

Weekly GST Communique



GST

Important Notifications, Circular, etc.

- CBIC issued instruction on provisional clearance of goods under India's Trade Agreements
- CBIC further extends the validity of E-Way Bill till May 31, 2020
- CBIC further extends the due date for filing GSTR-9 & GSTR-9C for F.Y 2018-19 till September 30, 2020
- CBIC allowed registered person under Companies Act to file Form GSTR-3B through EVC
- CBIC amends the special procedure for corporate debtors undergoing CIRP process under IBC 2016
- CBIC issued clarification w.r.t. challenges in implementing the GST Law
- DGFT amends the Export Policy by prohibiting the export of alcohol-based hand sanitizers
- DGFT issued clarification with respect to submission of physical copy of Pre-shipment Inspection Certificate (PSIC)
- Customs Officers of Nhava Sheva issued SOP for Export of Sanitizers, Masks, Paracetamol, Hydroxychloroquine etc.

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- GSTN has enabled new facility to adjust negative ITC while distributing ITC to its units by ISD in Form GSTR-6
- GSTN has enabled the facility for creation of Electronic Cash Ledger and Liability Register for UIN holders

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- CBDT orders tax officials not to issue scrutiny notices to taxpayers

Important Press Releases

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- CBDT issued new procedure for registration, approval, etc. of certain entities deferred to Oct 01, 2020

GST

Important Notifications, Circular, etc.

CBIC issued instruction on provisional clearance of goods under India's Trade Agreements



CBIC issued
Instruction on
Provisional
Clearance of
Goods under
India's Trade
Agreements

CBIC vide *Instruction No. 04/2020 - Customs dated May 04, 2020* which provided provisional clearance of goods under India Trade Agreements. With reference to Circular 18/2020-Customs, dated 11.04.2020, which provides an option to clear goods under preferential tariff claim, in terms of section 18 of the Customs Act, 1962, where a Certificate of Origin ("CoO") is not available at the time of filing customs documents.

- 2. The measures have been taken, keeping in view the restrictions imposed globally, which may lead to a situation wherein an exporter in unable to communicate original CoO to the importer or submits a CoO which is not as per the prescribed format (digitally signed/unsigned).
- 3. Board has also issued necessary guidelines vide Circular 38/2016-Customs, dated 22.08.2016, prescribing the manner and amount of security based upon class of importer and nature of import. The Circular covers FTAs/PTAs imports under three categories at S.no 5(a), 5(b), and 5(c).
- 4. In this regard, it is informed that where the original hard copy of CoO has not been submitted or only digitally signed copy or unsigned copy of CoO is submitted, same may be treated at par with category as listed at serial no. 5(c) of the Circular 38/2016-Customs, provided that the matter is not covered under 5(a), wherein there is a reasonable belief that it involves mis-declaration of origin/value addition.
- 5. It is requested that officers under your charge be directed to follow these guidelines while implementing Circular 18/2020-Customs.

The Instruction can be accessed at: https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-instructions/cs-instructions/cs-instructions/cs-instructions-2020/cs-ins-04.pdf

CBIC further extends the validity of E-Way Bill till May 31, 2020



CBIC further extends the validity of E-Way Bill till May 31, 2020

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CBIC vide Notification No. 40/2020 - Central Tax Dated May 05, 2020, has further extends the validity of E-Way Bill till May 31, 2020, for those E-Way bills which has been generated under rule 138 of the Central Goods and Services Tax Rules, 2017 ("CGST Rules") on or before March 24, 2020, and its period of validity expires during the period March 20, 2020 to April 15, 2020.

The notification can be accessed at: https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-40-central-tax-english-2020.pdf

CBIC further extends the due date for filing GSTR-9 & GSTR-9C for F.Y 2018-19 till September 30, 2020



CBIC vide Notification No. 41/2020 - Central Tax dated May 05, 2020 which further extends the time limit for furnishing of the Annual Return i.e. Form GSTR-9, specified under section 44 of the Central Goods and Tax Act, 2017 ("CGST Act") read with rule 80 of the CGST Rules, electronically through the common portal, for the Financial Year 2018-2019 till September 30, 2020.

