/ REITs/ InVITs/ mutual funds and ETFs that invest more than 50% in equity; and the junior-most layer (i.e. equity tranche) of securitisation structure, acquisition, sale or dealing directly in immovable property, contribution to trusts and DR issued against equity instruments shall be considered as non-debt instruments.

Government and Corporate bonds, all tranches of securitisation structure that are not equity tranche, borrowings by Indian firms through loans and DRs whose underlying securities are debt securities and any other instruments are determined as debt instruments.



2. Foreign Exchange Management (Debt Instruments) Regulations, 2019 – To regulate purchase and sale of debt instruments.
3. Foreign Exchange Management (Non-debt Instruments) Rules, 2019 – To regulate purchase and sale of non-debt instruments – equity and immovable property.
4. Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 – Regulates the mode of payment and reporting for purchase or sale of equity instruments of an Indian company, investment by FPI, NRI/ OCI, FVCI, other NRIs, investment in LLP, investment vehicle and DRs. All reporting under erstwhile FEMA 20(R) continue to apply vide this notification.

These notifications, i.e. the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Debt Instruments)

Regulations, 2019 are in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 [FEMA 20(R)] and Foreign Exchange Management (Acquisition and transfer of Immovable Property in India) Regulations, 2018 [FEMA 21(R)].

Henceforth, any approval to be sought under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 would be provided by RBI in consultation with the Central Government.

Revised FDI guidelines on e-commerce

Press Note 2 (2018) Series dated 26 December 2018

The DPIIT issued clarificatory amendments for FDI in the marketplace e-commerce model to address concerns such as discount funding and broad basing of vendors on e-commerce platforms. It also prescribes annual compliance reporting with RBI.

Some key amendments are as follows:

Ownership and control over inventory

E-commerce marketplace entities are restricted from exercising ownership or control over inventory sold on their marketplace platforms. For the purpose of this condition, it is clarified that inventory of a vendor will be deemed to be controlled by the e-commerce marketplace entity if over 25% of purchases of such vendor are from the marketplace entity or its group companies.

E-commerce marketplace entity and the vendors to be independent

Any entity that has equity participation, or whose inventory is controlled by the e-commerce marketplace entity or its group companies, will not be able to sell products on the marketplace entity platform.

Clarity on price influence by e-commerce marketplace entity

E-commerce marketplace entity is restricted from directly or indirectly influencing the sale price of the products. The revised policy further clarifies that any support services, including cash back, provided by the e-commerce marketplace entity or entities having common control or equity participation, would need to be at arm's length, fair and non-discriminatory.

No exclusivity

E-commerce marketplace entities cannot mandate sellers from selling only on their platform.

Annual reporting to RBI

E-commerce marketplace entities are required to submit a certificate along with a statutory auditor report confirming compliance with the Press Note 2 (2018) Series guidelines to RBI by 30 September of every year.



Changes to the External Commercial Borrowings

A.P. (DIR Series) Circular No. 17 dated 16 January 2019

As a part of the monetary policy announcement in December 2018, RBI indicated rationalisation and consolidation of all the borrowing and lending guidelines applicable to cross border transactions.

The RBI notified revised regulations and has now issued a circular explaining the revised framework for ECB and rupee denominated bonds.

The key highlights of the new ECB framework are as follows:

1. Four-tier structure (Track I, II, III and INR denominated bonds) replaced with two-tier structure (Foreign Currency loans and INR loans);
2. List of eligible borrowers and eligible lenders have been significantly expanded;

3. Late Submission Fees introduced; and
4. Sector-wise borrowing limits consolidated into a single threshold.

Clarification on Overseas Direct Investments

Updated FAQs by RBI dated 19 September 2019

RBI updated the FAQs on ODI and provided clarification that the provisions of Notification no. FEMA 120/ RB-2004 dated 7 July 2004, as amended from time to time, dealing with the transfer and issue of any foreign security to residents, does not permit an Indian Party to set-up Indian subsidiary(ies) through its foreign WoS or JV. The provisions also do not permit an Indian Party to acquire a WOS or invest in a JV that already has direct/ indirect investment in India.

The Foreign Liabilities and Assets Information Reporting system

A.P. (DIR Series) Circular No. 37 dated 28 June 2019

RBI has operationalised a web-based system online reporting portal called FLAIR system for the submission of Form FLA return by 15 July of every year, to enhance the security level in data submission and improve data quality. This replaces the present email-based reporting system for submission of FLA return.

ECB – Rationalisation of end-use provisions

A.P. (DIR Series) Circular No. 04 dated 30 July 2019

In December 2018, RBI revamped the ECB regulations, rationalising various provisions. The RBI has now further relaxed the ECB end-use restrictions for all eligible borrowers including NBFCs and companies having stressed loans.

Easing of FDI norms vide Press Note 4 (2019 Series) issued by DPIIT

Press Note 4 (2019 Series) dated 18 September 2019

1. Single Brand Retail Trading

- All procurements made from India by the SBRT entity for that single brand are to be counted towards local sourcing, irrespective of whether the goods procured are sold in India or exported;
- Sourcing of goods from India for global operations can be done directly by the entity undertaking SBRT, its group companies or indirectly through a third party;
- The year-on-year incremental sourcing requirement has been dispensed with and is replaced with entire sourcing for global operations from India; and
- It is proposed to allow retail trading through online trade prior to opening brick and mortar stores, subject to the condition that the entity opens brick and mortar stores within two years from the date of start of online retail.



2. Digital Media

26% FDI under government route to be allowed for uploading/ streaming of news and current affairs through digital media on the lines of print media.

3. Contract Manufacturing

100% FDI under automatic route to be allowed in contract manufacturing irrespective of whether the arrangement is on principal-to-principal or principal-to-agent basis.

4. Coal Mining

100% FDI under automatic route to be allowed for the sale of coal and coal mining activities including associated processing infrastructure that would include coal washery, crushing, coal handling and separation.

Liberalisation of foreign investment in Insurance Intermediaries

Notification No. GSR 619(E) dated 2 September 2019

The Department of Financial Services has permitted 100% foreign equity investment in insurance intermediaries, through the issue of Indian Insurance Companies (Foreign Investment) Amendment Rules, 2019 dated 2 September 2019. Subsequent amendment to this effect has been made to the intermediary regulations by the Insurance Regulatory and Development Authority of India.

Insolvency & Bankruptcy Code

ECB facility for Resolution Applicants under Corporate Insolvency Resolution Process

A.P. (DIR Series) Circular No. 18 dated 7 February 2019

Until 7 February 2019, ECB could not be utilised for the repayment of rupee loans raised by resolution applicants to fund the repayment of domestic rupee loans except where the ECB is availed from a foreign equity holder.

This restriction impacted the debt-raising capability of acquirers in IBC process

who wish to raise ECB and use the same to repay the domestic rupee loans of the corporate debtor in India.

On 7 February 2019, the RBI relaxed the above restriction and allowed the resolution applicants to raise ECB from recognised lenders (except the branches/ overseas subsidiaries of Indian banks) for the repayment of rupee term loans of the target company. This relaxation can be availed under “approval route”.

The above amendment opened up the possibility of resolution applicants (who are otherwise eligible borrowers) to borrow monies at attractive rates and use the same to repay the existing lenders in the target company that they propose to acquire under IBC.

RBI announces prudential framework for resolution of stressed assets

Press Release 2018-2019/2886 dated 7 June 2019

RBI released a prudential framework for the resolution of stressed assets by banks. The fundamental principles of the framework are listed below:

1. Early recognition and reporting of default of large borrowers by banks, FIs and NBFCs;
2. Complete discretion to lenders with regard to the design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25, etc.), subject to the specified timeline and independent credit evaluation;
3. A system of disincentives in the form of additional provisioning for delay in the implementation of the resolution plan or initiation of insolvency proceedings;
4. Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period;



5. For the purpose of restructuring, the definition of “financial difficulty” to be aligned with the guidelines issued by the Basel Committee on Banking Supervision; and,
6. Signing of inter-creditor agreement by all lenders to be mandatory, which will provide for a majority decision-making criteria.

IBC Amendment Act, 2019 dated 6 August 2019 made effective from 16 August 2019

No. 26 of 2019 dated 6 August 2019

Key changes made in the amendment are as follows:

- The amendment provides clarity on allowing comprehensive corporate restructuring schemes such as mergers, demergers, amalgamation, etc. as part of the resolution plan.
- NCLTs are now required to record their reasons in writing if they are not able to decide on the insolvency petition within a

period of 14 days from the date of receipt of such application.

- Votes of all financial creditors covered under section 21(6A) of the IBC Act shall be cast in accordance with the decision approved by the highest voting share (more than 50%) of financial creditors on present and voting basis.
- A deadline provided for the completion of the Corporate Insolvency Resolution Plan within an overall limit of 330 days, including litigation and other judicial processes.
- A specific provision introduced that financial creditors who have not voted in favour of the resolution plan and operational creditors shall receive at least the amount that would have been received by them if the amount to be distributed under the resolution plan had been distributed in accordance with section 53 of the IBC Act or the amount that would have been received if the liquidation value of the corporate debtor

had been distributed in accordance with section 53 of the IBC Act, whichever is higher.

- The amendment provides clarity that the plan shall be binding on all stakeholders including the Central Government, any State Government or local authority to whom a debt in respect of the payment of the dues may be owed.
- The Committee of Creditors has been empowered to decide the liquidation of the corporate debtor even before the Information Memorandum is prepared or at any time before the confirmation of the resolution plan.

Insolvency Resolution Process for Financial Service Providers

Notification No. GSR 852(E) dated 15 November 2019

The Rules in relation to the initiation of insolvency proceedings against FSPs were introduced vide Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of

Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, which came into effect from 15 November 2019.

Till date, only NBFCs (which includes HFCs) with asset size of INR 5bn or more, as per the last audited balance sheet have been notified to fall under the purview of the above-mentioned Rules, and the appropriate regulator of such FSPs would be the RBI.

Insolvency and Bankruptcy Resolution Process for Personal Guarantor

Notification No. GSR 854(E) dated 15 November 2019 and Notification No. GSR 855(E) dated 15 November 2019

The Rules, in relation to the initiation of insolvency and bankruptcy proceedings against the Personal Guarantors to the Corporate Debtors, were introduced vide Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors



to Corporate Debtors) Rules, 2019 and Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtors) Rules, 2019, both of which were dated 15 November 2019 and effective from 1 December 2019.

Corporate Law

Companies (Significant Beneficial Owners) Amendment Rules, 2019

Notification No. GSR 100(E) dated 8 February 2019

The MCA on 13 June 2018 had notified (Notification dated 9 February 2019) the amendment to section 90 of the CA, 2013 through the Companies (Amendment) Act, 2017, and issued the Companies (Significant Beneficial Owners) Rules, 2018, outlining the requirements for the declaration of SBO in an Indian company.

