

# **Tax Updates Alert**

## **October 2020**

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**Amit H Goel & Co.**

The background features two abstract watercolor-style shapes. On the left is a large, irregular blue shape with various shades of blue and white. On the right is a smaller, more rounded blue shape, also with internal color variations. The text is centered within the smaller shape on the right.

# **Income Tax Updates**

# Income Tax

Title	Brief
<p>CBDT amends Tax Audit Report &amp; ITR-6 to incorporate disclosures relating to concessional tax regimes</p>	<p>CBDT has amended Form 3CD, Form 3CEB &amp; ITR 6 applicable for Assessment Year 2020-21. The changes are related to reporting of information about concessional tax regime opted by the person under sections 115BAA, 115BAB, 115BAC &amp; 115BAD. The board has also notified Form 10-IF to exercise option under section 115BAD.</p> <p><b><i>NOTIFICATION NO. 82/2020, DATED 1-10-2020</i></b></p>
<p>TCS u/s 206C(1H) not to be collected from amount received before 01-10-2020</p>	<p>CBDT has issued a press release to clarify the doubts regarding applicability of provisions of section 206C(1H). It has clarified that TCS is required to be collected when yearly receipts exceeds Rs. 50 lakhs that too in respect of the amount received after 01-10-2020. Such amount shall be considered while determining the threshold of 50 lakhs only.</p> <p><b><i>PRESS RELEASE, DATED 30-9-2020</i></b></p>
<p>CBDT authorizes Income-tax authorities to upload information relating to GST return in Form 26AS</p>	<p>In exercise of powers conferred under Rule 114-I, the CBDT has authorized the Principal DGIT (Systems) or the DGIT (Systems) to upload information relating to GST return, which is in his possession, in the Annual Information Statement in Form 26AS. Such information is to be uploaded within 3 months from the end of the month in which the information is received by him.</p> <p><b><i>ORDER F. NO. 225/155/2020/ITA.II, DATED 29-9-2020</i></b></p>
<p>Scrip wise reporting in ITR is required only if LTCGs are eligible for grandfathering</p>	<p>CBDT has clarified that the main intent behind requiring scrip wise reporting in ITR is to facilitate the taxpayer in correctly computing the long-term capital gains on sale of shares/units. Thus, there is no such mandatory requirement to furnish scrip wise details of sale of shares in the return of income for AY 2020-21.</p> <p><b><i>PRESS RELEASE, DATED 26-9-2020</i></b></p>

# Income Tax

Title	Brief
<p>CBDT sets up NFAC &amp; RFACs under Faceless Appeal Scheme, 2020; notifies Income-tax authorities as well</p>	<p>CBDT has notified the Income-tax authorities which shall exercise the powers and perform functions in order to facilitate the conduct of Faceless Appeal Proceedings. The board has also set up National Faceless Appellate Centre (NFAC) and Regional Faceless Appellate Centres (RFACs) for Faceless Appeal Scheme, 2020.</p> <p><b>NOTIFICATION NO. 81/2020 DATED 25-9-2020</b></p>
<p>CBDT notifies Faceless Appeal Scheme, 2020 applicable w.e.f. September 25, 2020</p>	<p>The Prime Minister of India, Shri Narendra Modi, while launching platform for 'Transparent Taxation- Honoring the Honest' had said that faceless appeal under the Income-tax Act will be available across the country from 25-09-2020. Now, CBDT has notified the Faceless Appeal Scheme, 2020 effective from 25-09-2020.</p> <p><b>NOTIFICATION NO. 76/2020, DATED 25-9-2020</b></p>
<p>CBDT allows 'insurer' to make application for grant of non-deduction of tax certificate u/s 195(3)</p>	<p>The CBDT has amended Rule 29B to include insurer for making application in Form 15C for grant of certificate to receive, any interest or other sum (other than dividends), without of tax under section 195(1). Earlier only banking company has been prescribed for making such application.</p> <p><b>NOTIFICATION NO. 75/2020, DATED 22-9-2020</b></p>
<p>Rs. 9,538 crore of revenue generated as 35,074 taxpayers opted for Vivad Se Vishwas Scheme till 08-09-2020</p>	<p>Shri Anurag Singh Thakur, Union Minister of State for Finance &amp; Corporate Affairs in a written reply to a question in Rajya Sabha has stated that 35,074 taxpayers have opted for the Direct Tax Vivad Se Vishwas Act since its enactment till 8 September, 2020. The revenue generated till date through the Act is Rs. 9,538 crore.</p>

