



# Weekly GST Communique



## GST

### Important Ruling of the week

- **AAR: Leasehold-right assignment by corporate debtor attracts GST at 18%**

### Important Notifications of the week

- **India defers certificate requirement for rice export to European countries from Jan 01, 2021**
- **Government tightens import norms for certain chemicals and plastics**

### Important Press Releases of the week

- **Measures to aid MSMEs will help improve the economy, says Gadkari**
- **Ministry of Defence: Indigenously built items included in negative list to ensure defence services do not go for procurement ex-import**
- **Nitin Gadkari calls upon Apparel Export Promotion Council for taking measures to target increasing exports by two times**

### Important Updates of the week

- **CBIC released updated CGST Rules, 2017 upto July 30, 2020**
- **CBIC released updated Forms in Part B of CGST Rules, 2017 upto July 30, 2020**

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### Videos of the week

- **Problems of Taxpayers in GST || CA Bimal Jain**
- **Overview and Intricacies of RCM under GST || CA Bimal Jain**
- **Hand Holding for preparation of GSTR 9 & GSTR 9C with spillover effects of FY 2017-18 || CA Bimal Jain**

## Income Tax

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### Important Guidance Note, Order of the week

- **CBDT launched the Faceless Assessment Scheme, 2019 for Survey u/s 133A of IT Act w.e.f. Aug 13, 2020**
- **CBDT issues guidance note on MAP, stipulates cases where ITAT has passed order**

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### Important Press Releases of the week

- **Income Tax officials raid premises of Chinese entities, target hawala deals with Indian affiliates**
- **PM Shri Narendra Modi to launch the platform for “Transparent Taxation Honoring the Honest” on the August 13, 2020**

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## GST

## Important Ruling of the week

AAR: Leasehold-right assignment by corporate debtor attracts GST at 18%



Putting to rest all confusion on the applicability of indirect tax on transactions related to assets under liquidation, the West Bengal Authority for Advance Ruling (AAR) has said that leasehold-right assignment by a corporate debtor attracts 18 percent GST.

The AAR held that activity of assignment of asset leasehold factory unit with car parking space leased by West Bengal Development Corporation (sub-lessor to corporate debtor) is a service taxable as 'Other Miscellaneous Service' and therefore GST to be levied at 18 percent. It observed that the sub-lessor has allowed possession of the demised premises for the manufacture of garments and textiles. The West Bengal Development Corporation has no title or ownership, which is central to sale of any immovable property within the meaning Transfer of Property Act, 1882.

Liquidation has been initiated following the National Company Law Tribunal (NCLT) order wherein Enfield Apparels has been admitted as a corporate debtor. This ruling gets importance keeping in mind the large number of liquidation cases.

The AAR can be accessed at: [http://wbcomtax.nic.in/GST/GST\\_Advance\\_Ruling/05WBAAR2020-21\\_20200810.pdf](http://wbcomtax.nic.in/GST/GST_Advance_Ruling/05WBAAR2020-21_20200810.pdf)

Read More at: <https://www.thehindubusinessline.com/economy/leasehold-right-assignment-by-corporate-debtor-attracts-gst-at-18-aar/article32336588.ece>

## Important Notifications of the week

### India defers certificate requirement for rice export to European countries from Jan 01, 2021



**India on Tuesday deferred the requirement of a certificate of inspection by export inspection agencies for exporting rice to European countries from January 01, 2021.**

The DGFT amended the export policy and said that the export of Rice (Basmati and Non-Basmati) to EU member states and other European Countries namely Iceland, Liechtenstein, Norway and Switzerland only will require Certificate of Inspection from Export Inspection Council (EIC) or Export Inspection Agency (EIA).

EIC is the official export certification body of India which ensures quality and safety of products exported from India.

**“Export to remaining European countries (except Iceland, Liechtenstein, Norway and Switzerland) will require Certificate of Inspection by Export Inspection Council/Export Inspection Agency for export from January 01, 2021,”** DGFT said in the notification.

It had, in January, said that a certificate of inspection by export inspection agencies will be mandatory for exports to remaining European countries with effect from July 01, 2020. India’s rice export to Europe was \$278.68 million in FY20, 13.7% lower than the \$323.09 million in FY19.