The notification can be accessed at: https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-41-central-tax-english-2020.pdf

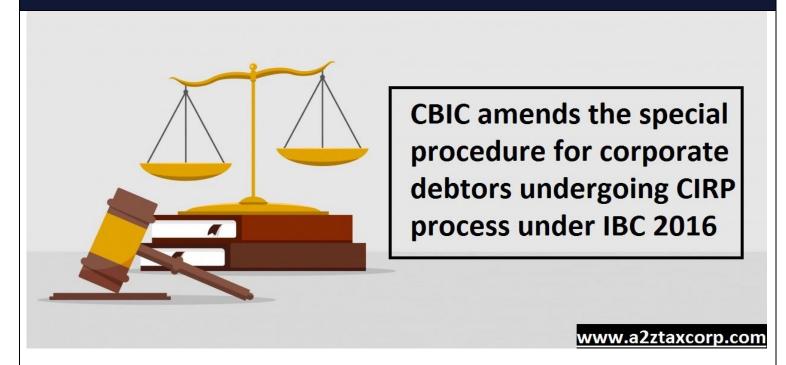


The CBIC vide Notification No. 38/2020 - Central Tax dated May 05, 2020, which makes further amendments in the CGST Rules. The following are the amendments made under the rules are as under:-

- 1. In rule 26(1) i.e. Method of Authentication, after the provision of sub-rule 1, the following proviso has been inserted are as:- Provided further that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall, during the period from the 21st day of April 2020 to the 30th day of June 2020, also be allowed to furnish the return under section 39 in FORM GSTR-3B verified through electronic verification code (EVC). Therefore, the registered person registered under Companies Act, 2013 is allowed to file the Form GSTR-3B during the period April 21, 2020 to June 30, 2020, through electronic verification code (EVC). This provision is effective from April 21, 2020.
- 2. After rule 67, a new rule 67A i.e. Manner of furnishing of return by short messaging service facility is inserted in the following manner:-Notwithstanding anything contained in this Chapter, for a registered person who is required to furnish a Nil return under section 39 in FORM GSTR-3B for a tax period, any reference to electronic furnishing shall include the furnishing of the said return through a short messaging service using the registered mobile number and the said return shall be verified by a registered mobile number based One Time Password facility. Explanation. For the purpose of this rule, a Nil return shall mean a return under section 39 for a tax period that has nil or no entry in all the Tables in FORM GSTR-3B. Therefore, a registered person can file the Nil Return under section 39 i.e. Form GSTR-3B through SMS from his registered mobile number, to be verified based on the OTP facility. This rule 67A will effect from a date to be notified later.

The notification can be accessed at: https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-38-central-tax-english-2020.pdf

CBIC amends the special procedure for corporate debtors undergoing CIRP process under IBC 2016



The CBIC vide Notification No. 39/2020 - Central Tax dated May 05, 2020, which makes an amendment to the special procedure for Corporate Debtors undergoing the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 vide Notification No. 11/2020-CT dated Mar 21, 2020. The following are the amendment made In the rules are as under:-

- 1. In the first paragraph, the following proviso shall be inserted, namely: -"Provided that the said class of persons shall not include those corporate debtors who have furnished the statements under section 37 and the returns under section 39 of the said Act for all the tax periods prior to the appointment of IRP/RP". Therefore, the notified registered person who have filed Form GSTR-1 under section 37 and Form GSTR-3B under section 39 shall not be included in corporate debtors for the appointment of IRP/RP.
- 2. For paragraph 2, with effect from March 21, 2020, the following paragraph shall be substituted, namely:
 -"2. Registration.- The said class of persons shall, with effect from the date of appointment of IRP / RP, be treated as a distinct person of the corporate debtor, and shall be liable to take a new registration (hereinafter referred to as the new registration) in each of the States or Union territories where the corporate debtor was registered earlier, within thirty days of the appointment of the IRP/RP or by 30th June, 2020, whichever is later".

The Notification can be accessed at: https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-39-central-tax-english-2020.pdf

CBIC issued clarification w.r.t. challenges in implementing the GST Law



CBIC issued clarification w.r.t. challenges in implementing the GST Law

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The CBIC vide Circular No. 138/08/2020 – GST dated May 06, 2020 which has clarified the challenges which were faced by the registered person in implementing the GST Law. The following are the clarification made by the department are as thereunder:-