However, due to numerous representations from stakeholders expressing difficulties in complying with the SBO disclosure, the

MCA, vide circular dated 10 September 2018, informed that the reporting Form would be revised and that a new Form would be notified in due course.

In this connection, on 8 February 2019, the MCA issued the Companies (Significant Beneficial Owners) Amendment Rules, 2019, making necessary amendments to the reporting Form and to address certain concerns raised by stakeholders. With further circulars, the date of compliance with SBO provisions has been extended till 31 December 2019.

Mandatory De-materialisation of securities

No. 22 of 2019 dated 31 July 2019

With effect from 2 October 2018, every unlisted public company is mandatorily required to transfer or issue its securities only in the dematerialised form.

Compliance with this requirement needs to be ensured before further issue of securities either by – (a) issue of securities; (b) buy-back of securities; (c) issue of bonus shares; or (d) rights issue.

The Companies Amendment Act, 2019 has introduced an amendment, providing enabling clause for the introduction of mandatory demat shares even for private companies.

Ministry of MSMEs Order

Notification No. SO 368(E) dated 22 January 2019

The MCA issued an order requiring companies to file the details of outstanding payables beyond 45 days toward micro and small suppliers. This is a half yearly requirement. This requirement has been introduced to assist the MSME suppliers and is in furtherance of the MSME Ministry's various initiatives, such as mandatory requirement of onboarding of specified companies on TReDS platform.

Return of Deposits

Notification No. GSR 42(E) dated 22 January 2019

Details of outstanding receipt of money or loan by a company but not considered as

deposits, in terms of clause (c) of sub-Rule 1 of Rule 2 of the Companies (Acceptance of Deposits), Amendment Rules, 2019 from the 1 April 2014 to 31 March 2019, are required to be reported. By virtue of this notification, each company having outstanding deposits would need to file an annual return of deposits even for the amounts that are not considered as deposits. Before this notification, the requirement of filing Return of Deposits was applicable only to companies accepting public deposits under the relevant provisions of CA, 2013.

ACTIVE Compliance

Notification No. GSR 144(E) dated 21 February 2019

In furtherance of its objective of curbing shell companies, MCA has introduced geo mapping of the registered offices address of all the companies. This is a one-time requirement applicable for companies incorporated before 31 December 2017.

In case of a company being ACTIVE non-compliant, no further filing relating to the



appointment of directors and share capital etc. is permitted.

The Companies (Amendment) Bill, 2019 receives President's assent

No. 22 of 2019 dated 31 July 2019

The President of India provided assent to the Companies (Amendment) Bill, 2019, which further amends the CA, 2013. The Companies (Amendment) Bill, 2019 was published in the Official Gazette on 31 July 2019 as the Companies (Amendment) Act, 2019 (the Amendment Act).

The Amendment Act has taken into consideration the amendments that were originally notified in the Companies (Amendment) Ordinance, 2018, which was promulgated by the President on 2 November 2018, and then retained in effect through the Companies (Amendment) Ordinance Act, 2019 and the Companies (Amendment) Second Ordinance, 2019 promulgated by the President on 12 January 2019 and 21 February 2019, respectively.

The key changes brought about by the Amendment Act are as follows:

1. Doing away with the prerequisite of registering the prospectus with the registrar (in case of a public offer) to only a filing requirement;
2. Extending the possibility of mandating dematerialisation of securities even to private limited companies by providing requisite powers to the Central Government;
3. Specific responsibility cast on companies to identify SBOs; and
4. Stricter enforcement of compliance with CSR provisions and introduction of the penal clause.

While the amendments implemented through the ordinances include the Companies (Amendment) Ordinance, 2018, the Companies (Amendment) Ordinance Act, 2019 and the Companies (Amendment) Second Ordinance, 2019 have already been in effect since 2 November 2018. Few of

the new amendments introduced by the Amendment Act came into force on different dates via notifications in the Official Gazette

Changes in the RPT provisions

Notification No. GSR 857(E) dated 18 November 2019

Approval of the Board of Directors is required for an RPT if the same is not in the ordinary course of business or at arm's length. Certain transactions require approval of the shareholders in addition to approval of the Board of Directors.

As an example, for a transaction of sale, purchase or supply of any goods or materials, directly or through appointment of agents amounting to 10% or more of the turnover of the company or INR 1b, whichever is lower, requires approval of the shareholders.

By way of amendment notification dated 18 November 2019, the words "or Rupees One Hundred Crore, whichever is lower" etc. are omitted, and only the percentage (i.e. 10%)

of turnover or net worth etc. is relevant in determining if approval of the shareholder for RPTs is required.

Indian Stamp Act

Indian Stamp Act, 1899 – Amendments (proposed)

Bill No. 55 of 2019 dated 5 July 2019

The Finance Bill, 2019 has proposed certain amendments in the Indian Stamp Act, 1899 bringing uniformity in the levy of stamp duty on securities through either the physical or dematerialised form. The amendments also seek to introduce a central mechanism for collection with respect to stamp duty(ies) by certain authorised entities for the issuance and transfer of securities and subsequent disbursement of the duty collected to the respective states.

Consumer Protection Law

Consumer Protection Act, 2019

No. 35 of 2019 dated 9 August 2019



The Consumer Protection Act, 2019 (New Act) received the assent of the President of India and was published in the official gazette on 9 August 2019. The following are some key highlights of the New Act:

1. The New Act provides for the creation of a CCPA for the first time, to regulate matters relating to the violation of the rights of consumers, unfair trade practices and false or misleading advertisements. Currently, the task of prevention of or acting against unfair trade practices is not vested in any authority. It is envisaged that the CCPA will complement the role of other sector regulators and that duplication, overlap or potential conflict will be avoided.
2. **Product Liability:** A product liability action may be brought by a complainant against a product manufacturer, product service provider or product seller, as the case may be, for any harm caused to him/ her on account of a defective product or any other fault as

prescribed under the New Act. It can be brought against the product seller even in certain circumstances such as the seller exercising substantial control over designing, packing, testing, manufacturing, etc. or the seller altering or modifying the product.

3. **Product Recall:** CCPA has been given the powers to pass orders to recall products that are dangerous, hazardous or unsafe.
4. **Class Action Suits:** CCPA has been bestowed with executive powers to promote, protect and enforce the rights of consumers as a class. Therefore, class action suits are now extended to the consumer law.
5. **Mediation:** Provision of “Mediation” as an Alternate Dispute Resolution Mechanism has also been provided.
6. **Offences and penalties:** Offences and penalties are laid down in case of failure to comply with directions of

the authority or in the case of false or misleading advertisements or spurious or adulterated products. Penalties may range from a term that may extend to life imprisonment to a fine extended upto INR 2m.

7. The New Act provides for measures to simplify the consumer dispute adjudication process of the Consumer Disputes Redressal Agencies, to enhance their pecuniary jurisdiction and increase the minimum number of Members in the State Consumer Disputes Redressal Commissions, etc.
8. Definition of “consumer” has been widened to include a consumer who “buys any goods” and “hires or avails any services” including offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing; thus the rights of consumers extend to e-commerce and direct selling transactions as well.

Department of Consumer Affairs releases Draft Rules under the Consumer Protection Act, 2019

F. No J-10/1/2019-CPU
dated 11 November 2019

On 11 November 2019, the Department of Consumer Affairs has proposed the following eight draft rules to be notified under the Consumer Protection Act, 2019 and has currently released them for stakeholder consultation.

1. Central Consumer Protection Authority (Selection and Term of office of Chief Commissioner) Rules 2019;
2. Consumer Protection (E-commerce) Rules 2019;
3. Consumer Protection (Mediation) Rules 2019;
4. Consumer Protection (Direct Selling) Rules 2019;
5. Consumer Protection (Consumer Disputes Redressal Commission) Rules, 2019;



6. Consumer Protection (Central consumer protection council) Rules 2019;
7. Consumer Protection (Qualification for appointment, method of recruitment, procedure of appointment, term of office, resignation and removal of the President and members of the State Commission and District Commission) Rules 2019; and
8. Consumer Protection (Salary, allowances and conditions of service of President and Members of the State Commission and District Commission) Model Rules 2019.

Telecom Sector

TRAI consultation paper on review of scope of Infrastructure Providers Category-I (IP-I) Registration

TRAI Consultation Paper dated 16 August 2019

TRAI issued a consultation paper on the review of scope of infrastructure providers category-I (IP-I) registration.

Infrastructure Providers Category-I (IP-I) are those infrastructure providers who provide assets such as dark fibre, right of way, duct space, and tower on lease/ rent out/ sale basis to licensees of telecom services on mutually agreed terms and conditions. Presently, IP-I are not allowed to possess any wireless equipment, which requires a license under the Indian Wireless Telegraphy Act, 1933.

Against the above backdrop and considering that over the past years, IP-I have played a significant role in making available affordable telecom services in India, TRAI has issued a consultation paper reviewing the scope of IP-I registration.

One of the key questions under the consultation paper is whether the scope of IP-I registration should be enhanced to also include the provisioning of common shareable active infrastructure.

This consultation process has been initiated suo-motu by TRAI to make recommendations to the Government

for the encouragement and facilitation of the sharing of passive as well as active infrastructure as envisaged in the National Digital Communications Policy-2018 (NDCP-2018).

Recommendations on “Review of Terms and Conditions for registration of OSP” released by TRAI

Press Release No. 103 dated 21 October 2019

TRAI, on 21 October 2019 released recommendations on “Review of Terms and Conditions for registration of OSP.” Salient features of the recommendations are as follows:

- The definition of OSP has been clarified. Only voice-based, outsourced OSP needs to have registration at par with the existing process. Data/ internet-based OSP would need to furnish intimation only.
- Provision of services for captive purposes, i.e. Captive Contact Centres

have been kept out from the scope of OSP. They would require furnishing intimation only.

- The complete process of registration/ intimation shall be through an online portal and time bound.
- Multiple OSP centres of single company within one Licensed Service Area can be registered as single OSP.
- Requirement of agreement bank guarantee for the sharing of infrastructure between domestic and international OSP of same company has been removed.
- Requirement of agreement and bank guarantee for availing work-from-home facility has also been removed. Further, the requirement of Provider Provision Virtual Private Network has been removed, and any commercial Virtual Private Network can be used to establish connectivity for work-from-home.
- Internet obtained at one OSP centre can be shared with other OSP centres of the



same company (provided the ISP has geographical jurisdiction).

- International OSP may have Electronic Private Automatic Branch Exchange at a foreign location.
- Contact Centre Service Provider/ Hosted Contact Centre Service Provider providing platform as a service are brought under registration. The Contact Centre Service Provider/ Hosted Contact Centre Service Provider involved in the reselling of telecom resources would require VNO license.
- Contact Centre Service Provider/ Hosted Contact Centre Service Provider to be given three months' time to get themselves the necessary registration/ license after declaration of the policy by the Department of Telecommunication.