# Income Tax

Title	Brief
<p>CBDT notifies 'L&amp;T Infra Debt Fund' for the purpose of section 10(47) exemption</p>	<p>CBDT has notified 'L&amp;T Infra Debt Fund' for the purposes of the section 10(47) of the Income-tax Act, 1961. Exemption shall be available if Infrastructure debt fund shall comply with the provisions of the Income-tax Act, 1961, rule 2F of the Income-tax Rules, 1962 and the conditions provided by the Reserve Bank of India.</p> <p><b>NOTIFICATION NO. 74/2020, DATED 11-9-2020</b></p>
<p>Proviso to section 50C inserted by FA, 2016 with effect from 1-4-2017 is applicable with retro effect</p>	<p>Proviso to section 50C(1) introduced with effect from 1-4-2017 which provides that where date of agreement, fixing amount of consideration and date of registration for transfer of capital assets are not same, value adopted or assessed or assessable by stamp valuation authority on date of agreement may be taken for purpose of computing full value of consideration for such transfer seeks to relieve assessee from undue hardship and, thus, should be taken to be retrospectively effective.</p> <p><b>Commissioner of Income Tax, Chennai v. Vummudi Amarendran (Madras HC)</b></p>
<p>AO must record non-satisfaction about suo-motu disallowance of sec. 14A offered by assessee before applying Rule 8D</p>	<p>Disallowance of expenditure incurred to earn exempted income can be computed as per rule 8D only after recording satisfaction by Assessing Authority that apportionment of such disallowable expenditure under section 14A made by assessee or his claim that no expenditure was incurred is validly rejected by Assessing Authority by recording reasonable and cogent reasons conveyed to assessee and after giving opportunity of hearing to assessee in this regard.</p> <p><b>Marg Ltd. v. Commissioner of Income Tax (Madras HC)</b></p>

A large, irregular blue watercolor splash or ink blot serves as the background for the text. The blue varies in intensity, with darker shades in the center and lighter, more translucent areas towards the edges. The overall shape is roughly oval but with many soft, feathered edges.

# **Goods and Service Tax Updates**

## Goods and Service Tax

Title	Brief
CBIC clarifies application of Rule 36(4) of the CGST Rule for months of February to August, 2020	<p>CBIC has clarified the cumulative application of Rule 36(4) of the CGST Rule for months of February to August, 2020. It explained that cumulative ITC availed for the said months in GSTR-3B should not exceed 110% of the cumulative value of the eligible credit available in respect of invoices/debit notes uploaded by the suppliers in GSTR-1, till the due date of furnishing of GSTR-1 of September, 2020.</p> <p><b><i>Circular No. 142/12/2020- GST</i></b></p>
Extension of timelines of various compliances under the erstwhile indirect tax laws	<p>Time limit for various activities like issuance of SCN, filing of reply and appeal etc. under Central Excise, Customs and Service Tax regime have been extended from 30 September, 2020 to 31 December 2020.</p> <p><b><i>[F. No. 450/61/2020-Cus.IV(Part-1)]</i></b></p>
Ocean freight and Air Freight exemption for export of goods extended till 30 September, 2021	<p>The Govt. has extended the exemption provided on services by way of transportation of goods by a vessel/aircraft from customs station of clearance in India to a place outside India to 1 year, i.e., 30-9-2021. Earlier the exemption was available only till 30-9-2020.</p> <p><b><i>NOTIFICATION NO. 4/2020-CENTRAL TAX (RATE) , DATED 30-9-2020</i></b></p>
One-time relaxation granted in case of non-issuance of E-invoice during October, 2020	<p>The Govt. has provided relaxation to registered persons from requirement to generate Invoice Reference Number ('IRN') in respect of invoices issued during the period from 1-10-2020 to 31-10-2020. In these cases, IRN for such invoices can be generated within 30 days from the date of invoice. This one-time relaxation is only upto 31-10-2020 and after this period the invoice without IRN shall not be treated as a valid invoice.</p> <p><b><i>NOTIFICATION NO. 73/2020-CENTRAL TAX, DATED 1-10-2020</i></b></p>