SI. No.	Issue	Clarification
	Issues related to Insolvency	and Bankruptcy Code, 2016
1.	Notification No. 11/2020 – Central Tax dated	Vide notification No. 39/2020- Central Tax, dated
	21.03.2020, issued under section 148 of the	05.05.2020, the time limit required for obtaining
	CGST Act provided that an IRP / CSIRP is	registration by the IRP/RP in terms of special
	required to take a separate registration within	procedure prescribed vide notification No. 11/2020 –
	30 days of the issuance of the notification. It has	Central Tax dated 21.03.2020 has been extended.
	been represented that the IRP/RP are facing	Accordingly, IRP/RP shall now be required to obtain
	difficulty in obtaining registrations during the	registration within thirty days of the appointment of
	period of the lockdown and have requested to	the IRP/RP or by 30th June, 2020, whichever is later.
	increase the time for obtaining registration	
	from the present 30 days limit.	
2.	The notification No. 11/2020– Central Tax dated	i. The notification No. 11/2020- Central Tax dated
	21.03.2020 specifies that the IRP/RP, in respect	21.03.2020 was issued to devise a special procedure to
	of a corporate debtor, has to take a new	overcome the requirement of sequential filing of
	registration with effect from the date of	FORM GSTR-3B under GST and to align it with the
	appointment. Clarification has been sought	provisions of the IBC Act, 2016. The said notification
	whether IRP would be required to take a fresh	has been amended vide notification No. 39/2020 -

registration even when they are complying with all the provisions of the GST Law under the registration of Corporate Debtor (earlier GSTIN) i.e. all the GSTR-3Bs have been filed by the Corporate debtor / IRP prior to the period of appointment of IRPs and they have not been defaulted in return filing.

Central Tax, dated 05.05.2020 so as to specifically provide that corporate debtors who have not defaulted in furnishing the return under GST would not be required to obtain a separate registration with effect from the date of appointment of IRP/RP.

- ii. Accordingly, it is clarified that IRP/RP would not be required to take a fresh registration in those cases where statements in FORM GSTR-1 under section 37 and returns in FORM GSTR-3B under section 39 of the CGST Act, for all the tax periods prior to the appointment of IRP/RP, have been furnished under the registration of Corporate Debtor (earlier GSTIN).
- 3. Another doubt has been raised that the present notification has used the terms IRP and RP interchangeably, and in cases where an appointed IRP is not ratified and a separate RP is appointed, whether the same new GSTIN shall be transferred from the IRP to RP, or both will need to take fresh registration.
- i. In cases where the RP is not the same as IRP, or in cases where a different IRP/RP is appointed midway during the insolvency process, the change in the GST system may be carried out by an amendment in the registration form. Changing the authorized signatory is a non-core amendment and does not require approval of tax officer. However, if the previous authorized signatory does not share the credentials with his successor, then the newly appointed person can get his details added through the Jurisdictional authority as Primary authorized signatory.
- ii. The new registration by IRP/RP shall be required only once, and in case of any change in IRP/RP after initial appointment under IBC, it would be deemed to be change of authorized signatory and it would not be considered as a distinct person on every such change after initial appointment. Accordingly, it is clarified that such a change would need only change of authorized signatory which can be done by the authorized signatory of the Company who can add IRP/RP as new authorized signatory or failing that it can be added by the concerned jurisdictional officer on request by IRP/RP.

Other COVID-19 related representations.

- 4. As per notification no. 40/2017- Central Tax (Rate) dated 23.10.2017, a registered supplier is allowed to supply the goods to a registered recipient (merchant exporter) at 0.1% provided, *inter-alia*, that the merchant exporter exports the goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier. Request has been made to clarify the provision vis-à-vis the exemption provided vide notification no. 35/2020-Central Tax dated 03.04.2020.
- i. Vide notification No. 35/2020-Central Tax dated 03.04.2020, time limit for compliance of any action by any person which falls during the period from 20.03.2020 to 29.06.2020 has been extended up to 30.06.2020, where completion or compliance of such action has not been made within such time.
- ii. Notification no. 40/2017-Central Tax (Rate) dated 23.10.2017 was issued under powers conferred by section 11 of the CGST Act. The exemption provided in notification No. 35/2020-Central Tax dated 03.04.2020 is applicable for section 11 as well.

iii. Accordingly, it is clarified that the said requirement of exporting the goods by the merchant exporter within 90 days from the date of issue of tax invoice by the registered supplier gets extended to 30th June, 2020, provided the completion of such 90 days period falls within 20.03.2020 to 29.06.2020. Sub-rule (3) of that rule 45 of CGST Rules Time limit for compliance of any action by any person which falls during the period from 20.03.2020 to requires furnishing of FORM GST ITC-04 in respect of goods dispatched to a job worker or 29.06.2020 has been extended up to 30.06.2020 received from a job worker during a quarter on where completion or compliance of such action has or before the 25th day of the month succeeding not been made within such time. Accordingly, it is clarified that the due date of furnishing of FORM GST that quarter. Accordingly, the due date of filing of FORM GST ITC-04 for the guarter ending ITC-04 for the guarter ending March, 2020 stands March, 2020 falls on 25.04.2020. Clarification extended up to 30.06.2020. has been sought as to whether the extension of time limit as provided in terms of notification No. 35/2020-Central Tax dated 03.04.2020 also covers furnishing of FORM GST ITC-04 for quarter ending March, 2020