The Notification can be accessed at: <https://content.dgft.gov.in/Website/dgftprod/97dd6bc7-3a23-431a-ba2f-41b7045e2d44/Noti%2024%20Eng.pdf>

Read More at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-defers-certificate-requirement-for-rice-export-to-european-countries-to-jan-1-2021/articleshow/77487967.cms>

### Government tightens import norms for certain chemicals and plastics



**India on Tuesday tightened the import norms for certain chemicals and plastics mandating their importers to submit the bill of entry to the ministry of environment, forests and climate change for some items and prohibited the imports of those which contain HCFC, an ozone-depleting chemical.** These chemicals are used in cleaning agents, fire extinguishers and refrigerants and China is the largest exporter of these goods to India.

The DGFT inserted a new policy condition for various chemicals including organic chemicals. **“The importers shall, for each import consignment, submit a copy of the bill of entry within 30 days to the Ozone Cell,”** DGFT said in a notification.

For dichloroflouroethanes, it said the import of HCFC-141b- a chemical used by foam manufacturing enterprises and one of the most potent ozone depleting chemical after Chlorofluorocarbons- is prohibited except for feedstock applications. HCFC-141b is not produced in the country and all the domestic requirements are met through imports. India had phased out HCFC-141 b by January 1, 2020 wherein it said the issuance of import license for the chemical is prohibited under the Environment (Protection) Act, 1986.

DGFT also prohibited the import of other polyesters and pre-blended polyols that are used by the foam industry.

The Notification can be accessed at: <https://content.dgft.gov.in/Website/dgftprod/eebdf38b-1844-4bc8-85a8-a0f765cd7ec8/Notification%20No%2026%20dated%2011%208%202020%20English.pdf>

Read More at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/government-tightens-import-norms-for-certain-chemicals-and-plastics/articleshow/77489476.cms>

## Important Press Releases of the week

### Measures to aid MSMEs will help improve the economy, says Gadkari



The various steps taken by the government to give relief to Micro, Small and Medium Enterprises (MSMEs) will help in improving the economy, said Minister of MSME Nitin Gadkari at an event.

“Changing the definition of MSMEs, Scheme of Fund of Funds, Champions portal, extended credits to MSMEs will certainly accelerate the wheels of economy which had slowed down due to lockdown in the wake of the pandemic,” said Gadkari while addressing a Virtual MSME Conclave organised by FICCI Karnataka State Council.

He also urged the stakeholders to shed fear and negativity and assured that the government is doing everything possible to make the country an economic power. **On the problem of delayed payments, Gadkari said, “Instructions have been given to all Ministries, Departments and PSUs to clear pending bills of MSMEs within 45 days”.**

The Ministry is also closely monitoring the complaints lodged at SAMADHAN Portal, he added.

#### Land bank

Gadkari also informed the participants of the webinar that the Ministry is working on the idea of a Land Bank and Social Micro Finance Institution for entrepreneurs and persons who want to run small shops and businesses.

While discussing Atmanirbhar Bharat Abhiyan, he said, **“Handloom, handicrafts, khadi industries and agro-based industries should be encouraged especially in the 115 aspirational districts. We will have to plan**

special policies for agricultural, rural and tribal sector because they have huge potential of creating employment”.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1644760>

Read More at: <https://www.thehindubusinessline.com/economy/measures-to-aid-msmes-will-help-improve-the-economy-says-gadkari/article32317591.ece>

### Ministry of Defence: Indigenously built items included in negative list to ensure defence services do not go for procurement ex-import



Indigenously built items including Light Combat Aircraft LCA Mark 1A, Pinaka rocket system and Akash missile system have been included in the negative list of imports to ensure that the defence services do not go in for procurement of similar systems ex-import, the Ministry of Defence said on Monday.

The MoD issued the clarification after release of negative list for import published on August 9 led to some queries. The Ministry has stated that these systems are also available in the international market. **"The reason for specifying systems presently made in India with part-import content is to ban procurement of such equipment or items which carry similar qualitative requirements but are often contracted under differing nomenclatures,"** the Ministry said.

It further added that for a product to be considered as an indigenous system, the percentage of indigenous content has to meet minimum laid down specifications. **"Hence, manufacturers are also required to ensure indigenisation and decrease import content to the permissible limits,"** it said. Light Combat Aircraft (LCA)

**MK I A, Land-Attack Cruise Missiles (Long-Range), 155 mm Artillery Ammunition are among the list of the 101 items that have been put under an import embargo by the MoD.**

The import embargo will come into effect on these items in a phased manner. The deadline has been set for December 2025. Defence Minister Rajnath Singh announced yesterday that the MoD will introduce import embargo on 101 items beyond given timeline to boost indigenisation of defence production and stated that it is as a big step towards 'Atmanirbhar Bharat' (selfreliance) in defence.