Intellectual Property Rights

Notification of Patents (Amendment) Rules, 2019

Notification No. GSR 663(E) dated 17 September 2019

The DPIIT has notified the Patents (Amendment) Rules, 2019 (Amendment Rules) on 17 September 2019.

The draft Patents (Amendment) Rules was published on 4 December 2018, inviting public suggestions and comments.

Key takeaways:

Expedited examination of applications

The Amendment Rules provide method for the fast track disposal of patent applications. The amendment extends the provision to the following applicants:

- Small entities;
- Female applicants, in case of natural persons;

- Government department/ Government company/ Government institution/ Government undertaking;
- Institution wholly or substantially funded (at least INR 2.5m by way of grant/ loans forming 75% of the total expenditure of such institution) by the Government; and
- Applicants eligible under an arrangement for processing a patent application pursuant to an agreement between Indian Patent Office and a foreign Patent Office (Patent Prosecution Highway).

International Applications

While filing an international application under the Patent Cooperation Treaty, documents shall have to be submitted only through electronic transmission duly authenticated. The originals would be required to be submitted on request of the Controller or patent office within a period of 15 days.

No transmittal fees for international applications filed through ePatent

Cooperation Treaty filing. Further, preparation of certified copies of priority documents and e-transmission through WIPO DAS will also not attract any fees.

The draft Patents (Amendment) Rules, 2018 contained a rule to provide for a two-member bench to preside over pre-grant oppositions. The draft rule further stated that in case of differing opinions between the two members, a third member may be nominated to the bench to arrive at the final decision based on the majority. However, this provision has been omitted from the final draft.

Labour Laws

Code of Wages, 2019

No. 29 of 2019 dated 8 August 2019

The Government of India notified the Code of Wages, 2019 (Code) on 8 August 2019. The Code consolidates the following labour laws: (i) Payment of Wages Act, 1936, (ii) Minimum Wages Act, 1949, (iii) Payment of Bonus Act, 1965, and (iv) Equal



Remuneration Act, 1976. The consolidation will increase the ease of doing compliances for the companies.

Draft Code on Social Security, 2019

Z-13025/13/2015-LRC dated
17 September 2019

The Ministry of Labour on 17 September 2019 introduced and invited comments on the draft Code on Social Security, 2019 by amalgamating provisions of the following existing eight Central Labour Acts –

1. The Employees' Compensation Act, 1923;
2. The Employees' State Insurance Act, 1948;
3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
4. The Maternity Benefit Act, 1961;
5. The Payment of Gratuity Act, 1972;
6. The Unorganized Workers' Social Security Act, 2008;

7. The Cine Workers Welfare Fund Act, 1981; and
8. The Building and Other Construction Workers Cess Act, 1996.

Labour Code on Industrial Relations, 2019 Bill

Bill No. 364 of 2019
dated 28 November 2019

The Ministry of Labour on 29 November 2019 has introduced and invited comments on the draft Labour Code on Industrial Relations, 2019 Bill which consolidates the following three important industrial laws –

1. The Trade Unions Act, 1926;
2. The Industrial Employment (Standing Orders) Act, 1946, and
3. The Industrial Disputes Act, 1947.

The Industrial Bill will improve the ease of doing business in India for establishments.

Miscellaneous

National E-commerce Policy, 2019 – Draft

Draft National e-Commerce Policy dated 23 February 2019

DPIIT released a draft of the National E-commerce Policy for public consultation on 23 February 2019. The objective of this draft policy is to enable India to benefit from digitisation by creating a governance framework for various stakeholders and strategies for data localisation, consumer protection and promoting micro, small and medium enterprises and start-ups.

National Policy on Electronics, 2019

Notification No. 26(1)/2019-IPHW dated 25 February 2019

The much-awaited National Policy on Electronics, 2019 aims to position India as a global hub for Electronics Systems Design and Manufacturing by encouraging and driving capabilities in the country for developing core components, including

chipsets, and creating an enabling environment for the industry to compete globally.

National Policy on Software Products, 2019

Policy dated 1 March 2019

The Ministry of Electronics and Information Technology released its National Policy on Software Products on 1 March 2019, with the aim to develop India as a global software product hub. The policy seeks to develop a conducive ecosystem to transform the predominantly service-oriented IT/ ITES industry into a technology-oriented products industry.

Discussion Paper on Guidelines for Payment Gateways and Payment Aggregator

Discussion Paper dated 17 September 2019

The RBI in its Monetary Policy Statement for 2018-19 dated 7 February 2019, had indicated that the existing Payments Intermediary Guidelines would be reviewed. RBI Vision Document on Payment and



Settlement Systems in India released in May 2019 also echoed the sentiment that the RBI would examine the need for separate regulations for payment service providers. Accordingly, on 17 September 2019, the RBI issued a discussion paper on comprehensive guidelines covering payment-related activities of payment gateways and payment aggregator and presents different options for their regulation.

Regulatory Developments in the Indian Medical Device Industry

Notification No. SO 3721(E) dated 16 October 2019 and Notice No. F.No.X.11035/281/2018-DRS dated 18 October 2019

1. The MoHFW has issued a proposal to notify all medical devices under the DC, Act from 1 December 2019. The draft notification proposes the following

devices to be regulated under the provisions of DC, Act and the Medical Devices Rules, 2017:
All devices including an instrument, apparatus, appliance, implant, material or other article, regardless of whether used alone or in combination, including a software or an accessory, to be used specially for human beings or animals, assisting in its intended function for one or more of the following purposes –

- diagnosis, prevention, monitoring, treatment or alleviation of any disease or disorder;
- diagnosis, monitoring, treatment, alleviation or assistance for, any injury or disability;
- investigation, replacement or modification or support of the anatomy or of a physiological process;
- supporting or sustaining life;

- disinfection of medical devices; and
- control of conception.

2. “Ultrasound equipment” under the ambit of drugs

The MoHFW, in consultation with the Drugs Technical Advisory Board published a notification on 16 October 2019 that notifies “Ultrasound equipment” as a drug as per the DC, Act with effect from 1 November 2020. The import, manufacture and distribution of ultrasound equipment would soon be regulated by the Central Drugs Standard Control Organisation and licenses/ approvals would have to be procured for the same.

3. Nine new medical devices under the ambit of drugs

The MoHFW, in consultation with the Drugs Technical Advisory Board

published notifications in February and October 2019 to notify the following listed medical devices, as a drug, as per the DC, Act with effect from 1 April 2020.

- Ultrasound equipment;
- All implantable medical devices;
- CT scan Equipment;
- MRI Equipment;
- Defibrillators;
- Dialysis Machine;
- PET Equipment;
- X-Ray Machine; and
- Bone marrow cell separator.

The import, manufacture and distribution of the above-mentioned devices would soon be regulated by the Central Drugs Standard Control Organisation and it would become necessary to procure licences/ approvals for them.



Corporate tax



Financial Services



Personal tax



Mergers & Acquisitions



Transfer Pricing



Indirect Tax



Regulatory



Annexures

Tax Insights
Thought Leadership
Tax Treaties
Abbreviation



Tax insights

Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
1	04 December 2018	Tribunal holds conversion of preference shares into equity shares is not transfer	ITA No. 2189/Del/2018
2	04 December 2018	Fund raising by issuance of debt securities by large entities	SEBI Circular No. DDHS/CIR/P/2018/144 dated 26 November 2018
3	10 December 2018	Strengthening and maintaining of existing roads does not create a new infrastructure facility for section 80-IA deduction	ITA Nos. 545, 546, 1130, 1131/BANG/2018
4	11 December 2018	Final notifications issued under section 115JG(1) for conversion of Indian branch of foreign bank into an Indian subsidiary company	CBDT Notification No. 85/ 2018/ F.No.370133/ 34/ 2016-TPL and Notification No. 86/ 2018/ F.No.370133/ 34/ 2016-TPL (Part) dated 06 December, 2018
5	12 December 2018	Tribunal decides on taxability of conversion of company into an LLP	ITA No. 3637/Mum/2015
6	13 December 2018	Clubbing of investment limits of Foreign Portfolio Investors - Press Release	
7	13 December 2018	Clubbing of investment limits of Foreign Portfolio Investors	
8	13 December 2018	Proposals approved by Government to streamline National Pension System	Press release by the Ministry of Finance on streamlining of NPS on 10 December, 2018
9	17 December 2018	FPIs can invest in Security Receipts	
10	20 December 2018	Income corresponding to unused talk-time in prepaid cards is taxable only in the year when talk-time is used or lapses	ITA Nos. 70 & 73/2013 & 1069/2017 dated 15 November 2018 (Delhi HC)
11	21 December 2018	CBDT prescribes due date for filing CbCR by inbound constituent entities in certain cases	CBDT Notification No. 88/2018/ F. No. 370142/17/2018-TPL, dated 18 December 2018
12	21 December 2018	Kerala HC holds that situs of sale of trademark is the principal place of business of the transferor	W.P(C).No.13408 of 2009-U and others (Kerala HC)



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
13	24 December 2018	Tribunal decides on the applicability of section 56(2)(vii) in the case of rights issue of shares	ITA No. 676/Mum/2015
14	24 December 2018	GST Council takes significant policy decisions and issues clarifications, extends the time limit for claiming of GST credits for financial year 2017-18, approves rate reduction on specified goods and services and extends the due date for annual return and audit report	GST 31st Council Meeting
15	27 December 2018	Due date extended for filing CbCR by inbound constituent entities in certain cases	CBDT Circular No. 9/2018 dated 26 December, 2018
16	02 January 2019	Physical settlement of stock derivatives	SEBI Circular dated 31 December 2018
17	07 January 2019	Amendments to Foreign Portfolio Investors Regulations to incorporate recent changes on eligibility criteria, clubbing of investment limits and others	Notification No. SEBI/LAD-NRO/GN/2018/58 dated 31 December, 2018
18	08 January 2019	Deduction under section 80-IC on profits of an eligible undertaking to be computed ignoring losses of other eligible undertakings	ITA No. 883 to 885/Chd/2017
19	09 January 2019	CBIC issues notifications and orders to give effect to the decisions taken in 31st GST Council meeting and issues clarificatory circulars	
20	09 January 2019	Government issues additional guidance for post clearance audit in customs	CBIC Circular No. 2/2019-Cus dated 8 January 2019
21	12 January 2019	GST Council relaxes compliance requirements for small businesses, approves calamity cess by Kerala for two years and widens composition scheme	
22	13 January 2019	Government removes pre-import condition for Advance Authorisation, extends exemptions of IGST and compensation cess for specified deemed exports	DGFT Notification No. 53/2015-20, dated 10 January 2019 CBIC Notification No. 01/2019-Customs, dated 10 January 2019
23	19 January 2019	IRDAI issues guidelines for Insurance Intermediaries offices in IFSC	IRDAI/ RI/ GDUMISC/ 012/ 01/ 2019, dated 16 January, 2019
24	19 January 2019	Changes to the ECB framework	RBI A.P. (DIR Series) Circular No. 17 dated 16 January 2019
25	22 January 2019	Government amends procedure for seeking exemption from section 56(2)(viib) for start-ups	DIPP Notification No. GSR. 34(E) dated 16 January, 2019



