



Tax & Regulatory Updates – Key developments of August 2020

A. DIRECT TAXATION

- 1. CBDT made significant modifications to the E-assessment Scheme of 2019 pursuant to the launch of 'Transparent Taxation–Honouring the Honest' platform by the Indian Prime Minister on 13th August 2020:- Notification no. 60 of 2020 dated 13 August 2020**

You would be aware that the Indian government in September 2019 launched the E-assessment Scheme, 2019 for automation of regular assessment proceedings under the Income Tax Act. Pursuant to the launch of the platform 'Transparent Taxation–Honouring the Honest' by the Prime Minister, Narendra Modi on 13 August

2020, CBDT has now made certain major changes to the said E-assessment scheme. The E-assessment scheme now will be called as Faceless Assessment Scheme, 2019.

We have captured below the key points of the Scheme alongwith modifications (highlighted in red). Also, we have captured below the recent notifications and orders issued by the CBDT for the implementation of the said scheme in red.

I. Applicability:-

Earlier the e-assessment scheme was applicable for the regular scrutiny assessment made under section 143(3) of the Income Tax Act. Now, the faceless assessment scheme will be applicable for all ongoing / pending assessment proceedings including the best judgment assessment under section 144. The wide coverage now appears to cover even Transfer Pricing proceedings as well.

CBDT vide its order no. F No. 187/3/2020-ITA-I dated 13 August 2020 provides that all the assessment orders except mentioned below shall be passed by National e-assessment Centre under Faceless Assessment Scheme 2019:-

- a) Assessment orders where cases assigned to Central Charges - this might cover cases of search and seizure.
- b) Assessment orders where cases assigned to International Tax Charges - further clarity on the exact scope of this exception is awaited.

Further, an assessment order which is not in conformity with the above, shall be treated as non-est and shall be deemed to have never been passed.

II. Traditional concept of Assessing officer is replaced with Four Units (Assessment, Verification, Technical support and Review unit) as under-

1. a National e-assessment Centre ('NAC') is established to facilitate the conduct of e-assessment proceedings in a centralised manner;
2. Assessment units (EAU) to facilitate the conduct of e-assessment such as identification of points or issues on which information is sought from the taxpayer, seeking that information, analysis of the material furnished by the taxpayer etc.;
3. Verification units (VU) to perform enquiry, cross verification, examination of books of accounts, examination of witnesses etc.;
4. Technical units (TU) to provide technical assistance on legal, accounting, forensic, information technology, valuation, transfer pricing, data analytics, management or any other aspects; an
5. Review units (RU) for review of the draft assessment order to ascertain whether the relevant and material evidence has been brought on record, whether the relevant points of fact and law have been incorporated, whether the issues have been properly discussed and applicable judicial decisions have been considered and dealt with, checking for arithmetical correctness etc.

III. Brief on Procedural aspects-

1. all communications between the Units and the assessee shall be through the NAC:

2. NAC shall serve a notice on the assessee to initiate assessment proceedings, specifying the issues for selection of his case for assessment; **All the ongoing assessments will now be concluded under this scheme after the due intimation to the assessee.**
3. the assessee may, within fifteen days from the date of receipt file its response to NAC;
4. the concerned assessment unit may make a request to NAC for the desired information from the assessee, certain enquiry by verification unit and seeking assistance from technical unit;
5. NAC shall issue appropriate notice or requisition to the assessee for the same;
6. Assessee shall be required to file the submission of the above notice within the time specified therein or such time as may be extended on the basis of application in this regard.
7. **In case assessee fails to comply with the notice or with a direction issued under sub-section (2A) of section 142, NAC shall serve assessee a notice under section 144 giving him an opportunity to show-cause why the assessment in his case should not be completed to the best of its judgment.**
8. **Assessee is required to file the response to the above notice and in case no response is received from the assessee, then NAC shall intimate the EAU for the failure.**
9. Pursuant to the above intimation, EAU shall make a draft assessment order and send a copy to the NAC alongwith details of the penalty proceedings to be initiated therein, if any;
10. NAC shall examine the draft assessment order in accordance with the risk management strategy specified by CBDT, including by way of an automated examination tool;
11. NAC will either finalise the draft assessment order and serve a copy of such order to the assessee or provide an opportunity to the assessee, in case a modification is proposed;
12. NAC may also assign the draft assessment order to a Review unit as per the risk management policy instead of finalising the same;
13. the Review unit shall conduct a review either to concur with the order or suggest such modification, as it may deem fit, and send its suggestions to the NAC;
14. NAC shall accordingly communicate the suggestions to the **EAU (other than the EAU involved in the draft assessment proceedings)** and the EAU shall, after considering the modifications suggested by the Review unit, send the final modified order to NAC.
15. NAC shall follow the same procedure of either finalising the order basis the returned position or give an opportunity to assessee, in case any modification is proposed;
16. NAC shall, after completion of assessment, transfer all the electronic records to the jurisdictional Assessing Office for further actions such as imposition of penalty; enforcement of demand; rectifications / appeal effects; enforcement of prosecutions etc.;
17. NAC may at any stage of the assessment transfer the case to the Assessing Officer having jurisdiction over such case. **Now this is possible only with the approval of CBDT;**

18. Every notice or order or other electronic communication shall be delivered to the assessee, by way of either (a) placing in assessee's registered account; or (b) sending over registered email address of the assessee or his authorised representative; or (c) uploading on the assessee's Mobile App; and followed by a real time alert;
19. The Assessee shall file his response through his registered account, and NAC will send an acknowledgement containing the hash result;
20. All communications between the NAC and the assessee exchanged exclusively by electronic mode. Also, all internal communications between the NAC and EAU and various units shall be exchanged exclusively by electronic mode. **However, under certain circumstances verification can be done physically. Such circumstances are yet to be specified by the NAC with the approval of CBDT.**
21. There shall be no personal appearance and in a case where a modification is proposed and an opportunity is provided to the assessee by way of a show-cause notice, the assessee or his AR in that case may seek personal hearing to make oral submissions and such hearing shall be conducted exclusively through video conferencing. **Such request of assessee will be approved by the Chief Commissioner or the Director General, in charge of the Regional e-assessment Centre if he is of the opinion that the request is covered by the circumstances specified by CBDT.**

IV. Pursuant to the above changes to the scheme, CBDT has made following procedural changes for implementation purposes -

1. **CBDT vide its order no. F.No. 187/3/2020-ITA-I dated 13 August 2020 defines income tax authority for survey under section 133A of the Income Tax Act. Section 133A of the Income Tax Act grants power of survey to the Income Tax Authority. With the launch of the Faceless Assessment Scheme 2019, the income tax department is moving towards the minimal interface with the taxpayers. Thus, CBDT vide its order dated 13 August 2020, directed that the officers posted in Directorates of Investigation (Investigation Wing) and Commissionerates of TDS shall only and exclusively act as income tax authority under section 133A. Further the competent authority for approval of such survey action shall be DGIT (Investigation) for investigation wing and Principal CCIT / CCIT (TDS) for TDS charges. The said order is effective from 13 August 2020.**
2. **CBDT vide its office order-2 dated 13 August 2020, reconstitutes the Regional e-Assessment centres ('RAC').**
3. **CBDT vide order no. 149 of 2020 dated 13 August 2020, diverted the officers from the existing posts to the newly created National e-assessment Centre and its Regional Centres.**
4. **CBDT vide order no. 143 of 2020 dated 13 August 2020, transfers the officers of the grade of Principal Chief Commissioner of Income Tax/ Principal Director General of Income Tax.**
5. **CBDT vide order no. 144 of 2020 dated 13 August 2020, transfers the officers of the grade of Chief Commissioner of Income Tax/ Director General of Income Tax.**

6. CBDT vide its various notification no. 62, 63, 64, 65 and 66 all dated 13 August 2020 made necessary changes in the postings of the officers of the various grades.

Further, CBDT on 14 August 2020 issued detailed guidelines for implementation of the Scheme which primarily provides the following:

1. Functions of the Faceless Hierarchy.
2. Functions of the field formations outside the NAC/ RAC Hierarchy.
3. Approach adopted for restructuring.

2. Scheme for Faceless Appeal will be introduced with effect from 25 September 2020:-

As you are aware that the Finance Act 2020 introduced section 250(6B) to (6D) under the Income tax act which grants the Central government power to make the scheme for faceless appeal proceedings before the Commissioner of Income Tax (Appeals). Prime Minister, Narendra Modi while launching the platform for “Transparent Taxation - Honouring the Honest” on 13 August 2020 also announced that a scheme for faceless appeal proceedings will be introduced with effect from 25 September 2020.

The details of the scheme are awaited.

3. Taxpayer Charter codified by the Indian government:-

Alongwith the above two schemes towards Faceless assessment and appeal, Prime Minister, Narendra Modi has also announced the codification of Taxpayers Charter under a statutory backing as per section 119A (this section was enacted in the law by Finance Act, 2020). This section grants the Central government power to adopt a Taxpayer Charter and issue necessary directions for implementing the same. The taxpayer's charter provides for the following rights and obligations of the taxpayers.

Key rights of the taxpayer:-

1. Right to be treated with fairness.
2. Right to be treated as honest and tax-compliant unless there is evidence to the contrary with the tax department.
3. Provision of complete and accurate information to the taxpayer and also complete the income tax proceedings within the time frame prescribed.
4. Protect and respect the privacy of taxpayer and maintain confidentiality of information provided, unless authorized by the law.
5. Collect only correct amount of tax as per the law, enable to choose a representative of taxpayer's choice and ease for lodging complaints and resolution in a time-bound manner.

Key obligations of the taxpayer:-

1. Taxpayer to be honest, compliant, and be informed
2. Taxpayer should maintain accurate records required under law and be aware about the information given / submissions made by the representative on its behalf.
3. Taxpayer should adhere to timely submission of information required under the law and also pay all his/her dues in a time-bound manner.

Taxpayers can approach the TC Cell under Principal Chief Commissioner of Income tax in each Zone for compliance to this Charter.

4. Faceless Assessment is a Tax Assessment System designed for the 21st century:- Press release dated 26 August 2020

Recently, Principal Commissioner of Income Tax, Mumbai explained in a webinar how the new system is the one designed for the 21st century. Under the Faceless Assessment scheme launched by Indian Prime Minister Narendra Modi, a National e-assessment centre and a network of regional e-assessment centres will be set up. The regional assessment network will include assessment units, verification units, technical units and review units. This system will allow dynamic jurisdiction, team-based working and does away with human interface totally. Now in the new system, there will be no single territorial jurisdiction and there will be random allocation of cases and notices will also now be sent through online mode only. There is no discretion in selection of assessment cases, while earlier, case selection used to happen manually.

5. The faceless tax assessments scheme may likely to face certain fundamental roadblocks: News Report

There are concerns that the faceless assessment facility is rolled out when the back-end is not fully developed. However, a senior departmental official assured that the back end technological system has run well so far for the pilot project of faceless assessment. On the contrary, he further added that the issue of a possibility of the rise in disputes will be known only after a few years once these faceless assessments come through.

<https://www.financialexpress.com/economy/pm-modis-faceless-tax-assessment-may-face-fundamental-roadblocks-concerns-mount-over-back-end-support/2057335/>

6. Reshuffling is underway at I-T department to facilitate implementation of faceless assessment scheme: News Report

Faceless Scheme has been the talk of the day from the past few days, as the entire country looks upon the new tax assessment practice launched by the Indian Prime Minister recently. The said scheme was launched to make the country switch from the traditional assessment to the faceless tax regime with obviously the main objective to eliminate the physical interface between taxpayers and department. In order to make this faceless assessment possible, the I-T department has been undergoing several changes or in another words a massive reshuffling that is going on.

Regional e-assessment centres (ReAC) have been set up across 20 cities along with a national centre in the capital. Over 4,200 officers have now been moved to the faceless assessment unit and around 2,000 tax officers will be left behind in the residual jurisdiction where no tax assessment will be carried out henceforth.

<https://www.moneycontrol.com/news/india/reshuffle-underway-at-i-t-department-to-facilitate-implementation-of-faceless-assessment-scheme-report-5717841.html>

7. CBDT Chairman met the departmental officers and addressed their concerns over faceless assessment hierarchy: News Report

CBDT Chairman, P C Mody recently briefed the tax officers on the new faceless scheme and explained the nitty-gritty of its implementation. He also detailed the reallocation and reorganisation aspects of the department's manpower. Speaking of the important aspect, he assured that implementation would not cause any large-scale movement of officers or officials and there would be no reduction in the existing infrastructure and resources of the Department.