In a series of tweets, he made some major announcements and said that Defence Ministry has prepared a list of 101 items for which there would be an embargo on the import beyond the timeline indicated against them.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1644780>

Read More at: <https://timesofindia.indiatimes.com/india/indigenously-built-items-included-in-negative-list-to-ensure-defence-services-do-not-go-for-procurement-ex-import-defence-ministry>

**Nitin Gadkari calls upon Apparel Export Promotion Council for taking measures to target increasing exports by two times**



**Shri Nitin Gadkari, Union Minister for MSMEs has called upon the Apparel Export Promotion Council (AEPC) to take measures for increasing exports 2 times.** He also emphasized on technology upgradation and research to improve quality and remain cost-competitive in the global market. **He was speaking while inaugurating the Virtual Workshop A Joint initiative of Apparel Export Promotion Council and MSME**

**Ministry through Video Conference, Shri Gadkari said Government is providing support through package announced recently for liquidity, stress management in the MSME sector.**

Shri Gadkari also touched upon the need for lab testing camp of the products and design from the part of global standards and called for having a centre for design.

He further stressed upon the need to explore use of new source materials like bamboo in the textile industry. **Referring to the enormous employability and important role of MSMEs in the economy, especially in rural, tribal and backward areas, Shri Gadkari asked apparel/textile industries to set-up clusters in these areas and contribute to their development and employment generation which is a big priority.**

The Minister appreciated the role played by AEPC for its good work and the quality of exports which he said may be further improved. The Workshop had participants from the MSME and apparel industry who joined online.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1645044>

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**Important Updates of the week****CBIC released updated CGST Rules, 2017 upto July 30, 2020**

## CGST Rules 2017

**CBIC released updated CGST Rules, 2017 upto July 30, 2020****[www.a2ztaxcorp.com](http://www.a2ztaxcorp.com)**

The CBIC has released a copy of Central Goods & Services Tax Rules, 2017 (“CGST Rules”) as updated till July 30, 2020.

To access updated CGST Rules, please click here: <https://www.a2ztaxcorp.com/cgst-sgst-rules-2017/>

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CBIC released updated Forms in Part B of CGST Rules, 2017 upto July 30, 2020



CGST Rules 2017  
Part-B (FORMS)  
Updated till July 30, 2020

[www.a2ztaxcorp.com](http://www.a2ztaxcorp.com)

The CBIC has released a copy of CGST Rules **Part-B (Forms)** as updated till July 30, 2020.

To access updated CGST Rules, please click here: <https://www.a2ztaxcorp.com/gst-forms/>

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## Videos of the week

Problems of Taxpayers in GST || CA Bimal Jain



Problems of  
Taxpayers in GST

CA Bimal Jain



You can access the complete video on “Problems of Taxpayers in GST || CA Bimal Jain” at following link:  
<https://youtu.be/6z1bgFeSBZc>

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## Overview and Intricacies of RCM under GST || CA Bimal Jain



Overview and  
Intricacies of RCM  
under GST



CA Bimal Jain



You can access the complete video on “**Overview and Intricacies of RCM under GST || CA Bimal Jain**” at following link: <https://youtu.be/YJI4lqyV8xQ>

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Hand Holding for preparation of GSTR 9 & GSTR 9C with spillover effects of FY 2017-18 || CA Bimal Jain



Hand holding for  
preparation of GSTR-9  
and GSTR-9C  
with spillover effects  
of FY 2017-18



CA Bimal Jain



You can access the complete video on “**Hand Holding for preparation of GSTR 9 & GSTR 9C with spillover effects of FY 2017-18 || CA Bimal Jain**” at following link: <https://youtu.be/UEOGUsEsw54>

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## Income Tax

## Important Guidance Note, Order of the week

**CBDT launched the Faceless Assessment Scheme, 2019 for Survey u/s 133A of IT Act w.e.f. Aug 13, 2020**



## Central Board of Direct Taxes (CBDT)

**CBDT vide Order dated August 13, 2020, launched the Faceless Assessment Scheme, 2019, the Income-tax Department is moving towards minimal interface with the taxpayers, aiming at significant improvement in delivery of services and greater transparency in the working of the department.** The survey action u/s 133A of the Act being an intrusive action, it is expected that the same should be carried out with utmost responsibility and accountability.