The Circular can be accessed at: https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular Refund 138 8 2020.pdf; jsessionid=EBD7E8E142C6EDC57E822C0601A5BC5E

DGFT amends the Export Policy by prohibiting the export of alcohol-based hand sanitizers



The DGFT vide *Notification No. 04/2015-20 dated May 06, 2020*, which makes the following amendments in the Notification No. 53 dated 24.03.2020 related to the export policy of Sanitizers by prohibiting the export of Alcohol-based Hand Sanitizers falling under any ITC HS Code including the HS Codes, with immediate effect:

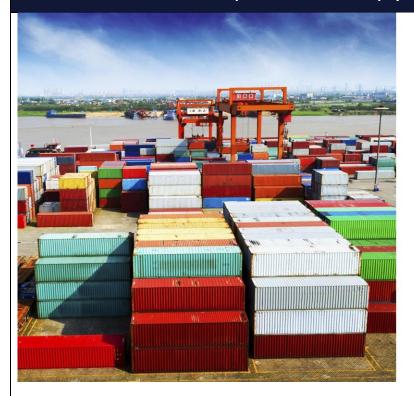
S. No	ITC HS Codes	Description	Present Policy
207 D	ex3004	Alcohol-Based Hand Sanitizers	Prohibited
	ex3401		
	ex3402		
	380894		

Effect of this Notification:

The Notification No. 53 dated 24.03.2020 is amended to the extent that only "Alcohol-based Hand Sanitizers" falling under any ITC HS Code including the HS Codes mentioned above are prohibited for export. All other items falling under the above HS codes are freely exportable.

The Notification can be accessed at: https://dgft.gov.in/sites/default/files/Noti%204%20dt%2006.05.2020%20Eng 0.pdf

DGFT issued clarification with respect to submission of physical copy of Pre-shipment Inspection Certificate (PSIC)



DGFT issued clarification with respect to submission of physical copy of Pre-shipment Inspection Certificate (PSIC)

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The DGFT vide *Trade Notice. 09/2020-2021 dated May 06, 2020*, which issued a clarification with respect to submission of the Pre-shipment Inspection Certificate (PSIC). The Import policy of metallic scrap and waste requires importers to furnish the Pre-shipment Inspection Certificate (PSIC) for customs clearance of metal scrap and waste imports in accordance with the conditions laid out in Para 2.54 of Handbook of Procedures, 2015-2020. Therefore, it has come to the notice of this Directorate that importers have been finding it difficult to submit the original copy of PSIC document due to the prevailing situations during COVID-19 related lockdown.

- 2. It has been decided that a scanned copy of the PSIC document may be accepted in place of a physical copy for the purpose of Customs clearance. However, the importer has to provide an undertaking to the concerned Custom Authority at the time of the clearance as given in the Annexure to this Trade Notice.
- 3. The Customs Authorities may take a scanned copy of the PSIC document submitted by the importers for clearance without asking for the physical copy. The original physical copy of the PSIC needs to be submitted to Customs within 60 days of the clearance.
- 4. This facility is allowed only till June 30, 2020, in view of the present situation of document movement interruption due to COVID-19. This issues with the approval of the competent authority.

The Trade Notice can be accessed at: https://dgft.gov.in/sites/default/files/Trade Notice 9.pdf

Customs Officers of Nhava Sheva issued SOP for Export of Sanitizers, Masks, Paracetamol, Hydroxychloroquine etc.



Customs Officers of Nhava Sheva issued SOP for Export of Sanitizers, Masks, Paracetamol, Hydroxychloroquine etc

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The Commissioner of Customs, Mumbai Nhava Sheva issued Standing Order dated May 08, 2020 which laid down the Standard Operating Procedure ("SOP") for Export of Sanitizers, Masks, Paracetamol, Hydroxychloroquine, etc, on the recommendation of Ministry of Externals Affairs, DGFT. The following procedure should be followed for export of the above-mentioned goods/items:

- 1. SIIB(X), JNCH would maintain a separate register of Exemption Certificates issued by the DOFF to the exporters of the above-mentioned items and the shipment details against each Certificate.
- 2. Exporters allowed to export against such Exemption Certificates shall make a request for issuance of NOC from SIID(X), JNCII at siibx.jnch@gov.in using their entity based email addresses. The exporter shall provide CFS details and attach scanned copies of the Check List/Shipping Bill.
- 3. For every Shipping Bill, a unique number would be assigned by SIIB(X), JNCH. 5115(X), JNCH shall debit the Value/Quantity to be exported from the Balance Value/Quantity for the said Exemption Certificate as per the records maintained in the section. Thereafter the request of the exporter shall be presented before the Additional Commissioner of Customs, SIIB(X) for NOC. Once approved, a scanned copy of the NOC shall be sent over email to the AC/DC of the concerned CFS and copy to the exporter.
- 4. The above NOC of SIIB(X) shall be presented to the concerned officer at the time of registration of Shipping Bill along with the Exemption Certificate. The concerned Officer at Docks will ensure that the Exemption Certificate is uploaded on e-Sanchit for the respective Shipping Bill. The concerned officer would issue LEO to the shipping bill only on verification of NOC and would specifically mention in the comments column/examination report regarding having seen the same along with the unique number mentioned in the NOC of 5118(X). Any difficulty in implementing the above Standing Order shall be brought to the notice of Shri Rahul Kumar, Deputy Commissioner of Customs, SIIB(X) at siibx.jnch@gov.in

The SOP can be accessed at: http://www.a2ztaxcorp.com/wp-content/uploads/2020/05/New-DUMT-08052020.pdf

Important Updates

GSTN has issued Alert to the Taxpayers on fake messages on GST Refund



It has been observed that some fraudulent messages are being circulated on WhatsApp, Email, and SMS, claiming to process a GST refund. It clearly shows that some miscreants have started to take undue advantage of the Covid-19 crisis, by sending out fake messages with phishing links. One such link takes to a portal claimed to have been developed by GSTN. The same is fake and the Government has notified only www.gst.gov.in as the common portal, under the GST Laws.

Through such links, the taxpayers are asked to fill important information such as- Personal details, Address, Refund Details, and KYC Verification, which may not just cause financial losses to the taxpayer but also enable such unscrupulous elements to steal their personal data for mala fide intentions.

Please be informed that GST refunds can be claimed through the GST portal www.gst.gov.in only. Any other source, a portal with a similar interface, a message claiming to process GST refunds are fraudulent. Please also note that GST Network does not ask personal information, refund details, and KYC verification through email, WhatsApp or SMS or through any other website.

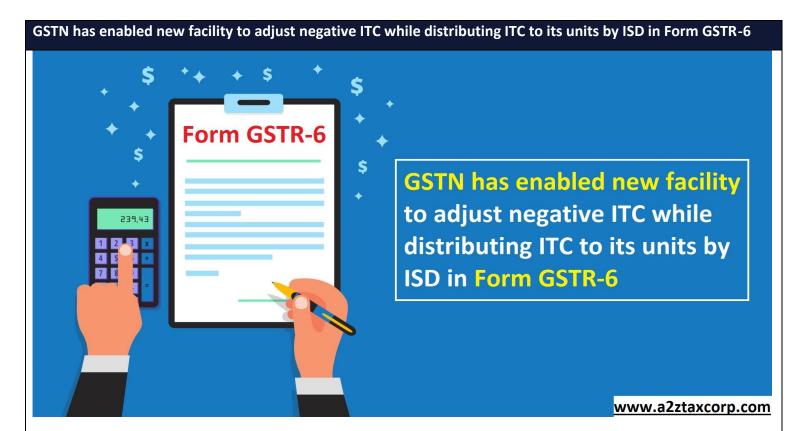
Taxpayers are advised to remain cautious against such messages and use the GST portal <u>www.gst.gov.in</u> for refund application or any other GST related activity.

Do's and Don'ts regarding Refund applications

Do's	Don'ts

Use only GST portal <u>www.gst.gov.in</u> for claiming refunds	Do not reply to any message claiming to process GST refunds
For any information on claiming GST refund, checking status of the refund application read https://www.gst.gov.in/help/refund	Do not open any link or attachment in the message
Remember that GST Network never call detailed personal information and refund details on email, WhatsApp or SMS	Never till any personal detail and other intormation on
Stay updated with News & Update section of www.gst.gov.in for any official and authorized information	
In case of any query of confusion, please call GST helpdesk 1800-103-4786.	Do not trust information from any source other than the GST portal which uses similar portal names and interface

Source: https://www.gst.gov.in/newsandupdates/read/376



The GSTN Portal has enabled a new facility in Form GSTR-6. The adjustment of negative Input Tax Credit ("ITC"), while distributing credit to its units by ISD, through Form GSTR-6.