This is in response to the concerns raised by the Income Tax Employees Federation & Income Tax Gazetted Officers' Association over the implementation of the scheme and has asked for the suggestions on diversions of posts to be newly created NeAC/ReAC charges in their respective regions

<https://economictimes.indiatimes.com/news/economy/policy/cbdt-chief-meets-i-t-officers-seeks-to-assuage-concern-over-faceless-assessment-hierarchy/articleshow/77633729.cms>

8. Central Board of Direct Taxes (CBDT) has issued detailed Mutual Agreement Procedure (MAP) guidance: F.No. 500/09/2016-APA-I dated 07 August 2020

MAP is an alternate tax dispute resolution mechanism available to the taxpayers under the Double Tax Avoidance Agreements (DTAAs) for resolving disputes giving rise to double taxation or taxation not in

accordance with DTAA's. A MAP request can be made by a taxpayer when it considers that the actions of the tax authorities of one or both of the treaty partners results in taxation not in accordance with the relevant DTAA.

The MAP guidance is captured in the following four parts:-

(a) Introduction and Basic Information:- Under this section, an introduction is provided to the MAP provisions under the Income Tax Act and DTAA. This section provides procedure to be followed under the MAP and how the coordination would be done between the Competent Authorities (CAs) of two states during the entire process i.e. starting from the application from taxpayer till the resolution. This section also provides guidance on the timeframe for resolving and implementing MAP cases.

(b) Access and Denial of Access to MAP:- This section provides guidance on the situation/ cases where India will provide the access denial the access of the MAP. The situation where access to MAP shall be provided are the following situations provided the situation results in taxation not in accordance with the relevant DTAA's:

- (i) Transfer Pricing adjustments;
- (ii) Determination of existence of a Permanent Establishment;
- (iii) Attribution of profits to Permanent Establishments, whether admitted or not by the taxpayer;
- (iv) Characterisation or re-characterisation of an item of expense or payment as a taxable expense or payment (like Royalty or Fee for Technical Services (FTS) or Interest); and
- (v) Characterisation or re-characterisation of an item of receipt as a taxable income (like Royalty or Fee for Technical Services (FTS) or Interest).

Access to the MAP shall also be provided in a situation where the Indian tax authorities apply domestic anti-abuse provisions. Further, under the following circumstances, India would provide access to MAP but the CAs of India would not negotiate any other outcome than what has already been achieved in such circumstances. The circumstances are the following:

- (i) Where an Indian or foreign taxpayer enters into a unilateral Advance Pricing Agreement with CBDT.
- (ii) Where an Indian or foreign taxpayer applies safe harbour provisions as applicable on its international transactions
- (iii) The CAs in India shall not deviate from the orders of the Income Tax Appellate Tribunal (ITAT) where the dispute is decided on merits. In such cases the CA of India would request the CAs of the treaty partners to provide correlative relief, if required. In case, the order of the ITAT does not resolve the disputes but only sets

them aside to be adjudicated afresh, then access to MAP would be provided again after the fresh adjudication by tax authorities on the request of tax payers.

Denial of access of MAP provisions in the following cases:-

- (i) Delayed MAP Applications
- (ii) Taxpayer's Objection Not Justified
- (iii) Incomplete MAP Applications/Documents/Information
- (iv) Cases for which Indian Tax payer already obtained order from Income-tax Settlement Commission
- (v) Cases for which Indian Tax payer already obtained advance ruling from Income-tax Settlement Commission.

(c) Technical Issues:-This section provides the guidance on the multiple technical issues which are as follows:-

(i) Downward Adjustment:- Competent Authorities in India in normal cases cannot go below the returned income, as the same is expressly prohibited in Indian domestic law. However, MAP cases involving adjustments made by tax authorities of a treaty partner, the Indian CA may go below the returned income of the Indian taxpayer to implement the MAP in full measure in accordance with treaty obligations.

(ii) Resolution of Recurring Issues:- Competent Authorities do not have the power to prevent the tax authorities from making an order that is not in conformity with prior MAP resolutions in case of the same taxpayer and on the same issues.

(iii) Interest and Penalties:- Issues related to the quantum of income are resolved under MAP but on the consequential interest and penalty, CAs of India do not have the mandate to consider such consequential issues and negotiate disputes arising from such issues.

(iv) Secondary Adjustments:- CAs of India would be obligated to make secondary adjustments part of the MAP resolution in respect of cases pertaining to financial year 2016-17 or thereafter

(v) Bilateral & Multilateral APAs:- Issues for which a bilateral or multilateral APA application has already been filed and accepted, MAP applications on the same issues for the same years should not be made by the taxpayers. If such MAP applications are made then the CAs of India shall consult with their counterparts and

not admit such MAP applications. However, cases where bilateral or multilateral APA application fails to result in an Agreement, then MAP application can be accepted.

(vi) Suspension of Collection of Taxes during the Pendency of MAP:- Where India has entered into a Memorandum of Understanding (MoU) under the ambit of the MAP Article, providing for keeping the collection of taxes in a case under suspension during the pendency of MAP in that case. The taxes whose collection can be suspended provided taxpayers adhere to the terms and conditions mentioned in the MoU. In cases with countries where no such MoU exists in the DTAAs, then instructions/ circulars by CBDT govern the suspension of collection of taxes or stay of demand.

(vii) Adjustment of taxes paid in pursuance of demand raised by an order under Section 201 of the Income-tax Act:

(d) Implementation of MAP outcomes:- Rule 44G provides a time period of 30 days to the taxpayers from the date of receipt of a communication from the CAs of India to convey its acceptance of the MAP resolution and submit evidence of withdrawal of domestic appeals.

Similarly, the Assessing Officer has been provided a time period of one month (from the end of the month in which he receives the letter of the CA of India having jurisdiction over the case providing details of the resolution) for giving effect to the MAP resolution.

9. PAN exemption given to the Non- Residents for making investment in category I and II Alternative Investment Fund (AIF) located in International Financial Service Centre:- Notification no. 58/2020 dated 10 August 2020

Section 206AA of the income tax act provides for the deduction of TDS at higher rate in case the recipient does not provide the PAN to the person liable to deduct the TDS. Rule 37BC provides for the relaxation from the applicability of section 206AA in certain cases. CBDT vide its notification dated 10 August 2020 introduced clause (3) to the above rule to provide that provisions of section 206AA do not apply to such person on account of rule 114AAB.

A new rule 114AAB is inserted in the Income Tax Rules,1962 to provide that the provisions of section 139A shall not apply to such non-residents individuals making investment in the Category I or Category II AIF located in IFSC in India, provided the following conditions are satisfied:-

1. NR does not earn any income in India other than the income on investment from the above fund.
2. TDS on such income has been deducted by the fund under section 194LBB; and

3. NR has furnished his necessary details to the fund such as his name, address, Tax Identification Number in his country of residence, a declaration that he is a resident of such other country etc.

These specified funds shall also be required to furnish a quarterly statement in Form No.49BA as prescribed in the notification.

10. CBDT has issued Circular dated 30th August 2020 advising banks to immediately refund the charges collected, if any, on or after 1st January, 2020 on transactions carried out using the electronic modes prescribed under section 269SU of the Income-tax Act, 1961 - Circular 16/2020, dated 30 August 2020

As you are aware that Finance Act 2019 inserted a new provision namely section 269U which provides that every person having business turnover of INR 50 Crore or more during the immediately preceding previous year shall mandatorily provide the facilities for accepting payment through prescribed electronic modes. Subsequently vide notification no. 105/2019 dated 30 December 2019 provides the following electronic modes under section 269SU of the Income Tax Act.

1. Debit Card powered by RuPay
2. Unified Payment Interface (UPI) (BHIM-UPI) and
3. Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code)

Further, section 10A was inserted in the Payment and Settlement Systems Act 2007 to provide that no Bank or system provider shall impose any charge on making payment or beneficiary receiving the payment through electronic modes under section 269SU of the Income Tax Act. Also a circular no 32/ 2019, issued to clarify that any charge including the MDR shall not be applicable on or after 01 January 2020 on payment made through prescribed electronic modes.

However, representations have been received by the CBDT that some banks are imposing and collecting charges on transactions carried out through UPI. A certain transactions are allowed free of charge beyond which every transaction bears a charge. This practice on parts of banks is breach of the above sections, hence, CBDT has advised banks to immediately refund the charges collected, if any, on or after 1st January, 2020 on transactions carried out using the electronic modes prescribed under section 269SU of the Income-tax Act, 1961 and not to impose any such charges further.

11. Central Board of Direct Taxes (CBDT) prescribed conditions to be satisfied by a Pension Fund for claiming exemption under section 10(23FE): Notification No. 67/2020

CBDT had recently notified the conditions to be satisfied by a Pension fund alongwith the detailed procedure for getting the pension fund notified u/s 10(23FE) of the Income Tax Act.

Rule 2DB has been inserted prescribing the following key conditions to be satisfied for claiming the exemption:

1. it is regulated under the law of a foreign country;
2. it is responsible for administering or investing the assets for meeting the statutory obligations and defined contributions for providing retirement, social security, employment, disability, death benefits or any similar compensation to the participants or beneficiaries of such funds or plans;
3. the earnings and assets of the pension fund are used only for meeting statutory obligations and defined contributions for participants or beneficiaries and no benefit to any other private person;
4. it does not undertake any commercial activity whether within or outside India;
5. it shall intimate the details in respect of each investment made by it in India during the quarter, within one month from the end of the quarter in Form No. 10BBB;
6. it shall file return of income on or before the due date specified under sub-section (1) of section 139 and furnish along with such return a certificate from a Chartered Accountant in Form No. 10BBC in respect of compliance to the provisions of clause (23FE) of section 10.

Further, CBDT has also notified certain forms as mentioned below:-

- i) Form No. 10BBA:- Application for notification as a Pension fund
- ii) Form No. 10BBB:- Intimation by Pension fund of investment made during the year.

12. Central Government notified Special Courts in Maharashtra, for Trial of Offences punishable under the Income Tax Act, 1961:- Notification No. 59/2020

In accordance with the power available under section 280A of the Income-tax Act, 1961 and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015), the Central Government, in consultation with the Chief Justice of the High Court of Bombay has designated the following courts of Magistrates of First Class as Special Courts in the State of Maharashtra, for trial of offences punishable under the Incometax Act, 1961 and other related matters,

1. the 38th Court, Ballard Pier for Mumbai region and 31st Court of Additional Chief Metropolitan Magistrate, Vikhroli for Mumbai including cases at Thane;
2. the Court of the Chief Judicial Magistrate, Nagpur for entire Vidarbha region, and

3. the Court of 10th Joint Civil Judge Junior Division and Judicial Magistrate First Class (Court No. 8), Pune for Pune region.

13. Institute of Chartered Accountants of India (ICAI) released the final Guidance-Note on Transfer Pricing Audit report u/s 92E, after incorporating the amendments made by Finance Act 2019 and 2020:

ICAI's Committee on International Taxation released the Final Guidance Note on TP audit report u/s 92E pursuant to draft Guidance Note released in June 2020 after incorporating amendments made by Finance Acts 2019 & 2020, pertaining to Secondary Adjustment and enhanced scope of Advance Pricing Agreement (APA) including income u/s 9(1)(i) relating to profit attribution to PE and Rules 10DA and 10DB. Further, it also considered the CBDT Notification dated May 20, 2020 extending provisions of Safe Harbour Rules notified earlier for AYs 2017-18 to AY 2019-20 to AY 2020-21 as well.

<https://tp.taxsutra.com/news/23004/ICAI-releases-final-Sec-92E-Guidance-Note-incorporating-FA-2019-2020-amendments>

14. Multiple Tech companies missed payment of new Equalisation Levy : News Report

With regard to the expanded scope of EL, multiple Tech MNC's have not been able to make payments for April-June quarter that fell due on 7 July due to lack of clarity whether the tax will be payable and whether on gross or net revenue. However, the tax officials are of the view that there is no confusion and the tax shall be paid on the total money spent by the Indians on these platforms.