Further, CBDT directs the officers posted in Directorates of Investigation (Investigation Wing) and Commissionerates of TDS, only and exclusively shall act as "Income-tax Authority" for the purposes of power of survey under section 133A of the Income Tax Act. The competent authority for approval of such survey action u/s 133A of the Act shall henceforth be DGIT (Inv) for investigation wing and Pr.CCIT/CCIT (IDS) for TDS charges, as the case may be.

*Note: This order shall come into force with effect from August 13, 2020.*

The Order can be accessed at: <http://www.a2ztaxcorp.com/wp-content/uploads/2020/08/final-Order-119-1.pdf>

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## CBDT issues guidance note on MAP, stipulates cases where ITAT has passed order



# CBDT Releases Guidance on Mutual Agreement Procedure

**Indian authorities will not deviate from the resolution order passed by statutory appellate body ITAT in cross-border tax disputes which are undergoing simultaneous resolution through mutual agreement procedure (MAP), the income tax department has said.** MAP is an alternative dispute resolution process under the tax treaties, under which competent authorities of two countries enter into discussions to resolve tax related disputes. As many as 600 tax disputes have been resolved under MAP between April 1, 2014 to December 31, 2018.

**The CBDT has come out with a guidance note on MAP which also specifies cases or situations in which India will provide access to MAP.**

Tax disputes relating to transfer pricing adjustments, determination of existence of a permanent establishment, attribution of profits to permanent establishments, characterisation or re-characterisation of an expense or receipt as a taxable expense or taxable income would be covered under MAP if they result in taxation not in accordance with the relevant DTAA's.

The guidance note also said that India shall provide access to MAP even in a situation where the Indian tax authorities apply domestic anti-abuse provisions. **The CBDT also said that in case of orders of Income Tax Appellate Tribunal (ITAT), the Competent Authorities (CAs) of India shall not deviate from the orders of the ITAT for the relevant year where the dispute is decided on merits.**

It said that since MAP and domestic remedy proceedings can be availed by the taxpayers simultaneously, there could be instances where the ITAT in India passes an order in respect of the same disputes that are also being examined under MAP.

**"Since the ITAT is an independent statutory appellate body, which is outside the administrative jurisdiction of the Indian tax authorities; and is the highest fact-finding body on tax matters, the CAs in India shall not**

**deviate from the orders of the ITAT for the relevant year where the dispute is decided on merits,"** the CBDT guidance note said.

The Guidance Note can be accessed at: <http://www.a2ztaxcorp.com/wp-content/uploads/2020/08/CBDT-Mutual-Agreement-Procedure-MAP-Guidance.pdf>

Read More at: <https://economictimes.indiatimes.com/news/economy/policy/cbdt-issues-guidance-note-on-map-stipulates-cases-where-itat-has-passed-order/articleshow/77446718.cms>

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## Important Press Releases of the week

### Income Tax officials raid premises of Chinese entities, target hawala deals with Indian affiliates



The Income Tax (I-T) Department on August 11, 2020 said it conducted search operations at various Chinese entities. The search was mounted following information that a few Chinese individuals and their Indian associates were involved in money laundering and hawala transactions through a series of shell companies, the CBDT said in a release.

It said some bank officials had also been raided. The tax department added that more than 40 bank accounts, with credits of over than Rs 1,000 crore, were created in various dummy entities at the behest of some Chinese individuals. The raids also revealed that a subsidiary of a Chinese company and its related entities have taken over Rs 100 crore in bogus advances from shell entities to open retail showrooms in India.

The CBDT said, "Further, incriminating documents in respect of hawala transactions and laundering of money with active involvement of bank employees and chartered accountants has been found as a result of search action. Evidences of foreign hawala transactions involving Hong Kong and US dollars have also been unearthed."

This comes at a time when anti-China sentiment in the country is running high. The Board of Control for Cricket in India (BCCI) on August 6 confirmed that Chinese handset major Vivo will not be associated with the Indian Premier League as its title sponsor for this year's edition, an announcement that came amid growing calls for the boycott of Chinese companies in India.

Earlier, the Centre also banned 59 Chinese apps in India, besides imposing 100 percent physical checks on all imports from its northern neighbour, and increasing scrutiny of Chinese investments in Indian firms by restricting foreign direct investment (FDI) from neighbouring countries without government approval.