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
26	25 January 2019	TO cannot reject method of valuation of shares adopted by the taxpayer for purposes of section 56(2)(viib) but can look into reasonableness of data used	ITA No. 1278/ Bangalore/ 2018
27	25 January 2019	RBI modifies application process to obtain registration as an ARC	
28	29 January 2019	SEBI issues consultation paper, proposes to amend the SEBI (InvIT) and SEBI (REIT) Regulations	SEBI Consultation Paper dated 25 January 2019
29	31 January 2019	Recent Regulatory Updates	MSME Notification No. SO 5621E, MCA Notification No. SO 368(E), MCA Notification No. GSR 1219(E), MCA Notification No. GSR 42(E)
30	31 January 2019	GST Amendment laws becomes effective from 1 February, 2019 except some specified provisions	
31	01 February 2019	Income-tax proposals with regard to real estate sector announced in the Interim Budget for financial year 2019-20	
32	02 February 2019	Interim Union Budget 2019 proposals	
33	05 February 2019	Indian Stamp Act, 1899 – Amendments (proposed)	
34	07 February 2019	Liberalisation of FPI concentration norms and ECB policy (in case of companies admitted under IBC)	
35	08 February 2019	Union Cabinet approves bill for establishment of a unified authority for regulating all financial services in IFSC	
36	11 February 2019	Physical settlement of stock derivatives	SEBI Circular dated 8 February 2019
37	11 February 2019	Notification of the Companies (Significant Beneficial Owners) Amendment Rules, 2019	MCA Notification dated 8 February 2019
38	12 February 2019	Delhi HC upholds the allowance of fee paid for fund raising related services, by an investment advisory company	ITA No. 1094 of 2018
39	13 February 2019	Exemption under section 54 available on capital gains arising on sale of more than one residential house	ITA No. 1507/ Mumbai/ 2017



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
40	19 February 2019	HC upholds sanction for prosecution under the Black Money Act for non-disclosure of bank accounts; parallel penalty proceedings under the Income-tax Act not relevant at such stage	Writ Petition No. 568 of 2018, order dated 14 February 2019
41	24 February 2019	Government widens definition of start-ups and amends conditions for exemption from “angel tax”	
42	25 February 2019	GST Council recommends reduction of GST rate on supply of under-construction residential properties and exemptions on intermediate supplies relating to land	33rd GST Council meeting
43	25 February 2019	FTS under India-UK tax treaty – ‘make available’ condition required to be satisfied for development and transfer of technical plan or design also	ITA No. 1296/Mum/2017
44	26 February 2019	National E-commerce Policy, 2019 – Draft	
45	27 February 2019	Gujarat HC strikes down ‘pre-import condition’ for availing IGST exemption under advance authorisation scheme	R/Special Civil Application No. 14558 of 2018
46	01 March 2019	National Policy on Electronics, 2019	Ministry of Electronics and Information Technology Notification dated 25 February 2019
47	02 March 2019	Supreme Court lays down principles for excluding an allowance or payment from the definition of “basic wages” for Provident Fund contributions	Civil Appeal No. 6621 of 2011 and ors. (SC)
48	04 March 2019	Voluntary Retention Route for investment in debt by Foreign Portfolio Investors	RBI AP (DIR) Series Circular No. 21 and 22 dated 1 March 2019
49	05 March 2019	Special Economic Zone Act, 2005 amended to allow trusts to set-up units	http://pib.nic.in/PressReleaselFramePage.aspx?PRID=1566731
50	07 March 2019	VCF does not lose exemption under section 10(23FB), even if some investments made in mutual fund units etc.	ITA No. 7472/Mum/2017
51	08 March 2019	CBIC clarifies treatment of sales promotion schemes under GST	CBIC Circular No. 92/11/2019-GST dated 7 March 2019
52	08 March 2019	National Policy on Software Products, 2019	



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
53	11 March 2019	Further amendment in SEZ Rules notified Special Economic Zones (Second Amendment) Rules, 2019 notified	Notification No. GSR 200(E) dated 7 March 2019
54	12 March 2019	Onus under section 68 is on the taxpayer to prove the identity, credit worthiness of investors and genuineness of receipt of share capital	SLP Appeal No. 29855 of 2018 (SC)
55	14 March 2019	Tribunal holds that selection of the foreign AE as tested party lacks statutory sanction	ITA No. 1260/PUNE/2018 and 1308/PUNE/2018
56	15 March 2019	BCAA for exchange of CbCRs between India and the US has been finalised, and will be signed before 31 March 2019	
57	15 March 2019	Tribunal upholds NAV method adopted by TO, where taxpayer failed to substantiate basis for estimates used for DCF valuation under section 56(2)(viib) of the Act	ITA No. 3160/Bang/2018
58	21 March 2019	GST Council clarifies operational details and transitional norms for lower GST rates on residential housing	34th GST Council Meeting
59	21 March 2019	Section 56(2)(viib) applicable at the time of share allotment, even if application made before insertion of that section	ITA No. 5933/DEL/2018
60	27 March 2019	Bombay HC upholds denial of US entity's claim for carry forward of losses declared in separate returns filed by funds managed by it	Writ Petition No. 9358 of 2018
61	28 March 2019	Increase in limits for FPI investment in Government Securities	RBI/2018-19/152 A.P. (DIR Series) Circular No. 26 dated 27 March 2019
62	29 March 2019	Rental income from letting out of shops in the mall taxable as business income	ITA No. 166 of 2016
63	03 April 2019	RBI issues the "Non-resident Participation in Rupee Interest Rate Derivatives Markets (Reserve Bank) Directions, 2019"	RBI Notification No. FMRD.DIRD. 13/ 14.03.041/ 2018-19 dated 27 March 2019
64	03 April 2019	Goods and Service Tax update – Real Estate	CBIC Notification Nos. 03-08/2019- Central Tax (Rate) and 16/2019- Central Tax dated 29 March 2019
65	06 April 2019	Income-tax return forms for FY 2018-19 notified	CBDT Notification No. GSR 279(E) dated 1 April 2019



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
66	12 April 2019	No tax to be withheld on interest recovered from the importer by an Indian bank, which had paid it to the overseas supplier under a LC	TCA No. 1800 of 2008 order (Madras HC)
67	13 April 2019	Tribunal upholds taxpayer's claim of split-residency based on Article 4 of the India-USA tax treaty	ITA No. 1655/Bang/2017
68	15 April 2019	SC dismisses Revenue's SLP relating to disallowance of expenses under section 14A in the absence of any exempt income	Special Leave Petition (Civil) Diary No. 2755 of 2019
69	19 April 2019	Form 16 and Form 24Q amended to capture additional details	CBDT Notification No. 36/ 2019 dated 12 April 2019
70	19 April 2019	SC upholds decision that salary reimbursed by Indian entity to foreign company for deputation of employees will not be taxed as manpower supply	Service Tax Appeal No. 54238 of 2014 , Civil Appeal Diary No(s). 45344/2018
71	22 April 2019	CBDT proposes to amend rules for profit attribution to PEs – calls for public consultation	CBDT Report dated 18 April 2019
72	26 April 2019	FPIs can invest in Municipal Bonds	RBI A.P. (DIR Series) Circular No. 33 dated 25 April 2019
73	06 May 2019	Section 56(2)(vii) applicable to 'property' in the nature of capital asset and not which is traded in the normal course of business or trade	ITA No. 392/JP/2019
74	07 May 2019	Bombay HC rules that the revenue authorities cannot hold back refunds merely on account of a lapse in their computer system	Writ Petition No. 1103 of 2019 (Bombay HC)
75	08 May 2019	Payment made by airlines for availing lounge services for its passengers is not rent – section 194-I inapplicable	Income-tax Appeal No. 628 of 2018
76	08 May 2019	Consideration received for granting of distribution rights for a TV channel is not royalty	ITA 103 and 207 of 2017
77	08 May 2019	CBDT specifies procedure, formats and standards for the issuance of Form 16, makes it mandatory to download Part B of Form 16 from TRACES Portal	CBDT Notification No. 09/ 2019 dated 06 May, 2019
78	14 May 2019	Immovable property allotted to retiring partner by firm - on specific facts held not covered by section 45(4) of the Act	T.C.A. Nos. 365 & 366 of 2009 (Madras HC)



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
79	18 May 2019	HC rules that a Trust is “revocable” in case contributions are revocable, and the income of such Trust should be taxable in the hands of the contributors	Tax Case Appeal Nos. 122 and 123 of 2019 and C.M.P. No. 3227 of 2019 (Madras HC)
80	20 May 2019	Tribunal holds that amount received by a retiring partner above his capital account is chargeable as capital gains	ITA No. 1700/Bang/2016
81	21 May 2019	Maharashtra ARA holds that technical know-how provided by a foreign entity to an Indian entity are intangible goods and the situs of sale is where the property is registered for the purposes of VAT	Order No. ARA Mumbai – 09 of 2016-17/2019-20
82	23 May 2019	Manual return of income can be filed if the online utility is not amended to reflect the correct tax position	W.P.(C) 3598/2019 (Delhi HC)
83	23 May 2019	HC allows input tax credit on input materials/ services used for developing a shopping mall against GST payable on rent received from tenants	Writ Petition No. 20463 of 2018 (Orissa HC)
84	27 May 2019	Voluntary Retention Route for FPI investment in Indian debt – An update	RBI/2018-19/187 A.P. (DIR Series) Circular No. 34 dated 24 May 2019
85	28 May 2019	Government of Kerala notifies 1 June 2019 for levy of Kerala Flood Cess on intra-state supplies to unregistered persons	G.O.(P) No. 79 and 80/2019/TAXES dated 25 May 2019
86	28 May 2019	Report of the Working Group on the SEBI (Foreign Portfolio Investors) Regulations, 2014 released by SEBI	SEBI Press Release dated 24 May 2019
87	05 June 2019	CBDT extends the due date of filing TDS statement in Form 24Q and issue of TDS certificate in Form 16 for financial year 2018-19	F.No.275/38/2017-IT(B) dated 4 June 2019
88	06 June 2019	District Court upholds prosecution for delay in deposit of taxes deducted – reasonable cause not substantiated by evidence	
89	10 June 2019	RBI announces prudential framework for resolution of stressed assets	RBI Press Release 2018-2019/2886 dated 7 June 2019
90	13 June 2019	Union Cabinet of India approves the ratification of MLI	
91	19 June 2019	CBDT issues revised guidelines for Compounding of Offences under Direct Tax Laws, 2019	CBDT Notification F. No. 285/08/2014-IT(Inv.V)/147