<https://economictimes.indiatimes.com/tech/internet/internet-majors-give-paying-new-tax-a-miss/articleshow/77754872.cms>

15. Taxpayers do not require mentioning high value transactions in their ITR Forms: News Report

To put the rumours at rest, the Government clarified that they are not considering any modifications in the ITR forms regarding mentioning the high value transactions by the assessee himself. All such reporting of the high value transactions to the income tax department will be done by the financial institutions only. The obvious aim behind this is to identify those who spend big money on various items and yet they do not file ITRs by claiming that their income was less than Rs 2.5 lakh per annum. Hence, the I-T Department is relying more and more on voluntary compliance and, hence, expenditure data collected from third parties through Statement of Financial Transactions is the best and the most effective non-intrusive method to catch tax evaders.

Further, the Income Tax Act already requires the taxpayers to mention their Aadhar card and PAN card for certain high-value transactions and their reporting by the third parties mainly for the purpose of widening the tax base.

https://www.business-standard.com/article/economy-policy/taxpayers-don-t-need-to-mention-high-value-transactions-in-itr-form-report-120081700263_1.html

16. Proposed transactions to be included under SFT:-News Reports

As per the news report, the department proposes to expand the list of reportable in the Statement of Financial Transactions (SFT) by including the following below transactions:-

1. Payment to hotels above INR 20,000.
2. Payment of rent above INR 40,000.
3. Payment of educational fee/donations above INR 100,000 per annum.
4. Electricity consumption above INR 100,000 per annum.
5. Domestic business class air travel/foreign travel.
6. Deposit above INR 50 lakh in current account.
7. Purchase of jewellery, white goods, painting, marble, etc. above INR 100,000

As per the department, reporting of the above transactions will help greater monitoring by the income tax department, especially through the use of technology like artificial intelligence and machine learning.

Further, those having bank transactions over INR 30 lakh will have to compulsorily file income tax return. Similarly, return filing is proposed to become mandatory for all professionals and businesses having turnover of over INR 50 lakh and in case of rent payment above INR 40,000.

https://www.business-standard.com/article/economy-policy/high-value-transactions-may-come-under-its-lens-as-govt-plans-new-tax-rules-120081400316_1.html

17. Income Tax Department likely to map digital behaviour of taxpayers in order to create profiles: News Report

The income tax department will map the digital behaviour of taxpayers to create their profiles under faceless scrutiny assessment in electronic mode as all interactions of a taxpayer with the tax authority will be logged.

“If I give you a requisition for five things, you (taxpayer) respond to one, and take adjournment to respond to the other, that’s assessee(s) behaviour that is being mapped, which in the manual days was not being mapped,” a senior department official said. Accordingly, taxpayers will have to be thorough in their responses to notices issued by the tax department, since hiding information or not responding to some points could end up

being recorded. Further, the official added that quicker response to notices is needed from taxpayers, as sending out a final demand notice has become far more process driven than before.

https://economictimes.indiatimes.com/news/economy/policy/it-department-to-map-digital-behaviour-of-taxpayers-to-create-profiles/articleshow/77680204.cms?action=profile_completion&&em=Z2FyZy5yYWh1bEBhc2lyZS5pbG==

18. Scrutiny of tax cases may likely to decline for FY 2018-19: News Report

The finance ministry has said the drastic reduction in the number of cases chosen for scrutiny was a reflection of the tax authority's evolution from an enforcement agency to focus on tax payer services. As per the data shared by the department, only 0.25% of the returns filed in the 2018-19 were selected for the scrutiny as compared to 0.55% of the previous year. The government's idea is to lower tax rates as the tax base widens, but the economic slowdown, which has affected the growth in tax return filings, has come in the way. The department received over 6.73 crore returns for 2018-19 compared with over 6.87 crore returns for 2017-18.

<https://www.thehindubusinessline.com/economy/scrutiny-of-income-tax-cases-on-the-decline-says-finance-ministry/article32273756.ece#>

19. Fiscal deficit would likely to touch at 83.2% of Budget Estimates (BE) in Q1 of FY 2020-21 on account of poor tax collection: News Report

As the current situation of pandemic continues to grow, the businesses are finding it really tough to survive and making profits seem next to impossible. As a result of which the fiscal deficit for the first quarter of this fiscal widened to Rs 6.62 trillion or 83.2 per cent of the budget estimates, mainly on account of poor tax collection. The corresponding figures of the last year in the same quarter stood at 61.4 per cent of the budget estimates. As per the data shared by the Controller General of Accounts (CGA), the fiscal deficit stood at Rs 6,62,363 crore at end-June.

Tax revenue stood at Rs 1,34,822 crore or 8.2 percent of BE during the first three months of the fiscal. In the budget, the government had estimated the total receipts for the fiscal at Rs 22.45 trillion. The government's total expenditure stood at Rs 8,15,944 crore or 26.8 per cent of the BE at end-June. During the same period of the last fiscal, the total expenditure was 25.9 per cent of the BE.

https://www.business-standard.com/article/economy-policy/fiscal-deficit-at-83-2-of-budget-estimates-in-q1-on-poor-tax-collection-120073101454_1.html

20. UN Committee proposes new model treaty provisions altering taxation of automated digital services:-News Report

The UN Committee of Experts on International Cooperation in Tax Matters released a proposed optional UN model tax treaty article that would grant additional taxing rights to countries where an automated digital services provider's customers are located. The draft proposal would add new Article 12B to the UN Model Double Taxation Convention between Developed and Developing Countries requiring a multinational group to pay taxes on payments for automated digital services under one of two approaches. According to Daniel Bunn, Vice President of Global Projects at the Tax Foundation in Washington DC, new Article 12B would create two routes for source countries to tax cross-border payments for automated digital services. One route is via a gross-based tax at a rate agreed upon by the two treaty parties; the second route is based on net income and an apportionment formula.

https://www.google.com/url?q=https://mnetax.com/un-committee-proposes-new-model-treaty-provision-altering-taxation-of-automated-digital-services-39609&sa=D&source=hangouts&ust=1597029228535000&usg=AFQjCNGmQ4TEZFskSgy-GxmkMH_mEHrkww

21. Government mapped Land bank which is four times the size of Hong Kong for manufacturing for National Land bank Portal: News Report

The Indian government has mapped as much as five lakh hectares of land i.e. more than four times the size of Hong Kong, spread across 3,390 industrial belts and special economic zones (SEZs) in the country, as it prepares a national land bank portal to woo investors. While, the Modi government's bid to tweak land acquisition rules through an Ordinance in 2014 were mired in political slugfest, the move to set up a land bank will complement its latest efforts to shed rigidities in labour laws to boost domestic manufacturing and lure foreign investors.

https://www.financialexpress.com/economy/land-bank-ready-centre-maps-5-lakh-hectares-more-than-four-times-the-size-of-hong-kong/2057058/?utm_source=newzmate&utm_medium=email&utm_campaign=femain&tqid=0.HhdH41HxMBpyLU_K3mcLGp3GmNdNDDJEH0bXDmYw

22. New Brazil Digital tax services law is now under discussion: News Report

Brazil is all set to introduce a tax that would be levied on gross income derived from digital services provided by large technology companies and it shall be called as the Social Contribution on Digital Service. It has been introduced to cover the loss suffered by the country, due to the outbreak of Covid-19 pandemic. The said tax is inspired by the French digital services tax legislation and also recognizes the need to redesign national tax systems.

The collection from such tax shall be fully utilised to cover basic minimum wage income programs instituted at the federal level. The Government shall levy 3% tax on the revenue made by the companies in Brazil which will be triggered upon the generation of revenue deriving from the advertisement on a digital platform for a user located in Brazil (device located in the country); the availability of a digital platform that may allow interaction between users aiming to sell goods or to provide services; and the transmission of data of users located in Brazil and collected during the use of a digital platform or generated by these users.

<https://mnetax.com/new-brazil-bill-for-digital-services-taxation-under-discussion-39900>

23. Amazon passes cost of U.K. Digital Services Tax to Sellers:- News Reports

Amazon sellers will bear the cost of the U.K.'s recently approved digital services tax. In an email, Amazon.com Inc. told its U.K. sellers—which it says number in the tens of thousands—that their fees will increase by 2% beginning in September to cover the additional costs of the new tax.

“Now that the legislation has passed, we want to inform you that we will be increasing Referral fees, Fulfillment by Amazon (FBA) fees, monthly FBA storage fees and Multichannel Fulfillment (MCF) fees by 2% in the U.K. to reflect this additional cost,” Amazon told sellers.

<https://news.bloombergtax.com/daily-tax-report-international/amazon-passes-cost-of-u-k-digital-services-tax-to-sellers>

24. Introduction of tax holiday and VAT on digital services from foreign suppliers says Ministry of Finance, Mauritius: News Report

On 7th August, Mauritius enacted its Finance act 2020 and to counter the difficulties faced due to Covid-19 pandemic, major changes to the fiscal landscape introduced.

Tax Holiday -

To boost the economy, eight continuous years of income tax holiday will be provided to companies starting operations on or after 4 June 2020 and engaged in inland aquaculture in Mauritius. The persons engaged in

aquaculture activity are also exempted from VAT. Income derived by company approved as branch campus of 500 tertiary institutions will also get the benefit of above eight year exemption. Further, w.e.f. 01 July 2021, double deductions will be provided on expenditures incurred on medical research and development carried out in Mauritius, this demonstrates Mauritius' commitment to promote the medical sector in the country.

Indirect tax on Digital or Electronic Services -

VAT will apply to digital or electronic services supplied over the internet from 7 August 2020. This will apply on supply by foreign suppliers to persons in Mauritius. Although this measure seeks to tax resident suppliers and foreign suppliers the same way in Mauritius, it may also give rise to double taxation cost for Mauritian customers in the event the country of residence of the foreign supplier also imposes indirect tax on the supply.

<https://mnetax.com/mauritius-introduces-new-tax-holidays-vat-on-digital-services-from-foreign-suppliers-39693>

25. Singapore tax department issued guidance for those working remotely from Singapore due to COVID-19:

In light of the global COVID-19 outbreak, measures have been introduced to help businesses and individuals to ease their cash flow by the Singapore tax authority. Recently, Singapore tax authority provide the relaxations for the employees working remotely from Singapore due to Covid-19. If an individual is exercising overseas employment but are now working remotely from Singapore due to travel restrictions caused by COVID-19, the person shall be treated as not exercising an employment in Singapore, if meet the conditions as set out below:-

1. there is no change in the contractual terms governing your employment overseas before and after your return to Singapore; and
2. this is a temporary work arrangement due to COVID-19.

For Non-residents exercising overseas employment who are on short-term business assignment in Singapore and are unable to leave due to COVID-19, the Singapore tax authority shall consider such person as not exercising an employment in Singapore for the period of your extended stay if the following conditions are met:

1. the period of their extended stay is for a period of not more than 60 days; and
2. the work they have done during their extended stay is not connected to their business assignment in Singapore and would have been performed overseas if not for Covid-19.

If all the conditions are met, their employment income for the period of extended stay in Singapore will not be taxable.

<https://www.iras.gov.sg/irashome/COVID-19-Support-Measures-and-Tax-Guidance/Tax-Guidance/For-Individuals/Working-Remotely-from-Singapore-due-to-COVID-19/>

26. Philippines clarified various Tax Rules for Stranded Workers and its Corporate tax implications due to Covid: News Report

The tax authorities has now decided that Companies with workers stranded in the Philippines due to the outbreak of covid-19, won't trigger new corporate tax liability. Having employees stuck abroad can lead companies to inadvertently create the nexus condition known as permanent establishment, potentially incurring corporate income tax liabilities.

Accordingly, The Bureau of Internal Revenue (BIR) has eased the tax residency rules for foreign employees who are forced to extend their stay in the Philippines due to travel restrictions amid the Covid pandemic. Hence, it was further clarified that if an individual who is prevented from leaving the Philippines as a result of travel restrictions will not be regarded as being present in the Philippines for tax residence purposes for the period after their original scheduled date of departure.

Further, the BIR said that in all of such cases, where restrictions imposed by Covid may likely to affect the applicability of Philippine tax laws and tax treaties on a taxpayer's tax position, records shall be maintained outlining the circumstances and submitted to the bureau in support of the taxpayer's application for relief from double taxation.