All this, after the two countries' troops clashed at the Line of Actual Control (LAC) in Ladakh in June, in which 20 Indian soldiers were martyred.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1645219>

Read More at: <https://www.moneycontrol.com/news/india/income-tax-department-conducts-searches-on-premises-of-chinese-entities-5685391.html>

### PM Shri Narendra Modi to launch the platform for “Transparent Taxation Honoring the Honest” on the August 13, 2020



**Prime Minister will launch the platform for “Transparent Taxation - Honoring the Honest” via video conferencing on the August 13, 2020.**

**The CBDT has carried out several major tax reforms in direct taxes in the recent years. Last year the Corporate Tax rates were reduced from 30 percent to 22 percent and for new manufacturing units the rates were reduced to 15 percent. Dividend distribution Tax was also abolished.**

**The focus of the tax reforms has been on reduction in tax rates and on simplification of direct tax laws. Several initiatives have been taken by the CBDT for bringing in efficiency and transparency in the functioning of the IT Department. This includes bringing more transparency in official communication through the newly introduced Document Identification Number (DIN) wherein every communication of the Department would carry a computer generated unique document identification number. Similarly, to increase**

the ease of compliance for taxpayers, IT Department has moved forward with prefilling of income tax returns to make compliance more convenient for individual taxpayers. Compliance norms for startups have also been simplified.

**With a view to provide for resolution of pending tax disputes the IT Department also brought out the Direct Tax “Vivad se Vishwas Act, 2020” under which declarations for settling disputes are being filed currently.**

To effectively reduce taxpayer grievances/litigation, the monetary thresholds for filing of departmental appeals in various appellate Courts have been raised. Several measures have been taken to promote digital transactions and electronic modes of payment. The IT department is committed to take the initiatives forward and has also made efforts to ease compliances for taxpayers during the Covid times by extending statutory timeliness for filing returns as also releasing refunds expeditiously to increase liquidity in the hands of taxpayers.

**The upcoming launch of the platform for “Transparent Taxation – Honoring the Honest” by the Prime Minister will further carry forward the journey of direct tax reforms.**

The event will be witnessed by various Chambers of Commerce, Trade Associations, Chartered Accountants' associations and also eminent taxpayers, apart from the officers and officials of Income Tax Department. Union Minister of Finance and Corporate Affairs, Shrimati Nirmala Sitharaman and Minister of State for Finance and Corporate Affairs, Shri Anurag Singh Thakur will also present on the occasion.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1645243>

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## News Flash

- **GST Council likely to consider hiking cess on sin goods, amongst other options to garner funds for states' compensation**

<https://www.a2ztaxcorp.com/gst-council-likely-to-consider-hiking-cess-on-sin-goods-amongst-other-options-to-garner-funds-for-states-compensation/>

- **GST refunds for longer periods central to UP's new industrial policy**

<https://www.a2ztaxcorp.com/gst-refunds-for-longer-periods-central-to-ups-new-industrial-policy/>

- **GST superintendent duped of Rs. 1.91 lakh in KYC fraud in Mumbai**

<https://www.a2ztaxcorp.com/gst-superintendent-duped-of-rs-1-91-lakh-in-kyc-fraud-in-mumbai/>

- **Govt data: Only 1% of taxpayers earn over Rs. 50 lakh**

<https://www.a2ztaxcorp.com/govt-data-only-1-of-taxpayers-earn-over-rs-50-lakh/>

- **E-vehicle manufacturers in Ludhiana demand GST reduction on batteries**

<https://www.a2ztaxcorp.com/e-vehicle-manufacturers-in-ludhiana-demand-gst-reduction-on-batteries/>

- **Owner of non-existing firm booked for Rs 1 cr. tax evasion**

<https://www.a2ztaxcorp.com/owner-of-non-existing-firm-booked-for-rs-1-cr-tax-evasion/>

- **GoM to take up proposal on gold e-way bills to check tax evasion, smuggling**

<https://www.a2ztaxcorp.com/gom-to-take-up-proposal-on-gold-e-way-bills-to-check-tax-evasion-smuggling/>

- **GST intelligence detects over Rs 17 crore tax evasion by cement manufacturer**

<https://www.a2ztaxcorp.com/gst-intelligence-detects-over-rs-17-crore-tax-evasion-by-cement-manufacturer/>

**ABOUT US:**

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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