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
92	24 June 2019	GST Council extends the date of filing annual return and audit report, introduces transition plan to new GST returns and extends the tenure of National Anti-profiteering Authority	GST Council 35th Meeting
93	01 July 2019	Annual return on Foreign Liabilities and Assets (FLA return) – Change in system of reporting	RBI A.P. (DIR Series) Circular No. 37 dated 28 June 2019
94	01 July 2019	RBI releases Financial Benchmark Administrators (Reserve Bank) Directions, 2019	
95	02 July 2019	CBIC augments powers of NAA, prescribes manner of valuation of Kerala cess and mentions QR code in tax invoices	
96	03 July 2019	Conversion of firm into a company does not amount to distribution of assets – firm not liable to capital gains tax	ITA No. 2316/Ahd/2014
97	04 July 2019	Tribunal holds that TO cannot tinker with prescribed valuation method adopted by taxpayer for computation under section 56(2)(viib) of the Act and question commercial prudence	ITA No. 8113/Del/2018
98	08 July 2019	Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019	
99	11 July 2019	Even if additional FSI assumed to be transferred in a joint development agreement, no capital gains arise absent any cost of acquisition	ITA No. 5324/Mum/2018
100	12 July 2019	Gujarat HC issues decision on last date for claiming ITC for invoices from July 2017 to March 2018	R/Special Civil Application No. 18962 of 2018 (Gujarat HC)
101	19 July 2019	India Union Budget 2019 – Update on surcharge for FPIs	
102	23 July 2019	CBIC issues clarification on supply of ITes qualifying as “export of services”	CBIC Circular No. 107/26/2019-GST
103	23 July 2019	Amendments to Finance (No. 2) Bill, 2019 as passed by Lok Sabha	CBIC Circular No. 107/26/2019-GST
104	23 July 2019	Draft assessment order issued erroneously in the name of the amalgamating entity invalidates final assessment on the amalgamated entity	ITA No. 857/Mum/2016



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
105	24 July 2019	The Indian income-tax authorities extends due date for filing income-tax returns for noncorporate tax payers	
106	24 July 2019	CBDT extends the due date of filing income-tax return from 31 July to 31 August 2019	CBDT Order F. No 225/157/2019/ITA.II dated 23 July 2019
107	25 July 2019	Protocol amending the India-China tax treaty notified	
108	25 July 2019	Penalty proceedings can be initiated even if dispute resolved by enforcement of MAP	Writ Petition No. 57865/ 2015 (Karnataka HC)
109	26 July 2019	Delhi HC allows interim relief on widened anti-profiteering investigation prior to completion of initial investigation by NAA	W.P.(C) 7743/ 2019 and CM APPL 32129/ 2019 (Stay)
110	29 July 2019	Exemption from furnishing return of income for non-residents earning income from investment fund set-up in IFSC	
111	29 July 2019	Tribunal holds that long-term capital loss, on STT paid sale of listed shares, is eligible for carry forward and set-off	ITA No. 511/Kol/2017
112	30 July 2019	Issue of notice and assessment order in the name of the amalgamating company, which ceased to exist, is invalid: not a defect curable under section 292B	Civil Appeal No. 5409 of 2019 dated 25 July, 2019 (SC)
113	31 July 2019	Patna HC holds that no recovery proceedings under section 73 of the BGST Act can be initiated against ITC availed but not utilised	Civil Writ Jurisdiction Case No. 2125 of 2019
114	31 July 2019	External Commercial Borrowings – Rationalisation of end-use provisions	RBI A.P. (DIR Series) Circular No. 04 dated 30 July 2019
115	02 August 2019	The Companies (Amendment) Bill, 2019 receives President's assent	
116	05 August 2019	Delhi HC quashes withholding tax certificate, issued without assigning cogent reasons at a rate higher than earlier years	W.P.(Civil) No. 7744/2019 (Delhi HC)
117	05 August 2019	Reimbursement of salary and payment for support services to non-resident neither royalty nor FTS: Distinguishes Delhi High Court's Centrica decision	ITA No. 784/Pun/2015
118	05 August 2019	FMV as on 1 April 1981 to be considered as cost of acquisition to determine capital gains on transfer of leasehold rights	ITA No. 4481/Del/2016



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
119	06 August 2019	Amount received from an HUF by its member not taxable under section 56(2)(vii)	ITA No. 773/CHD/2018
120	07 August 2019	CBIC clarifies that recovery cannot be initiated in cases where a stay has been granted earlier	CBIC Circular No. 1080/ 2/ DLA/ Tech/ Action Taken/ 2019 dated 18 July, 2019
121	08 August 2019	Multilateral Instrument: Implementation of tax treaty related measures to prevent BEPS	CBDT Press Release dated 2 July 2019
122	09 August 2019	CBDT released clarifications in form of FAQs in respect of certain disclosures in ITR forms	CBDT Circular No. 18 of 2019 dated 8 August 2019
123	12 August 2019	Permissible investments by AIFs in IFSC expanded and aligned with domestic AIFs	SEBI/ HO/ IFSC/ CIR/ P/ 2019/ 91 dated 9 August 2019
124	12 August 2019	CBDT enhances monetary limits for filing of appeals by the revenue authorities before various appellate forums	CBDT Circular No. 17/ 2019 dated 8 August 2019; F. No. 279/Misc. 142/2007-ITJ (Pt.)
125	13 August 2019	Tamil Nadu AAR holds that value of applicant's interstate stock transfer shall be either 'open market value' or '90% of the open market value' of supplies of similar goods	AAR Order No. 27/ AAR/ 2019 dated 24 June 2019
126	16 August 2019	Tribunal holds benefit of 5% variation between stamp duty value and consideration, in section 50C, is curative and applies retrospectively	ITA No. 2351/Kol/2017
127	19 August 2019	Tribunal holds that section 47(xiii) also covers transfer by a firm of capital assets to an existing company	ITA No. 2701/AHD/2011
128	23 August 2019	Tribunal holds that units of an equity-oriented mutual fund are not "shares" for purposes of the article relating to capital gains in the India-UAE tax treaty	ITA No. 423/Coch/2018
129	21 August 2019	SEBI Board Meeting - Key announcements for FPIs - Review of SEBI (Foreign Portfolio Investors) Regulations	SEBI Press Release No. 20/2019 dated 21 August 2019
130	22 August 2019	Mumbai Tribunal, while holding that lease of land for 60 years is chargeable to service tax, expresses reservations on constitutional grounds	Service Tax Appeal Nos. 89766/2013, 88472/2014, 86197/2015, 86274/2015, 87442/2015
131	23 August 2019	Relief from enhanced surcharge on capital gains	



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
132	26 August 2019	MCA issues clarification on appointed date to be specified in scheme of mergers/ amalgamation	MCA General Circular No. 09/2019 dated 21 August 2019
133	30 August 2019	Supreme Court rejects review petition against order relating to exclusion of allowance for purpose of provident fund	Civil Appeal Nos. 3965-66 of 2013 (SC)
134	03 September 2019	AAR holds shareholders liable to tax on capital gains arising on conversion of company into LLP; rejects 'no transfer' argument	AAR No. 1290 of 2012
135	05 September 2019	CBDT raises revenue effect threshold for issue of lower or nil withholding tax certificate in case of non-resident taxpayers	Instruction No. 7/2009 dated 22 December 2009
136	05 September 2019	Report of the RBI Task Force on the Development of Secondary Market for Corporate Loans	Press Release 2018-2019/2797 dated 29 May 2019
137	05 September 2019	Liberalisation of foreign investment norms for insurance intermediaries	Notification No. GSR 619(E) dated 2 September 2019
138	06 September 2019	CBDT circular regarding assessment of start-ups	Press release dated 2 September 2019
139	06 September 2019	Bombay High Court holds that the principle of promissory estoppel does not provide immunity to the State Government to curtail benefits promised under State Incentive Scheme	Writ Petition No. 2209 of 2018
140	09 September 2019	Protocol amending tax treaty between India and Spain has been notified	Notification No. SO 3079 (E) [NO. 58/2019 (F.NO. 503/ 02/ 1986-FTD-I)] dated 27 August 2019
141	10 September 2019	ITAT holds section 50C not applicable where partner contributes land as capital to a partnership firm	ITA No. 544/Chny/2019
142	10 September 2019	Tribunal considers factual matrix; holds Cyprus entity beneficial owner of interest for purposes of the tax treaty	ITA No. 6958/Mum/2017
143	10 September 2019	Bombay High Court directs waiver of section 234C interest payable by the resulting company; observes profit cannot be anticipated till approval of the demerger Scheme	Writ Petition No. 544 of 2019



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144	17 September 2019	Supreme Court holds supporting manufacturer cannot take benefit under section 80HHC on export incentives	Civil Appeal No. 4590 of 2018
145	18 September 2019	CBDT lays down guidelines for launching prosecution in specified categories of offences	Circular No. 24/2019 dated 9 September 2019
146	18 September 2019	Central Government notifies Eassessment Scheme laying down procedure for electronic assessment	Notification No. 61 & 62 dated 12 September 2019
147	19 September 2019	CBDT releases synthesised text of India-Japan and India-UAE tax treaties	
148	19 September 2019	Gujarat High Court holds that filing of online declaration to claim transitional credit within the due date contemplated under Rule 117 of CGST Rules, 2017 is procedural and directory in nature	R/Special Civil Application Nos. 5758, 5759, 5760, 5762 of 2019
149	19 September 2019	Draft Guidelines for “on tap” licensing of Small Finance Banks in the private sector	RBI Press Release dated 13 September 2019
150	20 September 2019	Liberalisation of foreign investment norms in select sectors	DPIIT File No.: 5/3/2019-FDI Policy dated 18 September 2019
151	20 September 2019	Rajasthan AAAR holds that 70:30 deemed valuation is applicable for supply, design, installation, commissioning and testing of solar-based well pumping systems	AAAR Order No. RAJ/ AAAR/ APP/ 09/ 2018-19 dated 1 March 2019
152	22 September 2019	Taxation Laws (Amendment) Ordinance, 2019	The Taxation Laws (Amendment) Ordinance, 2019 No. 15 of 2019
153	22 September 2019	GST Council reduces tax rates, relaxes filing of annual returns for small taxpayers and defers new return system	37th GST Council Meeting dated 20 September 2019
154	23 September 2019	High Court holds that a provision made effective from 1 April of an assessment year cannot apply to income of the relevant previous year, which ended much before that date	Tax Case No. 126 of 1982 and Tax Case No. 28 of 1986
155	25 September 2019	High Court holds that wage ceiling applicable only for Indian employees for PF contribution is not discriminatory	Writ Petition No. 1846 of 2018
156	02 October 2019	GSTN issues advisory enabling online refund processing system, with disbursal by a single authority	Online refund processing and single authority disbursement: Advisory for taxpayers