<https://www.philstar.com/business/2020/08/19/2036266/bir-eases-tax-residency-rules-foreign-employees>

27. Singapore's Ministry of Finance proposes to strengthen General Anti Avoidance Rules (GAAR) and introduction of tax avoidance surcharge from Assessment Year 2022-23: News Report

With an aim to reinforce the GAAR provisions, the Singapore's Ministry of Finance has come up with a significant surcharge of 50% on the tax avoidance. The said surcharge shall be applicable from the assessment year 2023 and is a strict move by the government, as taxpayers would be subject to a hefty financial penalty, where they are found to have avoided tax.

Apart from this, section 33 of the Income Tax Act, has also been amended by the government as per which the comptroller's discretion on whether to exercise counteracting powers has been removed, as compared to the earlier law, which gave the Comptroller of Income Tax the discretion to disregard or vary any taxpayer arrangement to counteract any tax advantage obtained as a consequence of it.

<https://mnetax.com/singapore-proposes-to-strengthen-gaar-introduce-tax-avoidance-surcharge-39779>

28. Pakistan Tax agency has issued certain clarifications regarding Registration, Filing Deadlines under Finance Act, 2020: News Report

As per news report, the Pakistani Federal Board of Revenue had recently issued an order on registration and declaration deadlines, and penalties under the New 2020 Finance Act. The order includes as under:-

1. the simplified registration and declaration process for income;
2. declaration deadlines for entities and individuals registered before Sept. 30;
3. declaration deadlines for entities and individuals registering or submitting changes after Sept. 30;
4. the simplified appeal procedures; and
5. penalties for non compliance

<https://news.bloombergtax.com/daily-tax-report-international/pakistan-tax-agency-clarifies-registration-filing-deadlines-under-2020-finance-act>

B. INDIRECT TAXATION

1. Interest under section 50 payable only GST paid in cash (Notification no. 63/2020-Central Tax dated 25.08.2020 read with CBIC Press Release dated 26.08.2020)

The Government has notified amendment to section 50 of the GST Act w.e.f. 01.09.2020. The said amendment provides that interest shall be levied only on that portion of the tax that is paid by debiting the electronic cash ledger.

It may be recalled that amendment to section 50 was proposed after the 39th Meeting of GST Council wherein it was stated that interest shall be levied on the net portion and that the said amendment would be given retrospective effect. The Government has notified the amendment w.e.f. 01.09.2020. This led to apprehensions that, for the period prior to 01.09.2020, the Government may still collect interest on the total tax amount including the portion paid through ITC.

To put an end to all such apprehensions, the CBIC issued a press release clarifying that Notification No. 63/2020-Central Tax dated 25.08.2020 relating to interest on delayed payment of GST has been issued prospectively due to certain technical limitations and assured that no recoveries shall be made for the past period as well by the Central and State tax administration in accordance with the decision taken in the 39th Meeting of GST Council.

2. Conduct of personal hearings in virtual mode under GST, Customs Act, Central Excise Act and Service Tax (CBIC Instruction F.No. 390/Misc/3/2019-JC dated 21.08.2020)

The CBIC has decided to make it mandatory for various authorities, such as Commissioner (Appeals), original adjudicating authorities and Compounding Authority to conduct personal hearing, in respect of any proceeding under the Customs Act 1962, Central Excise Act, 1944 and Chapter V of Finance Act, 1994 and also CGST Act, 2017 and the IGST Act, 2017 through video conferencing facility. The Broad guidelines issued as under.

1. In any proceedings before appellate or adjudicating authority, the authority shall mandatorily indicate that the personal hearing would take place through video conferencing facility and shall also indicate the email address for correspondence etc.
2. The date and time of hearing along with link for the video conference shall be informed to the appellant/ respondent or their authorized representative and the concerned Commissioner representing revenue through the official email, giving the details of officer-in-charge who would provide assistance to the party, for conducting the virtual hearing. This link should not be shared with any other person without the approval of the adjudicating/appellate authority.
3. The assessee or authorized representative appearing in virtual hearing, should file his vakalatnama or authorization letter along with a copy of his photo ID card and contact details to the adjudicating/appellate authority through official e-mail address of the concerned authority
4. All persons participating in the video conference should be appropriately dressed and maintain the decorum required.
5. Virtual hearing through video conference shall be held from the office of adjudicating/appellate authority or any official video conference facility set up in the office of the adjudicating/appellate authority.
6. The virtual hearing through video conference will be conducted through available applications like VIDYO, or other secured computer network.
7. In case where the appellant/ respondent wishes to participate in the virtual hearing proceeding along with their advocate, they should do so under proper intimation to the adjudicating/ appellate authority.

8. The submissions made by the appellant or their representative through the video conference will be reduced in writing and a statement of the same will be prepared, which shall be known as ‘record of personal hearing’. A soft copy of such record of personal hearing in PDF format will be sent to the appellant through email ID provided by appellant/ respondent/ authorized representative, within one day of such hearing.
9. If the assessee or their representative wants to modify the contents of e-mailed record of personal hearing, they can do so and sign the modified record, scan and send back the signed record of personal hearing to the adjudicating/appellate authority within 3 days of receipt of such e-mail or else it will be presumed that they agree with the contents of e-mailed record of personal hearing. No modification in e-mailed record of personal hearing will be entertained after 3 days of its receipt by appellant/their authorized representative. The date of receipt of the email by the appellate/adjudicating authority will not be counted for this purpose. The record of personal hearing submitted in this manner shall be deemed to be a document for the purpose of the relevant statute read with Section 4 of the Information Technology Act, 2000.
10. If the assessee or their authorized representative prefers to submit any document including additional submissions during the virtual hearing, he may do so by self-attesting such document and a scanned copy of the same may be emailed to the adjudicating/appellate authority immediately after virtual hearing and in no case after 3 days of virtual hearing. The date of the hearing will be excluded for this purpose.
11. Any official representing the Department’s side can also participate in the virtual hearing through video conferencing. The Commissionerate concerned shall inform the details in advance regarding such participation.

3. GSTR-2B launched on trial basis on GST portal from July 2020 (CBIC Press Release dated 29.08.2020)

The CBIC has launched the facility for viewing GSTR-2B on the GST portal. GSTR-2B is an auto-drafted ITC statement which will be generated for every registered person on the basis of the information furnished by his suppliers in their respective GSTR-1, GSTR-5 (non-resident taxable person) and GSTR-6 (input service distributor). It is a static statement and will be made available for each month, on the 12th day of the succeeding month. It is expected that GSTR-2B will help in reduction in time taken for preparing the return, minimizing errors, assist reconciliation & simplify compliance relating to filing of returns.

Key features in GSTR-2B which would assist taxpayers in return filing are as under:

1. The statement will contain information on the import of goods from the ICEGATE system including inward supplies of goods received from Special Economic Zones Units / Developers. This feature is not available with the release of GSTR-2B for the month of July and will be made available shortly;
2. A summary statement that shows all the ITC available and non-available under each section. The advisory given against each section clarifies the action to be taken by the taxpayers in their respective section of GSTR-3B;
3. Document-level details of all invoices, credit notes, debit notes, etc. are also provided both for viewing and download;

GSTR-2B for the month of July 2020 has been made available on the common portal on a trial basis. The Press Release advised taxpayers to refer to GSTR-2B for the month of July, 2020 only for feedback purposes. Feedback (if any) on any aspect of GSTR-2B can be provided by raising a ticket on the self-service portal (<https://selfservice.gstsystem.in/>). Taxpayers can access their GSTR-2B through: Login to GST Portal > Returns Dashboard > Select Return period >GSTR-2B.

The launch of GSTR-2B has been made in line with GST Council decision in its 39th Meeting where it had recommended to adopt and implement the incremental approach of linking the present system of filing of GSTR-3B and GSTR-1 and other significant changes like enhancements in GSTR-2A and its linking to GSTR-3B.

4. Export of services by subsidiary company to holding company are not covered under establishments of distinct:- Gujarat High Court in Linde Engineering India Pvt. Ltd. vs. Union of India in R/Special Civil Application No. 12626 of 2018

The Petitioner is a Private Limited Company incorporated under the Companies Act and is engaged in the business of providing taxable output services under the category of consulting engineer services, erection, commissioning and installation service, construction services other than residential complex, including commercial/industrial buildings or civil structures and works contract services etc. to other establishments of the Linde Group. The Petitioner is a subsidiary of Linde AG, Germany. The Department issued a show cause notice alleging Linde Group Companies, including Linde AG, Germany would be establishments of the Petitioner and therefore the provision of service by the Petitioner would not fall within the ambit of 'Export of Service' under Service Tax Rules.

The Petitioner relied upon the Explanation 4 read with Explanation 3(b) to Section 65B(44) of the Act to submit that what is stipulated under law as an “establishment” is a branch or agency or a representational office of Petitioner. It was submitted that in the facts of the case, the Linde AG Germany is neither a branch nor an agency nor a representational office of the Petitioner.

The High Court held that the department has issued the notice on misinterpretation of the provisions. The Court observed that by no stress of imagination, it can be said that the rendering of services by the Petitioner to its parent Company located outside India was service rendered to its other establishment so as to deem it as a distinct person. It further observed that the Petitioner which is an establishment in India, which is a taxable territory and its 100% holding Company, which is the other company in non-taxable territory cannot be considered as establishments so as to treat as distinct persons for the purpose of rendering service. Accordingly, the Court quashed the show cause notice issued to the Petitioner.

5. Notice issued in writ filed against restriction of 10% / 20% availment of ITC under rules 36(4):- Rajasthan High Court in GR Infracore Limited vs. UOI in Civil WP 6337/2020

The High Court of Rajasthan has issued notice, in case of Rule 36(4), which places restriction on availment of ITC @10/20%. The said Rules provides that a taxpayer is only allowed to avail ITC to the extent of 10% / 20% over and above amount reflected in GSTR2A despite having valid Tax Invoice.

The issue of linking of ITC with GSTR-2A has been largely debated. The ruling in this writ should help bring certainty to the matter.

6. GST applicable on transfer fee for assignment of leasehold rights of land:-West Bengal AAR in Enfield Apparels Ltd. vide Order number 05/WBAAR/2020-21

The Applicant is in possession of a Premises for 99 years under a registered deed of sub-lease on payment of an up-front premium of ₹ 5.07 crore and monthly lease rental of Rs. 21,000/-. According to the Deed, the Applicant, after the expiry of at least five years from the date of the Deed coming into force, is entitled to assign to another person the unexpired residual period of the sub-lease after taking written approval of the Sub-lessor and on payment of transfer fee, being 10% of the prevailing market value of the property as assessed by the Registering Authority of the State Government.

A question was raised whether GST is payable on the consideration receivable on such assignment and under which SAC and what rate. Entitlement for input tax credit for the GST paid on the transfer fee was also raised.

The Authority held that GST is applicable at 18% under “Other miscellaneous service” (SAC 999792). The Authority rejected the argument of the Applicant that the assignment of right amounts to transfer of immovable property and is akin to sale thereof. The Authority held that the activity of assignment is in the nature of agreeing to transfer one’s leasehold rights. It does not amount to further sub-leasing, as the Applicant’s rights as per the Deed stands extinguished. Neither does it create fresh benefit from land other than the leasehold right. It is akin to compensation for agreeing to do the transfer of the applicant’s rights in favour of the assignee. Further, input tax credit for GST paid on transfer fee was allowed to be availed.

7. Manufacturer held as service recipient in case of free repair services provided to customers under warranty (Karnataka Appellate AAR in Volvo-Eicher Commercial Vehicles Ltd. in KAR/AAAR/Appeal-14-B/2019-20)

The Appellant had filed an appeal against order of the AAR which held that servicing of warranty claims of its customers where the onus to reimburse such expenses incurred for discharging the warranty obligation lies with manufacturer (based in Sweden) amounts to composite supply of goods and services to the customers wherein the principal supply is that of goods or services depending on the nature of individual case. It further held that the service recipients of the repair services are the customer and not the manufacturer.

The Appellate AAR observed that a reading of the definitions given in Section 2(93) and 2(31) of the CGST Act, indicates that the person who is required to make a payment for getting a job done is the recipient of service. To illustrate, if a manufacturer A is under obligation to provide free repair service during a specified warranty period to his customers in respect of some goods sold to them and he engages B to provide the services of free repairs during warranty period to his customers C 1 , C2, C3, and for this he pays to B, the recipients of the service provided by B would be A, not the customers C1, C2, C3.

