



The key amendments introduced in statutes, policies and procedures in respect of Direct Tax, Indirect Tax, Corporate Laws & Accounting Standards, Foreign Exchange Management Act / Export Import Policy & Securities and Exchange Board of India related matters are summarized hereunder.

DIRECT TAX

Amendments, Notifications & Court Rulings

- CBDT notifies extended due date for withholding tax compliances.
- Government of India ratifies Multilateral Instrument
- CBDT issues revised guidelines for Compounding of Offences under Direct Tax Laws, 2019

INDIRECT TAX

Amendments, Notifications & Court Rulings

- Notification No. 26/2019- Central Tax dated June 28, 2019
- Notification No. 30/2019- Central Tax dated June 28, 2019
- Notification No. 32/2019- Central Tax dated June 28, 2019
- Notification No. 11/2019- Central Tax (Rate) dated June 29, 2019
- Notification No. 11/2019- Integrated Tax (Rate) dated June 29, 2019

RBI NOTIFICATIONS

Amendments and Notifications

- Amendment to Master Direction on KYC
- National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) systems – Waiver of charges

MCA Notification & Circulars

Amendments and Notifications

- Amendments in Licence requirements for Section 8 Companies (Non-profit organisations)
- Activities to form part of CSR contribution

DIRECT TAX

1. CBDT notifies extended due date for withholding tax compliances.

With a view to redress genuine hardship faced by the deductors in timely filing of TDS statement in Form 24Q on account of revision of its format and consequent updating of the File Validation Utility for its online filing, the Central Board of Direct Taxes (CBDT) has extended the following due dates:

- i. The due date of filing of TDS statement in Form 24Q for financial year 2018-19 has been extended from March 31, 2019 to June 30, 2019 and
- ii. The due date of issue of TDS certificates in Form 16 for financial year 2018-19 has been extended from June 15, 2019 to July 10, 2019.

Source: CBDT Order u/s 119 of the Income Tax Act, 1961 [F.No. 275/38/2017 -IT (8)] dated June 4, 2019

2. Government of India ratifies Multilateral Instrument

The Government of India (Union Cabinet) on June 12, 2019 has approved the ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI).

The Multilateral Convention is an outcome of the OECD / G20 Project to tackle Base Erosion and Profit Shifting (the BEPS Project) i.e., tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations where there is little or no economic activity, resulting in little or no tax being paid. The BEPS Project identified 15 actions to address base erosion and profit shifting in a comprehensive manner.

The Convention enables all signatories, inter alia, to meet treaty-related minimum standards that were agreed as part of the Final BEPS package, including the minimum standard for the prevention of treaty abuse under Action 6.

The Convention will operate to modify tax treaties between two or more Parties to the Convention. It will be applied alongside existing tax treaties, modifying their application in order to implement the BEPS measures

Source: Press Information Bureau, GOI cabinet, Print release dated June 12, 2019

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

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

INDIRECT TAX

1. Notification No. 26/2019- Central Tax dated June 28, 2019

Extension of time limit for furnishing FORM GSTR-7 by a registered person required to deduct tax at source as per the provisions of section 51 for the months of October, 2018 to July, 2019 August 31, 2019.

Source: Vide Notification No. 26/2019 – Central Tax dated June 28, 2019

2. Notification No. 30/2019- Central Tax dated June 28, 2019

Supplier of online information and data base access or retrieval (“OIDAR”) services from a place outside India to a person in India registered under section 24 of the CGST Act shall not be required to furnish an annual return in FORM GSTR-9 and reconciliation statement in FORM GSTR-9C

Source: Vide Notification No.30 /2019 – Central Tax dated June 28, 2019

3. Notification No. 32/2019- Central Tax dated June 28, 2019

Extension of time limit for furnishing FORM GST ITC-04 in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2017 to June, 2019 till August 31, 2019

Source: Vide Notification No. 32/2019 – Central Tax dated 28th June, 2019

4. Notification No. 11/2019- Central Tax (Rate) dated June 29, 2019

The retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, are entitled to claim refund of applicable GST paid on inward supply of such goods, subject to the conditions specified in rule 95A of the Central Goods and Services Tax Rules, 2017

Source: Vide Notification No. 11 /2019 – Central Tax (Rate) – Central Tax dated 29th June, 2019

5. Notification No. 11/2019- Integrated Tax (Rate) dated June 29, 2019

Any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, is exempt from charge of IGST.

Source: Vide Notification No. 11 /2019 – Integrated Tax (Rate) – Central Tax dated June 29, 2019

RBI NOTIFICATIONS

1. Amendment to Master Direction on KYC

The Reserve Bank of India (RBI) has carried out important changes in its master direction on Know-Your-Customer (KYC). Some of the relevant changes are mentioned below:

- a. Banks can carry Aadhaar authentication/ offline-verification for Individuals identification purpose.
- b. 'Proof of possession of Aadhaar number' has been added to the list of Officially Valid Documents (OVDs).
- c. In case OVDs does not contain updated address, certain deemed OVDs for the limited purpose of proof of address can be submitted provided that the OVD updated with current address is submitted within 3 months
- d. For non-individual customers, PAN/Form No. 60 of the entity shall be obtained apart from other entity documents. The PAN/Form No. 60 of the authorised signatories shall also be obtained.

Source: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11565&Mode=0> dated May 29, 2019

2. National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) systems – Waiver of charges

The RBI has waived off all processing charges and time varying charges levied on banks for outward transactions undertaken using the RTGS system and also the processing charges levied by RBI for transactions processed in NEFT w.e.f July 01, 2019.

Source: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11586&Mode=0> dated June 11, 2019

MCA NOTIFICATION & CIRCULARS

1. Amendments in Licence requirements for Section 8 Companies (Non-profit organisations)

MCA has made the following amendments in respect to incorporation of Section 8 Companies:

1. Application for obtaining license for Section 8 Companies shall be submitted in Form Spice 32 (simplified proforma for incorporating company electronically). However, the application for obtaining license for an existing Section 8 companies will continue in Form INC 12 (Application for grant of License).
2. Power to grant such license is shifted from Registrar of Companies to Central Registration Centre

Source: http://www.mca.gov.in/Ministry/pdf/Rules_07062019.pdf dated June 7, 2019

2. Activities to form part of CSR contribution:

Schedule VII contains the list of activities that can be undertaken by Companies in order to fulfill their Corporate Social Responsibilities (CSR). The following area of scope has been added to CSR contribution in Schedule VII:

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

Source: http://www.mca.gov.in/Ministry/pdf/Notification_06062019.pdf dated June 6, 2019



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