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
157	03 October 2019	CBDT communicates its view on accumulated MAT credit and additional depreciation under the newly introduced lower tax rate regime	Circular No. 29/2019
158	03 October 2019	Mumbai bench of Tribunal holds that income arising to a revocable securitisation trust taxable in the hands of the investors	ITA Nos. 2701, 3459, 2702, 3458, 2703, 3456, 2704,3460, 2705, 3457/ Mum/2017
159	03 October 2019	CBDT amends rules for computation of interest in case of secondary adjustment	Notification No. GSR 701(E) dated 30 September 2019
160	08 October 2019	Tribunal holds section 68 of the Act not applicable where primary ingredients required are established	ITA No. 1090/Mum/ 2019 & 2569/Mum/2019
161	11 October 2019	Introduction of retrospective amendment to CGST Rules to specify the last date to avail ITC and imposition of credit restrictions where invoices are not uploaded in GSTR-1	Notification No. 49/2019- CT dated 9 October 2019
162	14 October 2019	Tribunal holds section 79 not applicable where the shareholder continues to hold 100% although partly indirectly post-amalgamation of the company having brought forward losses	ITA No. 2366/Mum/2019
163	16 October 2019	Larger Bench of Supreme Court holds sales tax and service tax cannot be imposed on supply of food & beverages by a club/ association to its members	Civil Appeal Nos. 4184 of 2009/ 7497 of 2012 and others
164	16 October 2019	Based on specific facts, capital gains on sale of shares in an Indian company, carrying on real estate business, held not taxable under India-Spain tax treaty	ITA No. 6108/Mum/2018
165	21 October 2019	Advances by a subsidiary, as a business venture on profit share basis, for strategic investments to be made by the holding company not dividends under section 2(22)(e)	ITA No. 936/Ind/2018
166	01 November 2019	Gift of shares made by a company under an internal restructuring exercise not a "colourable device" – revision under section 263 rejected	ITA No. 2211/Mum/2019
167	06 November 2019	Tribunal holds that valuation of shares under section 56(2)(viib) of the Act, based on the fair value of assets, cannot be rejected	ITA No. 7262/Del/2017



Sl. No.	Date	Topic/Subject	Ruling/ Notification/ Circular
168	06 November 2019	Madras High Court allows accumulated credit of cesses from CENVAT regime to be transitioned to GST	Writ Petition No. 4773 of 2018 & WMP Nos. 5916 & 13148 of 2018
169	01 November 2019	Gift of shares made by a company under an internal restructuring exercise not a “colourable device” – revision under section 263 rejected	
170	06 November 2019	Tribunal holds that valuation of shares under section 56(2)(viib) of the Act, based on the fair value of assets, cannot be rejected	ITA No. 7262/Del/2017
171	07 November 2019	Tribunal allows depreciation on goodwill arising on amalgamation in a subsequent year, where such claim not challenged in year of amalgamation; on merits, observes claim is not otherwise allowable	ITA Nos.1439/Ahd/2011, 42/Ahd/2012, 597/Ahd/2014, 2249/Ahd/2018 & IT(SS)A No. 357/Ahd/18
172	12 November 2019	Delhi bench of Tribunal admits additional ground on applicability of lower rate as per tax treaty to DDT under section 115-O	ITA No. 961/Del/2015
173	12 November 2019	Madras High Court allows accumulated credit of cesses from CENVAT regime to be transitioned to GST	Writ Petition No. 4773 of 2018 & WMP Nos. 5916 & 13148 of 2018
174	20 November 2019	Non-compete fees received by a non-resident, not taxable in the absence of a PE in India	ITA No. 3985/Mum/2018
175	21 November 2019	CBIC issues master circular superseding earlier circulars and prescribing process for claim and disbursement of online refunds, clarifies refund related issues, and relaxes certain requirements	Circular No. 125/44/2019-GST
176	22 November 2019	Mumbai bench of Tribunal holds that section 56(2)(viiia) not applicable to receipt of shares of a foreign company before amendment to Rule 11U with effect from 1 April 2019	ITA No. 1703/Mum/2019
177	27 November 2019	Taxation Laws (Amendment) Bill, 2019: Replacing the Ordinance with key changes	Bill No. 362 of 2019
178	29 November 2019	Supreme Court disposes multiple pending petitions holding that interim orders passed by High Court are contrary to statutory provisions of CGST Act on seizure of goods and need not be given effect	Civil Appeal No. 8941/2019 (SLP to Appeal (C) No. 25291/2019); Civil Appeal No. 8942/2019 (SLP (C) No. 25292/2019); Civil Appeal No. 8944/2019 (SLP (C) No. 25609/2019)



Thought Leadership

Sl. No.	Date	Particulars	Where published	Author Names
1	21-Dec-18	GST Advance Ruling whip on Indian service exports and way forward	GSTSUTRA	Anita Rastogi and Rohit Gupta
2	27-Dec-18	The rate recast shows GST in India is finally attaining maturity	CNBCTV 18	Anita Rastogi and Rohit Gupta
3	30-Dec-18	Get ready for a new return filing system	Business Standard	Pratik Jain
4	03-Jan-19	READER'S CORNER: tax	Business Standard	Kuldip Kumar
5	10-Jan-19	Do we need composition scheme in GST for real estate?	Mint	Siddharth Mehta
6	10-Jan-19	Opinion I Do we need composition scheme in GST for real estate?	livemint.com	Siddharth Mehta
7	22-Jan-19	Changes are politically-driven but are in the right direction	Mint	Pratik Jain
8	22-Jan-19	GST: Changes are politically-driven but are in the right direction	livemint.com	Pratik Jain
9	24-Jan-19	What the Modi government's last budget can do to help ordinary Indians	Quartz India	Ishita Sengupta, Hitesh Sharma and Kinjal Soni
10	29-Jan-19	Income tax exemption limit may be raised to INR 3 lakh in budget: Kuldip Kumar	livemint.com	Kuldip Kumar
11		Services at the click of a mouse	The Hindu Business Line	Anand Dhelia
12		Past, present and the future'	Financial Express	Gautam Mehra
13		Budget 2019: The Personal Finance Explainer	bloombergquint.com	Ishita Sengupta
14	01-Feb-19	Opinion: Budget 2019 is a visionary step in the right direction	Forbes India	Gautam Khattar
15	01-Feb-19	Budget 2019: Taxpayers Alert! 5 significant personal tax changes you need to know	Financial Express	Sundeep Agarwal , Shaishav Shah and Gayatri Ramaswamy
16	02-Feb-19	A big boost to farmers, a win for the middle class	Financial Express	Rahul Garg



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17	02-Feb-19	Soon, assessment and refunds in 24 hours	Business Standard	Kuldip Kumar
18	03-Feb-19	Services at the click of a mouse	thehindubusinessline.com	ANAND DHELIA
19	05-Feb-19	Budget aimed at appeasing cross-section of taxpayers	DNA	Ishita Sengupta and Shikha Malsisaria
20	06-Feb-19	Reader's corner: Taxation	Business Standard	Kuldip Kumar
21	12-Feb-19	What's next in GST: Consistent laws, crackdown on evaders	The Times of India	Pratik Jain
22	12-Feb-19	Interim budget: Laying out vision on 10 most important dimensions a thoughtful move	Financial Express	Gautam Mehra
23	01-Mar-19	Little known income tax deductions which will help you save more tax	Financial Express	Ishita Sengupta and Rajvi V Shah
24	05-Mar-19	How the 2019 Budget boosted technology-driven initiatives in income tax	Financial Express	Rahul Garg & Anurag Dayal
25	07-Mar-19	Reader's corner: Can you invest over Rs 150,000 in PPF in a financial year?	Business Standard	Kuldip Kumar
26	19-Mar-19	Positive news for the Real Estate sector	News Barons	Pratik Jain
27	25-Mar-19	Finally, its REIT time	ET Realty	Bhairav Dalal
28	27-Mar-19	Offsetting GST credits: New mechanism can lead to accumulation of CGST credits	Financial Express	Gautam Khattar, Kishore Kumar and Anubha Aggarwal
29	27-Mar-19	A tremor for the industry?	Financial Express	Gautam Khattar, Kishore Kumar and Anubha Aggarwal
30	27-Mar-19	Viewpoint I Understanding Capital Gains tax and its application in India	Money Control	Ishita Sengupta and Ritika Arora
31		Indian InvITs tap foreign buyers	IFR News	Bhairav Dalal
32		The blueprint	Business Standard	Akash Gupt and Bhairav Dalal
33	17-Apr-19	Viewpoint I Attention first-time job seekers! Here's how to read your offer letter	Money Control	Ishita Sengupta and Rajvi V Shah
34	01-May-19	Reader's corner: Is petrol bill reimbursement in monthly salary tax-free?	Business Standard	Kuldip Kumar
35	22-May-19	Election Result 2019: No matter who wins, it's time middle class gets these tax reliefs	Business Today	Kuldip Kumar
36	28-May-19	Why GST collection and tax revenues pose a big challenge to Modi 2.0 government	CNBCTV 18	Pratik Jain and Sumit Bansal



Sl. No.	Date	Particulars	Where published	Author Names
37	29-May-19	GST: From anti-profiteering to fixing GSTN glitches, issues that need immediate attention	Economic Times	Anita Rastogi, Prashant Gupta and Rohit Gupta
38	30-May-19	READER'S CORNER	Business Standard	Kuldip Kumar
39	12-Jun-19	How your stock options are taxed	moneycontrol.com	Ishita Sengupta and Deepa Bachchavat
40	13-Jun-19	READER'S CORNER: TAXATION	Business Standard	Kuldip Kumar
41	24-Jun-19	Lifting the economy	Business Line	Vikram Doshi and Dinesh Daga
42	27-Jun-19	Budget 2019: Can Modi 2.0 bring economy back on track? 5 key challenges before FM Nirmala Sitharaman	Financial Express	Frank D'Souza
43	27-Jun-19	Budget 2019: Expectations of the individual taxpayer	Fortune India	Sundeep Agarwal, Ritika Arora and Rashika Khandelwal
44	01-Jul-19	Will Union Budget 2019 deliver on the expectations of individual taxpayers?	CNBCTV 18	Anand Dhelia and Nishant Kumar
45	02-Jul-19	Proposed amendments to profit attribution rules for permanent establishments: Plugging the gaps	taxmann.in	Vishal Anand and Siddharth Dadu
46	03-Jul-19	Salaried class expects more tax exemption in budget	Deccan Herald	Ravi Jain
47	03-Jul-19	Budget 2019 India: Modi government can take these bold steps on July 5	Financial Express	Anita Rastogi and Rohit Gupta
48	03-Jul-19	Budget 2019: Here is what corporate India wants from the Finance Minister	Money Control	Sushmita Basu, Diparun Mukherjee and Shreya Daga
49	04-Jul-19	Remove compliance for non-residents, rationalise safe harbour rules	Financial Express	Jitendra Jain
50	04-Jul-19	Budget 2019 wish list: FPIs pin hopes on tax exemptions, regulatory tweaks	CNBCTV 18	Suresh Swamy and Tushar Patel
51	04-Jul-19	Realty counts on energisers for quick recovery	The Telegraph	Kaushik Mukherjee and Saurabh Kedia
52	04-Jul-19	READER'S CORNER : TAXATION	Business Standard	Kuldip Kumar
53	04-Jul-19	Remove compliance for non-residents, rationalise safe harbour rules	Financial Express	Jitendra Jain