Accordingly, the AAAR held that recipients of the service supplied by the Appellant during the warranty period, will be the manufacturer as it is at their behest that the Appellant has undertaken the activity of repair and/or replacement of parts to the customer during the warranty period and that the reimbursement received from manufacture is in the nature of consideration paid by the manufacturer to the Distributor-Appellant for carrying out the service during the warranty period. It further held that the supply by the Appellant to the manufacturer is a composite supply of goods and services with the principle supply being a supply of service.

8. GST payable on storage of food grains (Karnataka Appellate AAR in Karnataka Food & Civil Supplies Corporation in KAR/AAAR/Appeal-14-I/2019-20)

The Appellant has entered into an agreement with Central Warehousing Corporation (CWC) for use of storage space at Central Warehouse, Belgaum for storage of Public Distribution System commodities belonging to the Appellant. As per the agreement, CWC has provided storage space of 488 sq metres at Belgaum for a consideration of Rs. 126 per sq. metre per month or part thereof on gross area basis. The AAR had held that the services provided by CWC to the Appellant are covered under renting of commercial space in immovable property and not storage service of goods and would therefore attract GST at 18%. The Appellant had challenged that said AAR order in the appeal.

The AAAR observed that the Appellant shall make their own arrangements for comprehensive insurance of stocks stored and the CWC shall not be responsible to make good any losses or damages to goods; that the Appellant is required to take all clearances / permissions for storing the goods from the concerned authorities and CWC will not be responsible for the same; that the Appellant is allowed to maintain their own stock accounting of the goods stored in the godown on dedicated warehousing basis; that the Appellant is also allowed to deploy their own security personnel for storage space allotted.

Basis the above, the AAAR held that the activity is merely an activity of renting. The AAAR further held that there is a difference between 'storage or warehousing' service and 'renting of storage premises' service. The 'storage and warehousing service' provider normally makes arrangements for space to keep the goods, loading, unloading and stacking of goods in the storage area, keeps inventory of goods, makes security arrangements and provides insurance cover etc. In a case where a person only rents the storage premises, he does not provide any service such as loading / unloading, stacking, security etc. Mere renting of space cannot be said to be in the nature of service provided for storage or warehousing of goods.

9. Order of assessment orders over common portal held to be valid (Kerala High Court in Pee Bee Enterprises vs. Assistant Commissioner O/o The Assistant Commissioner-2 Special Circle 2, The Commissioner, State Goods and Service Tax Department in WP(C). No. 14376 OF 2020(V))

The Petitioner was issued assessment orders in ASMT-13 in 20.08.2019 and demand notices in DRC-07 by utilising the option available on the portal. A copy of assessment order was also emailed to the Petitioner. The Petitioner filed returns on 30.10.2019 after delay of 71 days. Since the filing was not made within 30 days,

assessment order was not withdrawn and that was followed with a demand notice in DRC-07. Subsequently, the copy of the above order was despatched to the petitioner.

The Court held that the service of an order through the web portal is one of the methods of service statutorily prescribed under Section 161(1)(c) and (d) of the SGST Act. If that be so, then the petitioner cannot deny the fact of receipt of the order on 28.09.2019 for the purposes of filing the returns as contemplated under Section 62 of the SGST Act with a view to getting the assessment order withdrawn. The assessment orders were held to be valid and the remedy of the petitioner against the said assessment order can only be through an appeal before the appellate authority under the Act.

10. Detention of goods for not mentioning amount of tax in e-way bill held to be invalid (Kerala High Court in M.S. Steel and Pipes vs. Asst. State Tax Officer, Commissioner of State GST in W.P(C).No.16356 OF 2020)

A consignment of goods transported at the instance of the petitioner was detained by the respondent on the allegation that while the consignment was supported by an invoice which contained the tax paid in respect of the goods, there was no mention of the tax amounts separately in the e-way bill that accompanied the goods. Accordingly, goods were detained on the basis that the same were not carried with a valid e-way bill.

The Court observed that the power of detention under section 129 is to be exercised only in cases where a transportation of goods is seen to be in contravention of the provisions of the Act and Rules and not simply because a document relevant for assessment does not contain details of tax payment. A reading of the Rules clearly indicate that the e-way bill has to be in FORM GST EWB-01, and in that format, there is no field wherein the transporter is required to indicate the tax amount payable in respect of the goods transported. If the statutorily prescribed form does not contain a field for entering the details of the tax payable in the e-way bill, then the non-mentioning of the tax amount cannot be seen as an act in contravention of the rules. Accordingly, the Respondents were directed to release the goods.

11. Provisional attachment of bank accounts cease to have effect after the expiry of a period of one year from the date of the order made (Gujarat High Court of Namaskar Enterprise vs. Commissioner of Goods and Service Tax in R/Special Civil Application No. 18105 of 2019)

A Petition was filed directing the Respondent to quash the notice of provisional attachment under section 83 of the Act for provisional attachment of bank Account and further to direct to change the status of account from 'on hold' to 'active'.

The Court observed that a perusal of the aforesaid section 83(2) makes it abundantly clear that the provisional attachment would cease to have effect after the expiry of a period of one year from the date of the order made under section 83(1). Although no specific date has been mentioned in the impugned order of provisional attachment of the bank account, yet having regard to the statement made by the Counsel that the attachment came into force from 02.08.2019, we take it that the order of provisional attachment has come to an end. The Court held that under such circumstances referred to above, no further adjudication is necessary as regards the other contentions raised in the writ application and the Petition was allowed.

12. Petition to qualify masks and sanitisers as essential commodities dismissed (Delhi High Court in Gaurav Yadav and Anr. vs. Union of India and Ors. in W.P.(C) 5222/2020)

The Court rejected a Writ Petition filed directing the Respondents to extend the Notifications dated 12.03.2020 and 21.03.2020 thereby classifying masks and sanitizers as 'Essential Commodity' under the Essential Commodity Act, 1955 and fixing the retail prices of the said products. Further, direction was sought to reduce the GST rate of 18% on alcohol based sanitizers to either 5% or 12%.

The Court observed that Inclusion of commodities in the list of 'Essential Commodities' under the Essential Commodities Act 1955 is a complex decision based upon varieties of factors such as availability, price etc. The aforesaid notification dated 13.03.2020 has not been extended beyond 30.06.2020 as, in the opinion of the Government, masks and sanitizers are now easily available and there is no need to control such commodities or to regulate supply etc. of these commodities.

In respect of reduction of rate of GST on masks and sanitizers, it ought to be kept in mind that the rate of tax cannot be challenged in a Court of law unless it is abundantly confiscatory in nature. Merely, because this petitioner feels that the GST rate applied on masks and sanitizers is excessive, this cannot be a reason for issuing a writ of mandamus and direct the respondents to reduce tax on the said commodities.

13. Procedure for claiming refund of balance of electronic cash ledger challenged:-High Court of Delhi in Kundan Care Products Ltd. vs. Union of India &Ors. in W.P. (C) 5059/2020

A Writ Petition has been filed seeking a direction of the Court to respondents to make payment of refund of electronic cash ledger with interest. It was stated in the Petition that the procedure for claiming refund of electronic cash ledger is not in accordance with proviso to section 54(1) of the GST Act and proviso to rule 89(1) of the GST Rules. It was stated that the Government has not yet implemented Section 39 of the GST Act and the corresponding Rules, although the said section is fully operational under 'Statute Book' and has been enforced

w.e.f. 01.07.2017. It was further stated that right from the inception of GST all applications for refund including the application relating to refund of balance in electronic cash ledger were and are being filed in FORM GST RFD-01A and FORM GST RFD-01 respectively instead of FORM GSTR-3.

The High Court issued notice to the Government and the next date of hearing is fixed for 12.10.2020.

14. Credit allowed for tour packages given to dealers:- Allahabad CESTAT in Merino Industries Ltd. vs. Commissioner of Central Excise, Noida in Excise Appeal No.71197 of 2018-EX[SM]

The Appellant had availed Cenvat credit of service tax paid on tour packages provided to their dealers. The revenue contended that tour packages provided to dealers had nothing to do with the sales promotion and therefore, Cenvat credit of service tax paid on tour packages to dealers was not admissible as Cenvat credit of the Appellant.

The Tribunal referred to order of High Court of Gujarat in Simbhaoli Sugar Ltd. which held that if commission is paid to sales commission agent for effecting sale of goods manufactured by the assessee then service tax paid on such commission would be available as input service credit to the manufacturer. The Tribunal observed that it was not possible for the Appellant to pay in cash expenses for tour and instead they have provided them tour packages which can be considered as dealer's commission. The Tribunal held that Cenvat credit of service tax paid on tour packages are admissible as Cenvat credit in the present case.

15. Supply, Erection. Testing & Commissioning of sub-stations does not qualify for concessional rate:-Telangana AAR in Vishwanath Projects Limited

The Applicant is providing services viz., Supply, Erection. Testing & Commissioning of 51 Nos. 33/11kV Substations with Associated Lines to M/s Odisha Power Transmission Corporation Limited, Janapath, Bhubaneswar (OPTCL). A question was raised whether EPC Contract in respect of power distribution and Transmission company fall under the category of "Government Entity" as per GST notification number 01/2018 – Central Tax(Rate) and rate of GST applicable.

The Authority held that OPTCL undertakes the activities of transmission of electricity in the State of Orissa under regulatory control of Orissa Electricity Regulatory Commission (OERC) and also in compliance of the provision of the Orissa Electricity Reform Act, 1995 and Electricity Act, 2003 and is accordingly, falls under the domain of Government entity. It further held that from the nature of the work stated by Applicant in Contract agreement the works are of Industrial nature. OPTCL is not rendering any non-commercial services as the

structure arising out of works contract services will be used for the purpose of commerce, and even in situations where it “appears” that the structure is pre-dominantly meant for non-commercial purposes, it turns out that they get reimbursed for their activity on behalf of their customers from the State Government, which by no stretch of imagination can be called as “Non-commercial”. Accordingly, it was held that concessional rate of 12% will not be apply and GST will be charged at 18%.

16. Input tax credit for Lease Premium Charges (one-time charges), Lease rentals (recurring) and maintenance charges not available:-Telangana AAR in Daicel Chiral Technologies (India) Private Limited

The Applicant acquired land on lease Lessor for a period of 33 years. As per the terms of the lease, the Applicant is required to pay one-time lease premium at the beginning of the lease and also annual lease rentals at the end of every year to the lessor for 33 year. In addition to the above the Applicant is also required to pay maintenance charges for the leased premises. The Lessor has classified the lease services rendered by him under ‘Rental or Leasing services involving own or leased non-residential property’ and collected GST@18% (i.e. SGST 9% +CGST 9%) on one time lease premium. Further, at the end of the year, the lessor will also be required to pay GST on the Annual Lease Charges and maintenance charges at the applicable GST rates.

A question was raised on whether the Applicant is eligible to avail input tax credit on GST paid on Lease Premium Charges (one-time charges), Lease rentals (recurring) and maintenance charges.

The Authority held that the Applicant is not entitled to input tax credit for GST paid on the above. The Authority observed that the terms and conditions of the lease agreement make it clear that the Applicant acquired land from on lease for the purpose of construction of a building where their own laboratory would be accommodated. It is also not disputed that the ‘building’ constructed by the Applicant unquestionably falls within the ambit of ‘immovable property’. Accordingly, the Authority held that credit is not allowed under section 17(5)(d) of GST Act.

17. Delhi Government sends notices to over 5500 firms for not filing tax returns: News Report

1. Delhi Government has sent notices to over 5500 firms and is also preparing a list of all defaulters.
2. Nine sectors including e-commerce are not impacted by Covid-19 but around 935 companies paid zero tax and 2017 companies only paid 50% tax.
3. Strict scrutiny on the reasons for not filing a return will be done. According to the government, they have received around INR 2000 crore less tax as compared to previous year.