## Goods and Service Tax

Title	Brief
QR Code mandatory to be reported on invoice; Commissioner can exempt this requirement in few cases	<p>QR Code has been made mandatory to be reported on invoice. Further, Commissioner given the power to exempt a person or a class of registered persons from issuance of invoice with Quick Reference code, having embedded Invoice Reference Number (IRN).</p> <p><b>NOTIFICATION NO. 72/2020-CENTRAL TAX, DATED 30-9-2020</b></p>
Requirement for Dynamic Quick Response (QR) code on B2C Invoices deferred to 1st Dec, 2020	<p>Govt. has deferred the requirement to mention Dynamic Quick Response (QR) code on invoices issued by a registered person whose aggregate turnover in a financial year from 2017-18 exceeds Rs. 500 crores to an unregistered person (B2C invoices) from 1-10-2020 to 31-12-2020.</p> <p><b>NOTIFICATION NO. 71/2020-CENTRAL TAX, DATED 30-9-2020</b></p>
Determining criteria for applicability of e-invoicing has been changed; Exports are also covered	<p>Govt. has made changes in the provisions of E-invoicing wherein a registered person having aggregate turnover in 'any' preceding financial year from 2017-18 onwards exceeding Rs. 500 crores shall be required to comply with E-invoicing provisions. Further, exports invoices would also be subject to this compliance.</p> <p><b>NOTIFICATION NO. 70/2020 - CENTRAL TAX, DATED 30-9-2020</b></p>
Extension in time limit for furnishing of annual return & reconciliation statement for FY 2018-19 to 31 Oct, 2020	<p>Govt. has extended the time limit to furnish annual return (Form GSTR-9/9A) and reconciliation statement (Form GSTR-9C) for GST audit for the financial year 2018-19 from September 30, 2020 to October 31, 2020.</p> <p><b>NOTIFICATION NO. 69/2020- CENTRAL TAX, DATED 30-9-2020</b></p>

## Goods and Service Tax

Title	Brief
Maximum late fee capped at Rs. 500 for Form GSTR-10	<p>The govt. has capped the maximum late fee to Rs. 500 for those registered persons who fail to furnish Form GSTR-10 by the due date but furnishes the same between the period from 22 September, 2020 to 31 December, 2020.</p> <p><b>NOTIFICATION NO. 68/2020 - CENTRAL TAX, DATED 21-9-2020</b></p>
Late fee capped at Rs. 500 for GSTR-4 for quarters from July, 2017- March, 2020; No Late Fee for Nil GSTR-4	<p>The govt. has capped the maximum late fee for GSTR-4 to Rs. 500 and fully waived off late fee where tax amount payable is NIL in GSTR-4 for the registered persons who failed to furnish GSTR-4 for the quarters from July, 2017 to March, 2020 by the due date but furnishes the same between the period from 22 September, 2020 to 31 October, 2020.</p> <p><b>NOTIFICATION NO. 67/2020 - CENTRAL TAX, DATED 21-9-2020</b></p>
Time limit for issuance of invoice w.r.t. goods sent/taken out of India on approval extended to 31 Oct, 2020	<p>The time limit for issuance of invoice in respect of goods being sent or taken out of India on approval for sale or return as specified under Section 31(7) of the CGST Act which falls during the period from 20th March, 2020 to 30th October, 2020 and which could not be completed within such period, has been extended to 31st October, 2020.</p> <p><b>NOTIFICATION NO. 66/2020-CENTRAL TAX, DATED 21-9-2020</b></p>
CBIC has issued instruction to the department for no recovery of interest on gross tax liability	<p>The CBIC has addressed the issue of interest recovery, wherein administration has been instructed that for the period 01-07-2017 to 31-08-2020, recovery of interest shall be made only on net cash liability. Show cause notices that are already been issued to taxpayers for recovery of interest on gross tax liability, it will be kept in call book.</p> <p><b>F. No. CBEC - 20/01/08/2019 - GST DATED 18-09-2020</b></p>



In case of any question



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Thank  
You!