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54	05-Jul-19	Budget 2019: Will FM Nirmala Sitharaman's maiden budget bring any cheer for salaried taxpayers?	Financial Express	Kuldip Kumar and Manavi Gupta
55	06-Jul-19	Budget 2019 is a balance of development steps, reforms and fiscal discipline	Financial Express	Rahul Garg
56	06-Jul-19	More hits than misses for industry	The Telegraph	Sushmita Basu, Pulak Saha, Kapil Basu and Shrenik Mehta
57	06-Jul-19	Budget 2019 is a balance of development steps, reforms and fiscal discipline	Financial Express	Rahul Garg
58	07-Jul-19	Budget impact: Direct tax proposals are futuristic and far reaching	Business Standard	Kaushik Mukherjee
59	07-Jul-19	Measures taken to tightening the screws on tax avoidance	Business Standard	Kuldip Kumar
60	07-Jul-19	Union Budget 2019: Measures taken to tighten the screws on tax avoidance	Business Standard	Kuldip Kumar
61	07-Jul-19	In Sitharaman's first Union Budget, the focus is on Make in India	Business Standard	Anita Rastogi
62	08-Jul-19	Effort towards stable economic growth	Financial Express	Gautam Khattar
63	08-Jul-19	In Sitharaman's first Union Budget, the focus is on Make in India	Business Standard	Anita Rastogi
64	08-Jul-19	Boost for India Inc	The Hindu Business Line	Nikhil Rohera and Faizan Nursumar
65	08-Jul-19	Budget 2019: Govt has laid foundation for India's growth and development	Financial Express	Gautam Khattar and Kishore Kumar
66	10-Jul-19	View: Budget 2019 shows govt's will to use Aadhaar to track financial transactions	Economic Times	Kuldip Kumar
67	10-Jul-19	GST on Promotional Schemes - The Misery Continues	GSTSUTRA	Anita Rastogi and Gurmeet Sukhija
68	21-Jul-19	New norms to report foreign accounts	The Hindu Business Line	Kuldip Kumar
69	25-Jul-19	READER'S CORNER: TAX	Business Standard	Kuldip Kumar
70	28-Jul-19	Tackling the Core	Business Today	Gautam Mehra
71	21-Jul-19	New norms to report foreign accounts	thehindubusinessline.com	Kuldip Kumar
72	24-Jul-19	GST Applicability Demystified for Information Technology Enabled Services	GSTSUTRA	Anita Rastogi, Urvashi Dixit and Deepanshu Kumar



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73		Union budget- A step in the right direction	The Diplomatist	Anita Rastogi & Kamal Abrol
74	08-Aug-19	India Tax: All you need to know as an NRI ahead of August 31 filing deadline	connectedtoindia.com	Kuldip Kumar
75	08-Aug-19	Filing Income Tax Returns - Oh! Not So Complicated	bloombergquint.com	Ishita Sengupta and Manvi Gupta
76	14-Aug-19	Budgets 2019: Take note of key provisions that bring pain and relief	moneycontrol.com	Ishita Sengupta
77	15-Aug-19	READER'S CORNER: Are you liable to pay tax on property received as gift?	Business Standard	Kuldip Kumar (Q&A)
78	21-Aug-19	To create a business-friendly tax framework	The Hindu Business Line	Nitin Vaid
79	11-Sep-19	Be aware of the taxes to pay while buying, selling or letting out a house	Money Control	Kuldip Kumar and Chander Talreja
80	11-Sep-19	Pay penalty of INR 10,000 for late Income-Tax filing after December 31	Business Standard	Kuldip Kumar
81	20-Sep-19	View: FM Nirmala Sitharaman surpasses many expectations	Economic Times	Vikram Doshi and Rony Antony
82	23-Sep-19	Will simplify tax administration, reduce litigation	Business Standard	Frank D'Souza
83	26-Sep-19	Corporate tax cut: A bold move by the Modi Government	Financial Express	Vishal Anand
84	07-Oct-19	Why the corporate tax cuts will put pressure on FY 20 fiscal deficit	CNBCTV 18	Nikhil Rohera
85	09-Oct-19	Returning to settle in India? Be aware of the tax angle	Money Control	Ishita Sengupta and Santhosh S
86	09-Oct-19	Will REITs revive the Indian realty story? Here's what experts have to say	Money Control	Bhairav Dalal
87	14-Oct-19	Decoding the private equity sentiment in India	Money Control	Bhavin Shah
88	30-Oct-19	Do NRIs have to pay advance tax: Expert answers your taxation questions	Business Standard	Kuldip Kumar
89	14-Nov-19	Angel Tax exemption helps, but tight reins hinder start-ups' growth	Business Line	Hiten Kotak, Aditya Narwekar, Jaisri S and Vidushi Agarawal

**Publication**

Sl. No.	Particulars
1	Planning succession – Time to plan for times to come
2	The Principle of Non-discrimination in Tax Treaties
3	Power of excellence – Merger and Acquisitions Tax
4	India's new real estate and infrastructure trusts: The way forward
5	Destination India 2019
6	Advantage India – New corporate income tax rates shape an attractive investment environment



Tax Treaties

Tax Information Exchange Agreements

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
1	Argentina	Notification No. 22/2013 [F. No. 504/3/2010-FTD-II]/SO 824(E)	21 November 2011	28 January 2013
2	Bahamas	Notification No. 25/2011 [F. No. 503/6/2009-FTD-I]/SO 1049(E)	11 February 2011	1 March 2011
3	Bahrain	Notification No. 44/2013 [F. No. 503/03/1994-FT&TR-II]/SO 1766(E)	31 May 2012	11 April 2013
4	Belize	Notification No. 3/2014 [F. No. 503/4/2012-FTD-I]/SO 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	Cayman Islands	Notification No. 61/2011 [F. No. 503/03/2009-FTD-I]/S.O. 2902(E)	21 March 2011	8 November 2011
8	Gibraltar	Notification No. 28/2013 [F. No. 503/11/2009-FTD-I]/SO 924(E)	1 February 2013	11 March 2013
9	Guernsey	Notification No. 30/2012 [F. No. 503/1/2009-FTD-I]/SO 1782(E)	20 December 2011	11 June 2012
10	Isle of Man	Notification No. 26/2011 [F. No. 503/01/2008 - FTD-I]/SO 1048(E)	4 February 2011	17 March 2011
11	Jersey	Notification No. 26/2012 [F. No. 503/6/2008-FTD-I]/SO 1541(E)	3 November 2011	8 May 2012
12	Liberia	Notification No. 32/20012-FT&TR-II [F. No. 503/02/2010-FT&TR-II]/SO 1877(E)	3 October 2011	30 March 2012
13	Macao	Notification No. 43/2012 [F. No. 503/04/2009-FT&TR-II]/SO 2427(E)	3 January 2012	16 April 2012
14	Maldives	Notification No. SO 2865(E) [No. 76/2016 (F. No. 500/79/2008-FTD-II)]	11 April 2016	2 August 2016

**Tax Information Exchange Agreements**

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
15	Principality of Liechtenstein	Notification No. 30/2014 [F. No. 503/4/2009-FTD-I]	28 March 2013	20 January 2014
16	Principality of Monaco	Notification No. 43/2013 [F. No. 503/05/2009-FTD-I]/SO 924(E)	31 July 2012	27 March 2013
17	Saint Kitts and Nevis	Notification No. SO 2488(E) [No. 62/2016 (F.NO.503/09/2009-FTD-I)]	11 November 2014	2 February 2016
18	San Marino	Notification No. 63/2015 [F. No. 500/02/2003-FTD-I]	19 December 2013	29 August 2014
19	Seychelles	Notification No. SO 2894(E) [No. 80/2016 (F.NO.503/07/1993-FT&TR-IV)]	26 August 2015	28 June 2016

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. SO 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



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

Social Security Agreements

Sr. No.	Country	Date when signed	Date of coming into force
18	Swiss Federal	3 September 2009	29 January 2011
Signed but not notified:			
Quebec - 26 November 2013			
Germany - 12 October 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. SO 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



Double Taxation Avoidance Agreements

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. SO 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]/SO 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. SO 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. SO 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. SO 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. SO 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



Double Taxation Avoidance Agreements

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
13	China	Notification No. SO 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. SO 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
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]/SO 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. SO 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



Double Taxation Avoidance Agreements

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
28	Hong Kong	Notification No. SO 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. SO 241(E) dated 5 February 2008	23 November 2007	21 December 2007
31	Indonesia	Notification No. SO 1144(E) [No. 17/2016 (F. No. 503/4/2005-FTD-II)] dated 16 March 2016	27 July 2012	5 February 2016
32	Ireland	Notification No. 45/2002 [F. No. 503/6/99-FTD] dated 20 February 2002	6 November 2000	26 December 2001
33	Israel	Notification No. GSR 256(E) dated 26 June 1996 as amended by Notification No. SO 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
34	Italy	Notification No. GSR 189(E) dated 25 April 1996	19 February 1993	23 November 1995
35	Japan	Notification No. GSR 101(E) dated 1 March 1990, as amended by Notification Nos. SO 753(E) dated 16 August 2000 (w.r.e.f. 1 October 1999), SO 1136(E) dated 19 July 2006, w.r.e.f. 28 June 2006 and SO 2528(E) dated 8 October 2008 w.e.f. 1 October 2008	7 March 1989	29 December 1989
36	Jordan	Notification No. GSR 810(E) dated 8 December 1999	20 April 1999	16 October 1999
37	Kazakhstan	Notification No. GSR 633(E) dated 31 October 1997 [as amended by Notification No. SO 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
38	Kenya	Notification No. SO 731(E) [No. 11/2018 (F. No. 503/01/2005-FTD-II)] dated 19 February 2018	11 July 2016	30 August 2017
39	Korea, (Republic of)	Notification No. SO 3265(E) [No. 96/2016 (F. No. 500/121/1996-FTD-II)] dated 24 October 2016	18 May 2015	12 September 2016
40	Kuwait	Notification No. SO 2000(E) dated 27 November 2000 as amended by Notification No. SO 1823(E) [No. 21/2018 (F. No. 501/03/88-FTD-II)] dated 4 May 2018	15 June 2006	17 October 2007