• The persons registered as ISD can distribute ITC among its Units by filing Form GSTR-6, every month.

Previously, ISD was not able to adjust negative ITC to its units, under a major head through ITC available
under another major head. For example, if in a particular month, no ITC had accrued under a head but ITC
reversal was required to be done under that head or in cases where no inward supplies under a head but
receipt of Credit Note(s) under that head for past supplies etc.

ISD would now be able to adjust negative ITC while distributing credit through Form GSTR 6.

Source: CBIC Weekly Update dated May 02, 2020, Page No: 18

GSTN has enabled the facility for creation of Electronic Cash Ledger and Liability Register for UIN holders



The GSTN has enabled a new facility for UIN holders for the creation of Electronic Cash Ledger and Liability Register for UIN holders.

- UIN holders can claim a refund under section 55 of the CGST Act. The facility of Cash Ledger and Liability Register was not provided to UIN holders earlier, as they were only claiming refunds.
- As there is no check on invoices reported in Form GSTR-11, for claiming a refund, it was possible for the UIN holders to claim an excess refund in Form GST RFD-10, inadvertently.
- In such a scenario, there was no mechanism in place for the UIN holder to deposit the excess refund claimed voluntarily or for the Tax Officer to create a demand against them.

Source: CBIC Weekly Update dated May 02, 2020, Page No. 19

Important Press Releases

Shri Gadkari calls upon Fragrance and Flavours Association of India to focus on domestic production & import substitution



Union Minister for MSME and Road Transport and Highways, Shri Nitin Gadkari today held a meeting via video conferencing with the members of Fragrances and Flavours Association of India on the impact of COVID-19 on the startup ecosystem and MSMEs. During this interaction, the members expressed concerns regarding various challenges being faced by MSMEs amid COVID-19 pandemic along with few suggestions and requested support from the government to keep the sector afloat.

Shri Gadkari suggested to the Fragrances and Flavours Industry to focus on domestic production of products instead of using imported products and emphasized the domestic production of bamboo. He added that industry should focus more on innovation, technology and research skill to become competitive in the global market.

Some of the major issues highlighted and the suggestions given included: Higher import duty on raw material and lower import duty on finished items, power and transport issues in North East region, payment of salaries to workers, strengthening access to finance, working capital issue, fast track Income tax refund to provide liquidity. Shri Gadkari responded to the questions from representatives and assured all possible help from the government. He informed that he would take up the issues with related departments.

The Press Release can be accessed at: https://pib.gov.in/PressReleasePage.aspx?PRID=1621553

Shri Gadkari: Industries Should Take Positive Approach and Tap the Opportunities Created After Covid-19 Crisis Gets Over



Union Minister for MSME and Road Transport and Highways Shri Nitin Gadkari has said that industries should keep a positive outlook and tap the opportunities that may arise after COVID pandemic is over. He was addressing a webinar on "MSME and Infrastructure, Post COVID-19: Life of these two lifelines of the Indian Economy", organized today by Indore Management Association.

Shri Gadkari called upon the industry that it is needed to be ensured by industries that necessary preventive measures are taken to prevent the spread of COVID-19. He emphasized that organizations should ensure that their workers and executives are taken care of - by providing food, shelter and maintaining social distancing norms. He emphasized that industry should take a positive approach and tap the opportunities that will be created when the COVID-19 crisis gets over.

He stated that all the stakeholders must adopt an integrated approach to come over the crisis while ensuring the lives and livelihood of the people. Shri Gadkari also urged the industry to have a positive attitude during this time to tide over this crisis.

The Union Minister emphasized that special focus towards export enhancement is the need of the hour. Further, he mentioned that there is also need to focus on import substitution to replace imports with domestic production.

The Minister recalled that Government of Japan has offered special package to its industries for taking out Japanese investments from China and move elsewhere. He opined that it is an opportunity for India which should be grabbed.

Some of the major issues highlighted and the suggestions given included: Increasing provision of 10% of working capital limit as additional funds to 30%, relaxation in Companies Act so that liquidity can be arranged from social circle, benefit for labourers infected by COVID-19, relaxation in labour laws, relaxation in electricity bills during

the lockdown, deferring GST and advance tax, introducing a scheme for COVID-19 similar to Voluntary Disclosure of Income scheme, etc.

Shri Gadkari responded to the questions from representatives and assured all possible help from the government. He informed that he would take up the issues with related departments.