4. In a bid to improve Delhi's revenue deficit situation, the trade and taxes department of the government has started analyzing the return-filing status of the taxpayers registered under the GST.
5. The government has appealed to all the companies to immediately deposit the taxes, while warning the defaulters of stringent action.

https://www.business-standard.com/article/economy-policy/delhi-govt-sends-notices-to-over-5-500-firms-for-not-filing-tax-returns-120080702007_1.html

18. GSTR 1 and 3B to be linked to determine input tax credit and liability – News Report

The Government in an effort to plug goods and services tax (GST) evasion and frauds and ease compliance, is enhancing the existing GST return filing system to have an in-built invoice matching system to determine input tax credit and liability. The load handling capacity of GST Network (GSTN) has also been enhanced to 300,000 taxpayers at one point of time as against 150,000 taxpayers earlier to avoid glitches during peak hours. Further, return form GSTR 2B will be introduced for availing input tax credit, which will plug leakages and frauds.

Currently, ITC claimed on self-declaration basis, resulting in a mismatch many a times. Under the new system, GSTR 2B will be generated on the basis of GSTR 1 filed between two due dates by counter-party suppliers, for availing credit in GSTR 3B in a month.

https://www.business-standard.com/article/economy-policy/gstr-1-and-3b-to-be-linked-to-determine-liability-and-input-tax-credit-120080701909_1.html

C. REGULATORY

1. Ministry of Corporate Affairs (MCA) amended Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013:- Notification No. G.S.R. 525(E) and G.S.R. 525(E) dated 24 August 2020

MCA vide the above notification no G.S.R 526(E) made the following amendments in the Companies (Corporate Social Responsibility Policy) Rules, 2014:-

1. As per the rule 2(1)(e) of CSR Rules, a company as a part of there CSR project may undertake the activities by the Companies in the area specified in schedule VII of the Act excluding the activities undertaken in pursuance of the normal business of the Company. Now, a proviso has been added to the above rule to provide that a company engaged in R&D activity of new vaccines, drugs and medical devices in its normal course of business may undertake R&D activity for new vaccines, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23 subject to the following conditions:
 - i. such R&D activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII of the Companies Act, 2013; and
 - ii. the details of such activity shall be disclosed separately in the annual report on CSR included in the Board's Report.
2. Consequently in the rule 4(1), the words “excluding activities undertaken in pursuance of its normal course of business” are omitted.

MCA vide the above notification no G.S.R 525(E) made the following amendments in the Schedule VII of the Companies Act which provide the list of the activities that can be undertaken under CSR:-

Existing item no. (ix) is substituted and the list of the CSR activities expanded to include the following:-

1. Contributions to incubators or R&D projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government shall also be counted towards CSR.
2. Contributions made to autonomous bodies established under the Department of Pharmaceuticals and AYUSH will also be considered as CSR contributions.

2. Ministry of Corporate Affairs (MCA) introduced Companies (Management and Administration) Amendment Rules, 2020 (Rules) :- Notification No. G.S.R. 538(E) dated 28 August 2020

As per the rule 12(1) of the rules extract of the annual return that is required to be attached with the Board's Report shall be in Form No. MGT. 9. Now, MCA vide its above notification added the proviso to the above rule to provide that a company is not required to attach the extract of the annual return with the Board's report in Form No. MGT.9, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013. Section 92C(3) provides that, every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report.

3. Ministry of Company affairs (MCA) issues certain clarification on sending of notice in case of right issue by the listed entities- General Circular No. 27/2020 dated 03 August 2020

As per section 62(2) of the Companies Act, 2013, the companies shall send a notice through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders of the company at least three days before the opening of the right issue.

MCA vide its circular dated 03 August 2020, has decided that any right issue made by the listed entity can do so without sending such prior notice and such an action would not be considered as a violation of section 62(2) of the Act for rights issues opening upto 31st December, 2020. Earlier, such relaxation was provided by the ministry for the right issues upto 31st July 2020, but due to the inability or difficulties faced by the listed entities regarding the dispatch of such notice, the Ministry has further extended the relaxation.

4. Ministry of Corporate Affairs (MCA) releases the "Report of the committee on Business Responsibility Reporting": Press release dated 11 August 2020

Shri Rajesh Verma, Secretary, MCA has released the report of the committee on Business Responsibility Reporting (BRR) and also appreciated the efforts of the committee for such a robust reporting framework and said that MCA will work closely with SEBI and also asked businesses not to ignore corporate governance.

Background:

MCA has been taking various initiatives to ensure responsible business conduct by companies. As a first step 'Voluntary guidelines on Corporate Social Responsibility were issued in 2009 and then these guidelines were further revised in 2011.

SEBI also mandated top 100 listed entities through listing regulations to file business responsibility reports for Environmental, social and governance perspective. This limit was extended to 1000 companies in 2019. The main aim was not to just focus only on shareholders but also on stakeholders.

For further update, MCA had constituted a 'Committee on Business Responsibility Reporting' to develop new BRR formats for listed and unlisted companies. The Committee recommended two formats for disclosures: one 'comprehensive format' and the second a 'Lite version'.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1645169>

5. Ministry of Corporate Affairs (MCA) issued clarification on extension of Annual General Meeting (AGM) for the Financial Year ended as on 31.03.2020: Vide Circular No. 28/2020 dated 17 August 2020

In an earlier announcement made by MCA by General Circular No. 20/2020 dated 05-May-2020, it announced holding of Annual General Meeting through Video Conferencing or other audio visual means. However, MCA have received several representations from the stakeholders to allow companies to hold their AGM beyond the statutory period.

Hence, by taking note of the representations from the stakeholders, MCA has announced vide circular no. 28/2020 dated 17-August-2020 that companies which are still unable to hold their AGM for the financial year ended on 31.03.2020, despite availing the relaxations as provided in previous circular shall file their applications in form No. GNL-1 for seeking extension of time in holding of AGM for the financial year ended on 31.03.2020 with the concerned Registrar of Companies on or before 29.09.2020.

Further, the registrar of companies are advised to consider all such applications liberally and to grant extension for the period as applied for up to three months in such applications.

6. Reserve Bank of India (RBI) proposed restructuring of MSME advances without downgrading its Asset classification: Circular no. DOR. No. BP.BC/4/21.04.048/2020-21 dated 6 August 2020

In order to provide support to MSME entities in the Covid-19 pandemic, the existing loans to MSMEs classified as "Standard" shall be restructured without downgrading the asset classification if it satisfies following condition:

1. The aggregate exposure to the borrower does not exceed INR 25 Crore as on 01 March 2020.
2. The borrower account was 'standard asset' on 1 March 2020
3. Restructuring is implemented by 31 March 2020
4. The borrowing entity is GST registered on the date of implementation of the restructuring but the same condition is not applicable on MSME that are exempt from GST registration.
5. Asset classification of borrowers classified as standard may be retained as such, whereas the accounts which may have slipped into NPA category between 2 March 2020 and date of implementation may be upgraded as 'standard asset', as on the date of implementation of the restructuring plan.
6. Banks to make additional provision of 5% above the provision already held by them for the accounts restructured under these guidelines.

Further the instructions specified circular dated 11 February 2020 shall also remain applicable.

7. Enhanced International Investment proposed in Infrastructure and MSME Sector to driven the Indian economy: Press Release dated 12 August 2020

Minister of MSME, NitinGadkari has called for increased investment by international institutions and bodies in Indian Highways and MSME sector. He mentioned that the two growth engines for the economy are the automobile and MSME sector.

He further added that India and Australia are co-operating in the road safety sector, which has provided better designs for roads and awareness opportunities for the public. Under the Indian Road safety assessment Programme, 21000 km roads have been assessed and about 3000 km road length under technological upgradation. It is estimated that these upgradation programme will bring 50% reduction in road accidents and the objective is to achieve zero road fatalities by 2030. Both World Bank and ADB have committed to invest 7000 crores each.

He also quoted that increasing education, awareness, and emergency services will get us closer to achieving road safety targets and he also emphasised that the MSME sector will drive the Indian economy in coming years. He concluded with his final remarks that MSME sector is also going to the capital market soon.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1645310>

8. RBI issued revised instructions on MSME classification by Financial institutions, after incorporating necessary clarifications from the Office Memorandum (OM) of Ministry of MSME, on new definition of Micro, Small and Medium Enterprises (MSME) enterprises: Vide Circular RBI/2020-2021/26 FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated 21 August 2020

In view of the representation received from IBA and Banks regarding applicability of certain aspects on new criteria for classifying the enterprises as micro, small and medium enterprises, the Ministry of MSME vide their Office Memorandum (OM) has clarified as under:

1. Classification of Enterprises as per new definition

It has been clarified that all enterprises are required to register online and obtain 'Udyam Registration Certificate'

2. Validity of the existing Entrepreneurs Memorandum and UdyogAadhaar Memorandum issued on or before 30 June 2020

Ministry of MSME has further clarified that the existing certificate issued on or before 30 June 2020 shall remain valid till 31 March 2021. Therefore, all enterprises registered till June 30, 2020, shall file new registration in the Udyam Registration Portal well before March 31, 2021.

3. Value of Plant and Machinery or Equipment

It has been further emphasised that the value of Plant and Machinery or Equipment shall mean the Written Down Value (WDV) as at the end of Financial Year and not the actual cost of acquisition or original price.

Further, the other instructions contained in earlier circular issued dated 02 July 2020 remain the same

9. RBI has decided to revise the guidelines in relation to Core Investment Company:- Vide Notification No. RBI/2020-21/24 DoR (NBFC) (PD)CC.No.117/03.10.001/2020-21 dated 13 August 2020

Based on the recommendations of working group constituted to review the regulatory work for Core Investment Company (CIC) and various stakeholders, RBI has decided to revise the guidelines as applicable for Core Investment Company

Revision has been made under the following main heads:-

1. Definition of Adjusted Net Worth
2. Group Structure
3. Risk Management
4. Corporate Governance and Disclosure Requirement
5. Consolidation of Financial Statements
6. Exceptions to carrying other Financial Activities
7. Registration
8. Change in Nomenclature

10. Reserve Bank of India (RBI) issued instructions on Adhoc/Short Review/Renewal of Credit Facilities: DoS.CO.PPG.BC.1/11.01.005/2020-21 dated 21 August 2020

In an earlier Circular, RBI had put in place a board approved credit policy for banks, which prescribes the periodicity and methodology of review/renewal of credit facilities. However, after a detailed analysis, it has brought out certain supervisory concerns, including that of frequent/repeated adhoc review/renewal of credit facilities instead of regular review/renewals.

In this connection, it has now been decided that there should be timely and comprehensive review/renewal of credit facilities and it should be an integral part of the Board approved loan policy and credit risk management framework, and banks should avoid frequent and repeated adhoc/short review/renewal of credit facilities without justifiable reasons. Further, Banks are also advised to capture all the data relating to regular as well as adhoc/short review/renewal of credit facilities in their core banking systems and make them available for scrutiny as and when required by any audit or inspection.

11. Security and Exchange Board of India (SEBI) issues procedural guidelines for Proxy Advisors: Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/147 dated 3 August 2020

SEBI (Research Analyst) Regulations, 2014 mandates proxy advisors to abide by Code of Conduct specified therein. Further with the view to protect the interest of investors, SEBI vide its circular dated 3 August 2020 issued procedural guidelines which the proxy advisor adhered to. Some of the key guidelines are as below:-

- a) Proxy advisors should formulate voting recommendation policies and also update the same to the clients and ensure that the policy is reviewed at least once a year;
- b) They should disclose the methodologies and processes followed in the research to the clients;
- c) They should alert clients within 24 hours of receipt of information about some factual errors or material revisions in the report;
- d) They shall have a stated process to communicate with its clients and company;
- e) They should share a report with both client and company at the same time and shall disclose the policy of sharing on the website and they shall also define the timeline to receive comments from the company and change the same in the report;
- f) They shall disclose the legal requirements in the report along with the reasons; and

These guidelines shall come into force from 1 September 2020

12. SEBI defines grievance resolution between listed entities and proxy advisors: Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/119 dated 04 August 2020

From the past number of years, proxy advisors have played a key role in shareholders participating effectively in Corporate Governance Decisions. They also provide advice to the institutional investors/shareholders of listed entities in relation to the rights including voting recommendation. Due to the nature of work, both the proxy advisors and listed entities may have different views and lead to certain grievances.

Hence, to resolve this situation, the listed entities may approach SEBI and according to the latest guidelines SEBI will examine the matter of proxy advisors in accordance with the relevant regulations and recent code of conduct and Procedural Guidelines.

The above circular will be effective from the 1 September 2020.