Double Taxation Avoidance Agreements

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
41	Kyrgyz Republic	Notification No. GSR 75(E) dated 7 February 2001	13 April 1999	10 January 2001
42	Latvia	Notification No. 12/2014 [F. No. 503/02/1997-FTD-I] dated 5 March 2014	18 September 2013	28 December 2013
43	Libya	Notification No. GSR 22(E) dated 1 July 1982	2 March 1981	1 April 1983
44	Lithuania	Notification No. 28/2012 [F. No. 503/02/1997-FTD-1] dated 25 July 2012	26 July 2011	10 July 2012
45	Luxembourg	Notification No. SO 2591(E) dated 12 October 2009	2 June 2008	9 July 2009
46	Macedonia	Notification No. 94/2015 [F. No. 503/08/2004-FTD-I]/ SO 3499(E) dated 21 December 2015	9 May 2012	26 December 2012
47	Malaysia	Notification No. 07/2013 [F. No. 506/123/84-FTD-II] dated 29 January 2013	29 January 2013	1 April 2013
48	Malta	Notification No. 34/2014 [F. No. 504/06/2003-FTD-I] dated 5 August 2014	8 April 2013	1 April 2015
49	Marshall Islands	Notification No. SO 1789(E) [No. 40/2019 (F. No. 503/1/2018-FT&TR-IV)] dated 21 May 2019	18 March 2016	6 December 2018
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. SO 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]/SO 96(E) dated 7 January 2009	8 February 2006	23 September 2008
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. SO 1518(E) dated 18 June 2009	2 April 2008	1 April 2009



Double Taxation Avoidance Agreements

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
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	23 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. SO 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. SO 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. SO 673(E) dated 25 August 2000 and GSR 597(E) dated 20 September 2005 and as amended by Notification No. SO 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



Double Taxation Avoidance Agreements

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
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. SO 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 SO 1022(E) dated 18 July 2005 No. SO 2031(E) dated 1 September 2011 and No. SO 935(E) dated 23 March 2017	20 April 1981	27 May 1994
73	Slovenia	Notification No. GSR 344(E) dated 31 May 2005	13 January 2003	17 February 2005
74	Slovak Republic	Notification No. SO 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. SO 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]/SO 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-I]/[SO 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



Double Taxation Avoidance Agreements

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
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. SO 1758(E) dated 16 July 2009 as amended by Notification No. SO 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. SO 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 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. SO 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
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]/SO 2081(E) dated 5 July 2013	8 September 2011	21 June 2013



Double Taxation Avoidance Agreements

Sr. No.	Country	Notification No. and Date	Date when signed	Date of coming into force
94	Uzbekistan	Notification No. SO 790(E) [No. 10222/96 (F. No. 501/8/92-FTD)] dated 13 November 1996, as amended by Notification No. SO 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. SO 2826(E) [No. 82/2017 (500/5/2009-FTD-II)] dated 30 August 2017]	7 September 1994	2 February 1995
96	Zambia	Notification No. GSR 39(E) dated 18 January 1984	5 June 1981	18 January 1984

Abbreviations

Authority for Advance Ruling (AAR)
Appellate Authority for Advance Ruling (AAAR)
Authorised Dealer (AD)
Associated Enterprise (AE)
Alternative Investment Funds (AIFs)
Arm's-length principle (ALP)
Asset Management Company (AMC)
Alternative minimum tax (AMT)
Advance Pricing Agreement (APA)
Association of Persons (AOP)
Asset Reconstruction Companies (ARCs)
Assessment Year (AY)
Base Erosion Anti-abuse Tax (BEAT)
Base Erosion and Profit Shifting (BEPS)
Bilateral Competent Authority Agreements (BCAAs)
Bilateral APA (BAPA)
Companies Act, 2013 (CA Act)
Companies (Amendment) Ordinance, 2018 (CAO 2018)

Central Board of Direct Taxes (CBDT)
Central Board of Indirect Taxes and Customs (CBIC)
Contract Bottling Unit (CBU)
Customs bonded warehouse (CBW)
Central Consumer Protection Authority (CCPA)
CENVAT Credit Rules, 2004 (CCR)
Country-by-Country Reporting (CbCR)
Constituent Entity (CE)
Central Value Added Tax (CENVAT)
Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Goods and Services Tax (CGST)
Core Investment Companies (CIC)
Cost, Insurance and Freight (CIF)
Commissioner of Income-tax (CIT)
Commissioner of Income-tax (Appeals) [CIT(A)]
Centralised Risk Assessment Unit (CRAU)
Common Reporting System (CRS)

Corporate Social Responsibility (CSR)
Central Sales Tax Act (CST Act)
Customs Valuation Rules, 2007 (CVR)
Dependent Agent Permanent Establishment (DAPE)
Debenture Trustees (DTs)
Drugs and Cosmetics Act, 1940 (DC, Act)
Designated Depository Participant (DDP)
Dividend Distribution Tax (DDT)
Director-General of Income-tax (DGIT)
Director General of Income-tax (Risk Assessment) (DGRA)
Director Identification Number (DIN)
Department for Promotion of Industry and Internal Trade (DPIIT)
Data Protection Authority (DPA)
Dispute Resolution Panel (DRP)
Depository Receipts (DR)
Digital Signature Certificate (DSC)
Domestic Tariff Rate (DTA)

Double Taxation Avoidance Agreement (Tax Treaty)
Electronic Book Provider (EBP)
External commercial borrowings (ECBs)
Education Cess (EC)
Eligible Foreign Entities (EFE)
Entity Master Form (EMF)
Equated Monthly Installment (EMI)
Export Oriented Units (EOUs)
Exchange Traded Currency Derivatives (ETCD)
Exchange-Traded Fund (ETFs)
Electronic Trading Platforms (ETPs)
Foreign Account Tax Compliance Act (FATCA)
Financial Action Task Force (FATF)
Financial Benchmark Administrators (FBAs)
Frequently Asked Question (FAQ)
Foreign Direct Investment (FDI)
Financial Institution (FI)

Foreign Inward Remittance Certificate (FIRC)	Goods Transport Agency (GTA)	IFSC Insurance Intermediary Office (IIIO)	Minimum Alternate Tax (MAT)
Fees for included services (FIS)	Housing Finance Companies (HFCs)	Inter-Ministerial Board of Certification (IMBC)	Ministry of Corporate Affairs (MCA)
Foreign Liabilities and Assets Information Reporting (FLAIR)	Harmonised System of Nomenclature (HSN)	Income recognition and asset classification (IRAC)	Multilateral Competent Authority Agreement (MCAA)
Foreign Liabilities and Assets (FLA)	Hindu Undivided Family (HUF)	Insurance Regulatory and Development Authority of India (IRDAI)	Medical Council of India (MCI)
Fair market value (FMV)	Indian Accounting Standards (Ind AS)	Income-tax Rules, 1962 (the Rules)	Ministry of Health and Family Welfare (MoHFW)
Free on board (FOB)	IFSC Banking Unit (IBU)	Input tax credit (ITC)	Multiple Investment Managers (MIM)
Foreign Portfolio Investment (FPI)	Income-tax Act, 1961 (the Act)	Income-tax Return (ITR)	Multilateral Instrument (MLI)
Foreign Portfolio Investors (FPIs)	Income-tax Rules, 1962 (the Rules)	Information Technology (IT)	Multinational Enterprises (MNEs)
Foreigner Regional Registration Offices (FRRO)	Income-tax Appellate Tribunal (Tribunal)	Information Technology Enabled Services (ITeS)	Micro, Small and Medium Enterprise (MSME)
Foreigners Registration Officer (FRO)	Insolvency & Bankruptcy Code (IBC)	Joint venture (JV)	Non-banking Financial Companies (NBFCs)
Floor space index (FSI)	Indian Competent Authority (CA)	Krishi Kalyan Cess (KKC)	National Company Law Tribunal (NCLT)
Financial Service Providers (FSPs)	Indian Customs Electronic Commerce/ Electronic Data interchange (ICEGATE)	Limited Liability Company (LLC)	Non-convertible redeemable preference shares (NCRPS)
Foreign Tax Credit (FTC)	Income Computation and Disclosure Standard (ICDS)	Limited Liability Partnership (LLP)	No objection certificate (NOC)
Fees for Technical Services (FTS)	Investor Education and Protection Fund (IEPF)	Letter of Permission (LOP)	National Pension Scheme (NPS)
Free Trade Warehousing Zone (FTWZ)	International Financial Services Centre (IFSC)	Liberalised Remittance Scheme (LRS)	Non-performing assets (NPAs)
Foreign Venture Capital Investor (FVCI)	Integrated Goods and Services Tax (IGST)	Minimum Average Maturity (MAM)	Non-resident Indian (NRI)
Financial Year (FY)	Infrastructure Investment Trust (InvIT)	Memorandum of Association (MoA)	Overseas Citizens of India (OCIs)
Goods and Services Tax (GST)		Mutual Agreement Procedure (MAP)	

Overseas Direct Investment (ODI)
Organisation for Economic Cooperation and Development (OECD)
Original Equipment Manufacturers (OEMs)
Oil Marketing Companies (OMC)
Other Service Providers (OSP)
Primary Adjustment (PA)
Permanent Account Number (PAN)
Percentage Completion Method (PCM)
Permanent Establishment (PE)
Private Limited Company (PLC)
Provident Fund (PF)
Profit Sharing Agreement (PSA)
Public Sector Undertakings (PSUs)
Reporting Accounting Year (RAY)
Real Estate Investment Trust (REIT)
Regional Director (RD)
Registrar of Companies (RoC)
Reserve Bank of India (RBI)

Return of Income (ROI)
Resident and Ordinarily Resident (ROR)
Resolution Plan (RP)
Related Party Transactions (RPT)
Secondary Adjustment (SA)
Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI)
Significant Beneficial Owners (SBO)
Single Brand Retail Trading (SBRT)
Significant Economic Presence (SEP)
Special Economic Zone (SEZ)
Secondary and Higher Education Cess (SHEC)
Securitised Debt Instruments (SDI)
State Goods and Services Tax (SGST)
Single Master Form (SMF)
Segregated Nominee Account (SNA)
Standard Operating Procedure (SOP)

Special Purpose Vehicle (SPV)
Security Receipts (SRs)
Statement of Reportable Account (SRA)
Securities Transaction Tax (STT)
Tax deducted at source (TDS)/ Withholding tax
Tax Officer (TO)
Telecom Regulatory Authority of India (TRAI)
Transfer Pricing (TP)
Transfer Pricing Officer (TPO)
Tax Residency Certificate (TRC)
Unilateral APAs (UAPA)
Uninterrupted Power Supply (UPS)
Value Added Tax (VAT)
Venture Capital Funds (VCFs)
Venture Capital Undertakings (VCUs)
Voluntary Retention Route (VRR)
Written Down Value (WDV)
Wholly Owned Subsidiaries (WoS)



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