The Press Release can be accessed at: https://pib.gov.in/PressReleasePage.aspx?PRID=1621829

Videos of the Week





You can access the complete video on "Transitional Credit can be claimed till 30-06-2020 || CA (Adv) Bimal Jain" at following link: https://youtu.be/wEXIgBao5p8

Income Tax

Important Updates

CNBC-TV18: Government's F.Y-20 direct tax collections are over Rs 1.2 lakh Cr



#TopStory | Govt's FY20 direct tax collections are over Rs 1.2 lakh cr short of target, sources say GST collections in March are just over Rs 61,000 cr as Centre explores additional measures to shore up revenue. Details at 9 pm on India Biz Hour, India's only news bulletin at 9 pm

As per the recent tweet of CNBC-TV18, the Government F.Y-2020 the direct tax collections are over Rs 1.2 lakh Cr short of the target, sources say GST collections in March are just over Rs 61,000 Cr as Centre explores additional measures to shore up revenue.

Source: https://twitter.com/CNBCTV18Live/status/1258049158746783744





After rejecting "ill-conceived" suggestions by a group of Indian Revenue Services (IRS) officers, the CBDT directed officials not to keep any communication with assessees or issue scrutiny notices to them without the board's approval. According to it, any such notice would have an "adverse effect" on the assessees amid the coronavirus (Covid19) pandemic. These directives are part of the interim action plan for the first quarter (April-June) prepared by the direct tax board. It highlights certain areas which need immediate attention and preparedness until normalcy returns.

The move comes at a time when the tax department faced widespread criticism on a report prepared by a group of IRS officers. It had created panic and tax policy uncertainty at a time when India is already going through a difficult economic situation. "Identification and preparedness regarding the issuance of notice under Section 148, which deals with income escaping and return filing in all eligible cases, should be done by June 30. However, these notices are to be issued only after getting fresh communication from the board in this regard," said the CBDT note. It added that due to the unprecedented situation arising out of Covid-19-induced social distancing and lockdown this year, a relatively short interim action plan has been issued.

Considering the current situation, we have been putting a slew of tax relief measures to mitigate the impact on business and even on household. Any such communication may put pressure on the taxpayers and create unnecessary panic. A new system had already been put in place to make officials accountable for their communication with assessees. However, during the lockdown, even such communication would not go without the board consent, said a CBDT official. Other than keeping no communication with assessees, the tax officials have been asked to centralise cases where searches took place in the financial year 2019-20. This is because once lockdown is lifted, the officials would work on disposing them on merit. Moreover, the CBDT asked officials to be prepared for tax demands in cases of international taxation, tax deduction at source and exemption-related charges.

The board wants the department to examine all pending demands, according to permanent account number (PAN) and assessment years. It also removed demands which are creating duplication and are lying in the system. Besides, officials were asked to reconcile brought-forward cases, especially on TDS, based on the information available on the Traces portal for TDS units. The interim action plan also instructed officials to dispose of all applications concerning granting registration to charitable trusts received upto March 31. Meanwhile, the direct tax board told its officials to upload manual orders on the systems, especially those under Section 263. It deals with appeals where the principal commissioner or commissioner may call for and examine the record of any proceeding. He or she may consider an order passed by the assessing officer to be erroneous, if it is prejudicial to the interests of the revenue.

Re-registration deadline of trusts extended

The CBDT extended the deadline for re-registration of charitable and religious trusts to October 1 owing to
the pandemic. The move comes after the apex body and the finance ministry received several
representations expressing concerns over the implementation of the new procedure for reregistration
effective from June 1. The Finance Act 2020 rationalised the procedures with respect to the approval,
registration and intimation of certain such entities effective from June 1.

Read More at: https://www.business-standard.com/article/economy-policy/cbdt-orders-tax-officials-to-not-issue-scrutiny-notices-to-taxpayers-120050801477 1.html

Important Press Releases

CBDT issued clarification in respect of residency under Section 6 of the Income Tax Act, 1961



CBDT Issued Clarification in respect of residency under section 6 of the Income-tax Act, 1961

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Section 6 of the Income-tax Act, 1961 ("the Income Tax Act") contains provisions relating to the residency of a person. The status of an individual as to whether he is resident in India or a non-resident or not ordinarily a resident, is dependent, inter-alia, on the period for which the person is in India during a year.

Various representations have been received stating that there is number of individuals who had come on a visit to India during the previous year 2019-20 for a particular duration and intended to leave India before the end of the previous year for maintaining their status as a non-resident or not ordinarily resident in India. However, due to the declaration of the lockdown and suspension of international flights owing to an outbreak of the Novel Corona Virus (COVID-19), they are required to prolong their stay in India. Concerns have been expressed that they may involuntarily end up becoming Indian residents without any intention to do so.

