

# Tax Updates Alert

## September 2020

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Amit H Goel & Co.





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# Income Tax Updates

# Income Tax

Title	Brief
E-Assessment' now 'Faceless Assessment'; scope of E-assessment extended to cover best judgement assessments	CBDT has revised the 'E-assessment Scheme, 2019' notified on September 12, 2019. Now, e-assessment scheme shall be called Faceless Assessment. Now, the National e-Assessment Centre shall intimate the assessee for conduct of faceless assessment in case wherein notice has been issued by AO. The Board has also extended its scope to cover best judgment assessments. [NOTIFICATION NO. 60 / 2020, DATED 13-8-2020]
All Assessment Orders to be passed by National e-Assessment Centre under Faceless Assessment Scheme	CBDT has directed that all the assessment order shall be passed by the National e-Assessment Centre through the Faceless Assessment Scheme, 2019. However, the board has provided two exception in the cases assigned to Central Charges & International Tax Charges. Assessment order not in conformity with the said rule shall be treated as non-est and shall be deemed to have never been passed. [ORDER F. NO. 187/3/2020/ITA-I, DATED 13-8-2020]
CBDT amends jurisdiction of income-tax authorities under section 120	Jurisdiction of income-tax authorities have been defined under section 120 of the Income-tax Act, 1961. Following the implementation of faceless assessment to all taxpayer as announced by the PM Shri Narendra Modi, the Central Board of Direct Taxes (CBDT) has amended jurisdiction of various designation of the Income-tax Authorities. [NOTIFICATION NO. NO. 65/2020, DATED 13-8-2020]
CBDT notifies conditions to be satisfied by pension fund to become eligible for exemption u/s 10(23FE)	CBDT has inserted new rules 2DB & 2DC to the Income-tax Rules, 1962. Rule 2DB prescribes conditions which are to be satisfied by the pension fund in order to become 'specified fund' eligible for exemption under section 10(23FE). Rule 2DC prescribes guidelines for notification of pension fund for Section 10(23FE). [Notification No. 67/2020, DATED 17-08-2020]

# Income Tax

Title	Brief
CBDT advised banks to refund charges collected on electronic transactions carried over modes prescribed u/s 269SU	CBDT has directed banks to immediately refund the charges collected on or after 01-01-2020 on transactions carried out using the electronic modes prescribed under section 269SU of the Income-tax Act. Further, they are advised not to impose charges on any future transactions carried through the said prescribed modes. [CIRCULAR NO.16/2020, DATED 30-8-2020]
CBDT notifies Scheduled Commercial Banks u/s 138 for sharing of information	Section 138(1) of Income Tax Act facilitates exchange of information about tax evaders by the Income-tax Department with other tax or enforcement authorities. CBDT has notified 'Scheduled Commercial Banks' listed in the Second Schedule of the Reserve Bank of India Act, 1934 for the purpose of sharing of information. [NOTIFICATION NO. 71/ 2020, DATED 31-8-2020]
functionality to check ITR filing status of PAN in bulk mode is made available for banks	The Income tax Department has released a new functionality "ITR Filing Compliance Check" for Scheduled Commercial Banks to check the ITR filing status of PANs in bulk mode. This will ensure banks to deduct TDS under section 194N at higher rate in case of non-filers of ITR. [PRESS RELEASE, DATED 2-9-2020]
No TDS on Cash Withdrawal if it is not an Income	Having regard to the overall scheme of the chapter XVII and particularly, by reading Section 194N along with Section 201 of the Act, it can be concluded that if the sum received by the assessee will not be an income at his hands, then, the question of deduction under Section 194N of the Act will not arise. [Tirunelveli District Central Co-operative Bank Ltd. v. JCIT (TDS) (Madras HC)]



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# Goods and Service Tax Updates

# Goods and Service Tax

Title	Brief
Threshold limit to issue E Invoice under GST raised to Rs 500 crore	In a big relief to small companies, the Central Board of Indirect Taxes and Customs has raised the threshold limit to mandatorily file e-invoice to Rs 500 crore from earlier Rs 100 crore turnover for businesses. Also units in SEZ has been exempted from e invoicing. [NOTIFICATION NO. 61/2020–CENTRAL TAX, DATED 30-7-2020]
CBIC mandates conduct of virtual hearing under Customs, Excise, ST & GST	CBIC has now decided to make it mandatory for various authorities to conduct personal hearing in respect of any proceedings under the Customs Act 1962, Central Excise Act 1944 and Service Tax through video conferencing facility. This facility has also been extended to proceedings under the GST as well. Broad guidelines to conduct virtual hearing have also been provided to ensure ongoing work of appeals and adjudication are completed expeditiously. [INSTRUCTION F. NO. 390/MISC/3/2019-JC, DATED 21-8-2020]
Interest on GST on net liability from 1 September 2020	Interest on GST under section 50 shall be charged on net output liability after adjustment of ITC i.e. amount payable through electronic cash ledger. The same has been made effective from 1 September 2020. [NOTIFICATION NO. 63/2020–CENTRAL TAX, DATED 25-8-2020]
CBIC assures no interest recoveries on gross liability for the period prior to Sep 1st, 2020	Putting an end to rising number of comments regarding prospective amendment to Section 50 of the CGST Act, CBIC has given assurance that no recoveries of interest shall be made on gross output tax liability for the period prior to 01-09-2020 by the State and Central Tax administration. The clarification is in line with the decision taken in 39th GST Council meeting ensuring full relief to taxpayers. [PRESS RELEASE, DATED 26 AUG 2020]

# Goods and Service Tax

Title	Brief
Details of Import of Goods is now available in Form GSTR-2A	Two new tables have been inserted in GSTR-2A which displays details of import of goods from overseas supplier and inward supplies made from SEZ units/ SEZ developers. Taxpayers can now view their bill of entries data which is received by GSTN system from ICEGATE system. The updated data in GSTR-2A has been done on trial basis. [PRESS RELEASE, DATED 29 AUG 2020]
Auto-drafted ITC statement GSTR-2B introduced for the month of July, 2020	GSTR-2B has been introduced as an auto-drafted ITC statement which will be generated for every registered person on the basis of information furnished by the supplier in GSTR-1, GSTR-5 and GSTR-6. It will indicate all ITC available and not available. GSTR-2B shall be made available on the 12th day of succeeding month for the month of July, it has been made available on the common portal on trial basis. [PRESS RELEASE, DATED 29 AUG 2020]
CBIC extended due date of GSTR-4 for FY 2019-20	The Government has extended the last date to file return in Form GSTR-4, for composition dealers for Financial Year 2019-20 to 31st October, 2020 from 31st August, 2020. [NOTIFICATION NO. 64/2020 – CENTRAL TAX , DATED 31-8-2020]
Time limit for any compliance and action by Anti-profiteering authority extended	The time limit for completion or compliance of any action, by the National Anti-Profiteering Authority, in relation to Anti-profiteering measure which falls during the period from 20-3-2020 to 29-11-2020 and which could not be completed, has been extended to 30-11-2020. [NOTIFICATION NO. 65/2020 - CENTRAL TAX DATED 1-9-2020]



# Thank You !



Anuj Garg



+91 120 42 66 272



[anuj.garg@ahsadvisory.in](mailto:anuj.garg@ahsadvisory.in)