13. Extension of timeline for use of Digital Signature Certificate for authentication of filings made to Stock Exchanges:- Circular SEBI/HO/CFD/CMD1/CIR/P/2020/145 dated 31 July 2020

SEBI vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/63 dated 17 April 2020, had permitted use of digital signature certifications for authentication / certification of filings / submissions made under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), to the Stock Exchanges till 30 June 2020. SEBI has received a representation from the Institute of Company Secretaries of India (ICSI) stating that due to the COVID -19 pandemic and precautionary measures for its curtailment, Company Secretaries continue to face operational challenges in carrying out certification and authentication of documents in physical form.

Thus, SEBI vide its circular dated 31 July 2020 has extended the above relaxations till 31 December 2020.

14. SEBI notified Securities And Exchange Board of India (Listing Obligations And disclosure Requirements) (Second Amendment) Regulations, 2020:- Notification No. SEBI/LAD-NRO/GN/2020/25 dated 5 August 2020

Regulation 42(1) prescribes that the listed entities are required to intimate the record date to all stock exchanges on the following occasions like declaration of dividend, issue of right or bonus shares etc. where it is listed . Now as the amended regulations, listed entities on the above occasions are required to intimate to all the stock exchange(s) where it is listed or where stock derivatives are available on the stock of the listed entity or where listed entity's stock form part of an index on which derivatives are available.

15. Administrative assistance provided by SEBI to Trustees of Mutual Funds: Circular : SEBI/HO/IMD/DF4/CIR/P/2020/000000151 dated 10 August 2020

SEBI had received feedback afterwith interactions from trustees for providing them administrative assistance for monitoring the activities of the asset management Companies.

Earlier also the trustees were having certain support in this respect, which includes appointment of independent auditors for the trustees.

But now SEBI has provided them with certain additional support as under:-

1. Trustees shall appoint a dedicated officer with professional qualification and has minimum 5 years of experience in finance and related services.

2. The appointed officer will be an employee of the trustee and report directly to them and trustees should specify the roles and duties and scope of work of said officer.
3. The said officer shall be treated as an access person.
4. Trustees shall have standing arrangements with independent firms for special purpose audit and/or to seek legal advice in case of any requirement persists.
5. Trustees shall continue to be held responsible to discharge fiduciary responsibilities.

This circular shall be applicable from 1 October 2020.

16. SEBI introduces new Platform for Processing of Complaints "SCORES" as mobile application: Public Notice dated 11 August 2020

1. SEBI commenced an online centralised grievance redressal system called SEBI Complaints Redress System "SCORES". It is a platform on which investors can file complaints regarding the securities market ,against listed Companies, SEBI registered Intermediaries etc.
2. To further improve the ease of doing business, a mobile application of SCORES is also available now.
3. Scores help in tracking the complaints and also update time to time notifications about the concerned complaint and also helps in keeping audit trail of complaints essential for future.
4. All complaints which are received on SEBI official ID are now uploaded on SCORES.

17. SEBI issued SOP on handling of Complaints by stock exchange and action for failure to redress investors Complaint:- Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated 13 August

As per latest circular issued by SEBI, SEBI has prescribed detailed investors grievance redressal mechanism for handling of SCORES complaints by stock exchanges and Standard Operating Procedure for redressal of grievance by listed companies. Circular has mentioned the detailed mechanism for handling complaints by stock exchanges and what are the actions required in case listed entities fail to redress the investor complaint. The Circular Shall come into force from 01 September 2020.

<https://taxguru.in/sebi/sebi-sop-handling-complaints-stock-exchanges-action-failure-redress-investor-complaints.html>

18. Security and Exchanged Board of India (SEBI) issues corrigendum to previous issued master circular for depositories dated 25 October 2019: Vide Circular No. SEBI/HO/MRD2/DDAP/CIR/P/2020/153 dated 18 August 2020

As per recent circular issued by SEBI, in order to align with the provisions of (Depositories and Participants) regulations, 2018 with that of the master circular as issued on 25 October 2019, "Depositories and Depository Participants are required to preserve the records and documents for a minimum period of 8 years" However, it may be noted that other provisions of the Master Circular shall remain unchanged.

Now, the depositories are advised to:-

1. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision;
2. to carry out system changes for implementation of the above;
3. disseminate the provisions of this circular on their website; and
4. communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Development Report

19. Insolvency and Bankruptcy Board of India notified (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2020:- Notification No. IBBI/2020-21/GN/REG064. dated 07 August 2020

The Insolvency and Bankruptcy Board of India (IBBI) notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2020. Following changes were made in the amended regulations:-

- a) As per the current regulations it provides appointment of an authorised representative (AR) by the Adjudicating Authority to represent financial creditors in a class, like allottee(s) under a real estate project, in the committee of creditors. For this purpose interim resolution professional is required to offer a choice of three Insolvency Professionals (IP) in the public announcement, and the creditors in a class to choose one of them to act as their authorised representative. Now, as the amended regulations that the three IPs offered by the interim resolution professional must be from the State or Union Territory, which has the highest number of creditors in the class as per records of the corporate debtor.

The above change will facilitate ease of coordination and communication between the AR and the creditors in the class he represents.

b) As per the current regulation, the authorised representative shall seek voting instructions from creditors in a class at two stages, namely, (i) before the meeting; and (ii) after circulation of minutes of meeting. Now, as per the amended regulations the authorised representative shall seek voting instructions only after circulation of minutes of meeting and vote accordingly. However, he will circulate the agenda and may seek preliminary views of creditors in the class before the meeting to enable him to effectively participate in the meeting.

c) As per the current regulations, the committee of creditors shall evaluate all compliant resolution plans as per evaluation matrix to identify the best of them and may approve it. Now as per the amended regulations after evaluation of all compliant resolution plans as per evaluation matrix, the committee of creditors shall vote on all compliant resolution plans simultaneously. The resolution plan which receives the highest votes but not less than sixty-six percent of voting share shall be considered as approved.

20. Insolvency and Bankruptcy Board of India notified Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations 2020:- Notification No. IBBI/2020-21/GN/REG.063. dated 05 August 2020

The Insolvency and Bankruptcy Board of India (IBBI) notified the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations, 2020.

The Insolvency and Bankruptcy Code, 2016 enables a corporate person to initiate a voluntary liquidation process if it has no debt or it will be able to pay its debts fully from the proceeds of the assets. The corporate person appoints an insolvency professional to conduct the voluntary liquidation process by a resolution of members or partners, or contributories, as the case may be. However, there can be situations which may require the appointment of another resolution professional as the liquidator.

Thus, IBBI now made the amendment to the above regulation to provide that the corporate person may replace the liquidator by appointing another insolvency professional as liquidator by a resolution of members or partners, or contributories, as the case may be

21. The Insolvency and Bankruptcy Board of India (IBBI) notified Insolvency and Bankruptcy Board of India (Liquidation Process) (Third Amendment) Regulations, 2020:- Notification No IBBI/2020-21/GN/REG062 dated 05 August 2020

IBBI recently notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Third Amendment) Regulations, 2020. Earlier the regulations required the committee of creditors to fix the fee payable to the liquidator. Further where the fee has not been fixed by the committee of creditors, the Regulations provide for a fee as a percentage of the amount realised and of the amount distributed by the liquidator.

However, there have been instances where a liquidator realises the amount while another liquidator distributes the same to stakeholders. Now, new regulations clarified that where a liquidator realises any amount, but does not distribute the same, he shall be entitled to a fee corresponding to the amount realised by him. Also, where a liquidator distributes any amount, which is not realised by him, he shall be entitled to a fee corresponding to the amount distributed by him.

22. IRDAI had agreed to issue Insurance Policies electronically due to challenges faced in the outset of Covid-19: Ref No. IRDAI/Life/Cir/Misc/207/08/2020 dated 04 August 2020

In the outbreak of Covid-19, Insurance Regulatory and Development Authority of India (IRDAI) has provided exemption from the requirement to issue policy documents in physical form. This Exemption is subject to:-

1. Life Insurer confirming the date of receipt of electronic policy document by the policyholder through PIVC or other means and preserving the proof so that Free Look period may be calculated from that date.
2. 30 days free look period may be allowed for all such electronic policy documents.
3. Return of electronic policy document by mail by policyholder with clear intention of cancellation of policy shall be valid for free look cancellation.
4. Express consent of the policyholder to receive electronic policy bond is required. If a policyholder insists on hard copy, the same has to be issued without any charges.
5. Policy document shall be sent to the email id submitted by the proposer.

This exemption is valid for all policies issued during FY 2020-21.

23. IRDAI vide its Circular dated 5 August 2020 proposed that there is no need for Physical Signature on Insurance Proposal Forms: Ref No. IRDAI/Life/Cir/Misc/208/08/2020 dated 05 August 2020

In the outbreak of Covid- 19 pandemic, the IRDAI had received numerous feedback from a large category of life insurers regarding the difficulty they are facing in filling physical proposal forms. After examining the above situation, the authority come up with the following instructions in this regard:-

Life insurers can get customers consent without wet signature on the hard copy proposal form for the business done by insurance agents subject to following:-

1. The completed proposal form needs to be sent to the person on his registered email id or mobile number.
2. The prospect can accept the consent through an online verification link or by validating the OTP shared. The insurer shall maintain verifiable, legally valid evidence for the proposer's consent received for the fully completed proposal form.
3. In all such cases, the agent / intermediary shall ensure that only approved sales material shall be used during the solicitation process and they shall also certify the authenticity of the e-mail ID and mobile number of the prospect insured person.

Further, the insurer shall be responsible for:-

1. Providing insurance agents/ intermediaries approved digital sales material and ensuring that only such material is used while soliciting the business.
2. Authenticating the email IDs/ mobile numbers of the prospects by conducting de-duplication of such data and other such means.
3. Ensuring the suitability of the product being purchased.
4. Carrying out pre-issuance verification calls in respect of all such proposals.

This is allowed on an experimental basis with immediate effect till December 31 2020 and is limited to pure risk products i.e the products do not have any saving element.

24. Insurance Regulatory and Development Authority of India (IRDAI) grant relaxation from Submission of Hard Copy of Regulatory Returns: Circular No. IRDAI/Life/Cir/MISC/206/08/2020 dated 04 August 2020

IRDAI vide its circular dated 04 August 2020 provided relief by allowing the submission Quarterly Investment Returns through BAP module without physical filing and submit a soft copy through email to Mr. S.N Jayasimhan, GM at email id snjayasimhan@irdai.gov.in.

The above relaxation is for the returns up to 31 March 2021. Physical copies may be kept ready for filing by the later date to be notified by authority.

25. Insurance Regulatory and Development Authority of India (IRDAI) has decided to electronically issue of Surveyor and Loss Assessor Licenses. - Circular No. IRDAI/SUR/CIR/MISC/205/08/2020 dated 3 August 2020

IRDAI vide its circular dated 3 August 2020 has announced that the authority shall be issuing digitally signed Surveyor and Loss Assessor Licenses from 03 August 2020 onwards. IRDAI surveyor department will issue the digitally signed license through BAP and the digitally signed SLA Licenses will be sent to the registered E-Mail ID of registered applicants.

26. Insurance Regulatory and Development Authority of India (IRDAI) specified dividend criteria for Equity Investment under Approved Investment: Vide Circular REF: IRDAI/Fel/CIR./INV/215108/2020 dated 21 August 2020

After Considering the representations made by Life and Central Insurance Councils, the Authority in exercise of the powers permitted Insurers to classify investments in Preference Shares and Equity Shares as a part of "Approved investment" if such Shares have paid dividend "for at least 2 years out of 3 consecutive year immediately preceding Year" for the period from April 2020 to 31" March, 2021

27. Uttar Pradesh (UP) government unveils new Electronics manufacturing policy and promised to focus on neglected regions: News Report

Recently, the Uttar Pradesh government unveiled a new electronics manufacturing policy, where it plans to set up three electronics manufacturing clusters (EMC). The government is hoping to attract investments worth Rs 40,000 crore over five years, and create four lakh employment opportunities in Uttar Pradesh. The new policy

will be applicable across the state, in an attempt to “accelerate the Electronics System Design and Manufacturing (ESDM) ecosystem development”.The new policy focuses on developing the sector in the neglected regions of Purvanchal and Bundelkhand, where the land subsidy offered is double that of what units will get elsewhere in the state.