In order to avoid genuine hardship in such cases, the CBDT has decided vide <u>Circular No 11 dated May 8, 2020</u>, that for the purposes of determining the residential status under section 6 of the Act during the previous year 2019-20 in respect of an individual who has come to India on a visit before 22nd March, 2020 and:

- has been unable to leave India on or before 31st March 2020, his period of stay in India from 22nd March, 2020 to 31st March, 2020 shall not be taken into account; or
- has been quarantined in India on account of Novel Corona Virus (Covid-19) on or after 1st March, 2020 and has departed on an evacuation flight on or before 31st March, 2020 or has been unable to leave India on or before 31st March, 2020, his period of stay from the beginning of his quarantine to his date of departure or 31st March, 2020, as the case may be, shall not be taken into account; or
- has departed on an evacuation flight on or before 31st March, 2020, his period of stay in India from 22nd March, 2020 to his date of departure shall not be taken into account.

Further, as the lockdown continues during the Financial Year 2020-21 and it is not yet clear as to when international flight operations would resume, a circular excluding the period of stay of these individuals up to the date of normalization of international flight operations, for determination of the residential status for the previous year 2020-21 shall be issued after the said normalization.

The Press Release can be accessed at: https://pib.gov.in/PressReleasePage.aspx?PRID=1622386

CBDT issued new procedure for registration, approval, etc. of certain entities deferred to Oct 01, 2020



New procedure for registration, approval, etc. of certain entities deferred to 1st October, 2020

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In view of the unprecedented humanitarian and economic crisis, the CBDT has decided that the implementation of a new procedure for approval/ registration/notification of certain entities shall be deferred to 1st October, 2020. Accordingly, the entities approved/ registered/ notified under section 10(23C), 12AA, 35 and 80G of the Incometax Act would be required to file intimation within three months from 1st October, 2020, i.e, by 31st December, 2020. Further, the amended procedure for approval/ registration/ notification of new entities shall also apply from 1st October, 2020. The necessary legislative amendments in this regard shall be proposed in due course.

Various representations were received in the finance ministry expressing concerns over the implementation of the new procedure from 1st June, 2020 due to the outbreak of novel coronavirus (COVID-19) and consequent lockdown. There have been a number of requests to defer the applicability of the new procedure.

It may be noted that The Finance Act, 2020 rationalized the procedure relating to approval/ registration/ notification of certain entities referred to in sections 10(23C), 12AA, 35 and 80G of the Act, with effect from 1st June, 2020. As per the new procedure, the entities already approved/ registered/ notified under these sections would be required to file intimation within three months, i.e, by 31st August, 2020. Further, the procedure for approval/ registration/ notification of new entities has also been rationalized with effect from 1st June, 2020.

The Press Release can be accessed at: https://pib.gov.in/PressReleasePage.aspx?PRID=1622387

News Flash

Pre-GST CENVAT credit available till June-end revised

https://www.a2ztaxcorp.com/pre-gst-cenvat-credit-available-till-june-end-revised/

Delhi HC allows Bharti Airtel to rectify GST returns of ₹923 crores

https://www.a2ztaxcorp.com/delhi-hc-allows-bharti-airtel-to-rectify-gst-returns-

of-%e2%82%b9923-crores/

Major relief to business community in filling GST statements: Min

https://www.a2ztaxcorp.com/major-relief-to-business-community-in-filling-gst-statements-min/

• Revenue loss during lockdown means fuel prices under GST unlikely in near future

https://www.a2ztaxcorp.com/revenue-loss-during-lockdown-means-fuel-prices-under-gst-unlikely-in-near-future/

COVID-19 impact: States see sharp erosion in GST collections for April

https://www.a2ztaxcorp.com/covid-19-impact-states-see-sharp-erosion-in-gst-collections-for-april/

Centre urged to release pending GST payments to tide over financial crisis

https://www.a2ztaxcorp.com/centre-urged-to-release-pending-gst-payments-to-tide-over-financial-crisis/

PIB Issued stats on Pradhan Mantri Garib Kalyan Package

https://www.a2ztaxcorp.com/pib-issued-stats-on-pradhan-mantri-garib-kalyan-package/



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A2Z TAXCORP LLP is a boutique Indirect Tax firm having professionals from Multi disciplines which includes Goods and Services Tax (GST), Central Excise, Custom, Service Tax, VAT, DGFT, Foreign Trade Policy, SEZ, EOU, Export – Import Laws, Free Trade Policy etc.

Thanks & Best Regards,

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