Highlights of the policy document

1. The policy suggests locations for the three proposed EMCs
 - i. an electronic city in GautumBudh Nagar
 - ii. a defense electronics manufacturing cluster in Bundelkhand and
 - iii. a medical electronics manufacturing cluster in the Lucknow-Unnao-Kanpur zone
2. The central government and “industry associations” together, will bear 75% of the cost of setting up centres of excellence in the state and the remaining shall be borne by the UP government.
3. To encourage MSMEs, the government will encourage the development of rental facilities for their workforce. Further, It will also encourage development of rental plug-and-play facilities on a PPP model.

Proposed Incentives

1. Prescribed Slab for capital subsidy depending upon amount of Fixed Capital investment.
2. An interest subsidy of 5% will be given to units with investments up to Rs 200 crore on loans obtained from scheduled banks and financial institutions.
3. Cost of filing successful patents will be reimbursed up to Rs 5 lakh.
4. 25% land subsidy will be provided to units on purchase of land from state agencies in Madhyanchal and Paschimanchal regions. The subsidy is double (50%) if the units are set up in Purvanchal and Bundelkhand.
5. All ESDM units will be eligible for reimbursement of stipend amount given during training to apprentices.

https://www.medianama.com/2020/08/223-up-electronics-policy-2020/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+medianama+%28Medianama%3A+Digital+Media+In+India%29

28. The Karnataka State government has launched the New Industrial Policy:- 13 August 2020

The Karnataka State government has launched the New Industrial Policy (2020-25) to incentivise high end tech related investments, boosts the creation of local jobs and seeks to move industrial and technology hubs beyond the city of Bengaluru. The new policy shall come into effect from 13 August 2020 and will be valid for 5 years till a new policy is announced.

I. The objectives of the new policy are as follows:-

- a) To attract investments worth INR 5 lakh crore.
- b) To create employment opportunities for 20 Lakh people.
- c) To reach 3rd position in merchandise exports in the next 5 years.
- d) To provide an enabling ecosystem for technology adoption and innovation.
- e) To maintain an industrial growth at the rate of 10% per annum.

II. The focus sectors of the policy 2020-25 are as under:-

- a) Automobiles and Auto Components
- b) Pharmaceuticals and Medical Devices
- c) Engineering and Machine Tools
- d) Knowledge Based Industries
- e) Cement and Steel
- f) Sugar
- g) Logistics
- h) Renewable Energy
- i) Aerospace and Defence
- j) Electric Vehicles
- k) Healthcare and Wellness
- l) Higher Education
- m) Bio Fuels

III. The policy will provide the promotion to the following thrust areas:-

- a) Industry 4.0

- b) Research and Development
- c) Intellectual Property Rights
- d) Technology Adoption and Innovation
- e) Cluster Development Initiatives including MSME Cluster Developments
- f) Sustainability and Responsible Industrialisation

IV. Some of the key thrust areas:-

- a) A Special Investment Region (SIR) Act will be enacted to operate and regulate investment regions in the State. SIRs would have an area of about 100 sq. km and be categorised as industrial townships.
- b) Pharma Parks in Mangaluru, Yadgiri, Nagamangala and Shivamogga will be set up.
- c) A investment promotion subsidy to the extent of 10% of the turnover each financial year for a period of five years from the date of commercial production and limited to 20% to 30% of value of fixed assets will be provided. Further other incentives include exemption from stamp duty and concessional registration charges, reimbursement of land conversion fee, tax exemption on electricity tariff for MSMEs, and power subsidy for MSMEs.
- d) MSMEs will be provided support in the areas such as technology upgradation and technical support, vendor development and facilitation, marketing support in public procurement, skill development, and support services for entrepreneurship and livelihood missions.
- e) An International Facilitation Desk at IKF will be setup to provide the following key facilitation services:
 - i) One-stop window to assist investors through the investment process.
 - ii) Providing in principle approval from various single window agencies.
 - iii) Constituting a dedicated team to assist in fast tracking investment proposal and support communication with various governmental departments.

29. Ministry of Corporate Affairs (MCA) has initiated discussion with RBI, SEBI, DPIIT on transfer of data for Single E-compliance window: News report

The Ministry of Corporate Affairs (MCA) has initiated discussions with various regulators including the Reserve Bank of India, Securities and Exchange Board of India (SEBI), and the Department for Promotion of Industry and Internal Trade, on the possibility of creating a single platform (DPIIT). The objective of the proposed single platform would be to integrate databases of the corporate affairs ministry (MCA) and other bodies to bring down duplication in filing. This will help in ease of doing business. Companies at present have to make multiple filings and different regulators have different requirements and formats for submission of data. Once the

common platform is in place, companies can file all their data in one place and regulators can get their data from one source. This will directly reduce time and compliance cost.

https://economictimes.indiatimes.com/news/economy/policy/single-e-compliance-window-soon-mca-initiates-discussions-with-rbi-sebi-dpiit-on-transfer-of-data/articleshow/77662021.cms?utm_source=newsletter&type=market

30. Government has now decided to modify Partial Credit Guarantee Scheme (PCGS) 2.0 extended with greater flexibility to respond to emerging demand: Press Release dated 17 August 2020

As part of Aatmanirbhar Bharat Abhiyan, announced by the Government, Partial Credit Guarantee Scheme (PCGS) 2.0 was launched on 20.05.2020 to provide Portfolio Guarantee for purchase of Bonds or Commercial Papers (CPs) with a rating of AA and below issued by financial institution, Keeping in view the progress under the Scheme, the government has now decided to modify PCGS 2.0 for purchase of Bonds/CPs as under:

1. Additional 3 months have been granted to build up the portfolio. At the end of six months, i.e. by 19.11.2020, the portfolio shall be crystallised based on actual amount disbursed, for the Guarantee to come into effect.
2. At the portfolio level, AA and AA- investment sub-portfolio under the Scheme should not exceed 50% (instead of 25% stipulated earlier) of the total portfolio of Bonds/ CPs purchased by PSBs under the Scheme.

It is expected that the above modification will provide greater flexibility to PSBs in purchasing Bonds/CPs under PCGS 2.0.

31. Loans worth more than 1 Lakh crores distributed under Emergency Credit Line Guarantee Scheme (ECLGS): Press Release dated 20 August 2020

As per the Press Release, dated 20 August 2020 released by the Ministry of Finance, Banks from Public & Private Sectors have sanctioned loans worth over **Rs. 1.5 lakh crore under** the 100% Emergency Credit Line Guarantee Scheme (ECLGS).

Under the ECLGS, Public Sector Banks (PSBs) have sanctioned loans of Rs 76,044.44 crore, out of which Rs 56,483.41 crore has already been disbursed.

Whereas Private Sector Banks have sanctioned loans of Rs 74,715.02 crore, out of which Rs 45,762.36 crore has already been disbursed. The top lenders under the Scheme are State Bank of India (SBI), Canara Bank, Punjab National Bank (PNB), Bank of India, Union Bank of India and HDFC Bank Ltd.

The scheme was announced as per the Atmanirbhar Bharat Package to mitigate the loss caused to various sectors of the economy.

32. Useful observations of Indian Supreme Court on the responsibility of online Social Media platforms in the Order pronounced today in case of Advocate, PrashantBhushan pursuant to the Contempt proceedings on his tweets posted on Twitter - SuoMotu Contempt Petition (CRL.) No.1 OF 2020, dated 14 August 2020

Brief summary of arguments by Twitter and decision by the Apex Court-

Plea from Twitter (Contemnor No. 2):-

It is a global micro-blogging platform for self-expression of its users. It is merely an 'intermediary' under the Information Technology Act and not the author / originator of the tweets. It has no editorial control and merely acts as a display board, hence, eligible for safe harbour under sec 79 of the IT Act. It has taken immediate cognizance and blocked the access to demonstrate its bonafide.

Decision of the Court (para 76):-

We accept the explanation that it is only an intermediary and does not have any control on what the users post on the platform. It has also showed bona fides immediately after the cognizance was taken by this Court as it has suspended both the tweets.

The above should act as a good guide for multiple such platforms in future.

33. Pilot project creating job opportunity to reduce import dependence and making India AtmaNirbhar in agarbatti production: Press Release dated 02 August 2020

Union Minister, NitinGadkari has approved "KhadiAgarbattiAatmanirbhar Mission" proposed by Khadi and Village Industries Commission (KVIC) that aims at creating employment for the migrant workers by increasing domestic Agarbatti production substantially. The project will be launched soon and thousands of jobs will be created in the said industry. The project provides Automatic Agarbatti making machines and powder mixing machines to those who sign the agreement as business partners.

KVIC will provide a 25% subsidy on the cost of the machines and will recover the remaining 75% of the cost from the artisans in easy installments every month. The business partner will provide the raw material to the artisans for making Agarbatti and will pay them wages on a job work basis. Cost of artisans' training will be shared between KVIC and the private business partner wherein KVIC will bear 75% of the cost while 25% will be paid by the business partner.

34. India and Japan are looking forward to have trusted partners from authentic investors: Press Release dated 6 August 2020

The Minister of Commerce and Industry, Piyush Goyal while speaking at Invest India Exclusive Investment Forum - Japan Edition has mentioned that Japan and India expand trade and business relationships and in many other ways such as geo-political, strategic matters, whether in trade, economy and industry, and more importantly Japan is one of the most important and trusted trading partner.

He also emphasised that the economic relations between India and Japan have vast potential for growth. There are more than 1400 Japanese companies to work within India and well treated 5000 business establishments around the country and 10000 Japanese brothers and sisters are now leading a very fulfilling and productive life in India. The relationship between the two countries includes various sectors such as automobiles, chemicals, consumer goods, food processing etc and hence India is looking for technical cooperation and also looking up to Japan as a strategic and investment development partner.

35. Minister of Finance stressed that Structural Reforms are a key priority to the government: Press Release dated 25 August 2020

Sectors, such as Tourism, Hotels & Hospitality, Real Estate & Construction and Airlines, have a very critical impact on the economy of the country as they are getting hit worse in the outbreak of Covid-19 pandemic. Considering this scenario, the Finance Minister Nirmala Sitharaman emphasised the importance of structural reforms and also remarked them as a key priority of the government. She mentioned that the government will look into the Standard Operating Procedures (SoPs) for the hotels, banquets & related activities with an aim to ease the restrictions for their revival.

Speaking of the local manufacturing, the minister highlighted that the Productivity Linked Incentives (PLIs) scheme has met with the excellent response and has helped speed up manufacturing of critical bulk drugs and APIs in 6 states.

36. Indian-Americans welcome restoration of OCI card travel benefits:- News Report

The Ministry of Home Affairs notified the restore of full travel privileges for OCI card holders for having passports of the US, the UK, Germany and France. India has created an air bubble (bilateral air travel arrangements) with all these countries. The OCI card allows lifelong visa free travel to India with certain limitations to people of Indian-origin. The OCI card was suspended by the Indian Government on 11 April 2020 due to nation wide lockdown and travel restrictions due to Covid-19 pandemic. The sudden decision of suspension had created chaos and anxiety among the hundreds and thousands of Indian-origin people.

<https://economictimes.indiatimes.com/nri/visa-and-immigration/indian-americans-welcome-restoration-of-oci-card-travel-benefits/articleshow/77427824.cms?from=mdr>

37. Deadline for submissions to non-personal data report has now been extended to September 13 by Ministry of Electronics and Information Technology (MEITY): News Report

MEITY has extended the deadline for submission of comments on the Committee of Experts' Report on governance of Non-Personal Data to September 13, 2020. MEITY had formed the committee headed by Infosys co-founder Kris Gopalakrishnan on September 13, 2019 to focus on non-personal data, and to come up with a related data governance framework. Earlier, the deadline was August 13.

In the report, which was released on July 12, 2020, the committee has defined non-personal data as any data that is not related to an identified or identifiable natural person, or is personal data that has been anonymised. It has also proposed that a new legislation should govern the regulation of non-personal data along with a new regulatory body, the Non-Personal Data Authority (NPDA).

[https://www.medianama.com/2020/08/223-non-personal-data-deadline-extended-september-13/#:~:text=Deadline%20for%20submissions%20to%20non%2Dpersonal%20data%20report%20extended%20to%20September%2013&text=The%20Ministry%20of%20Electronics%20and,hat%20tip%3A%20Arun%20P.S.\)](https://www.medianama.com/2020/08/223-non-personal-data-deadline-extended-september-13/#:~:text=Deadline%20for%20submissions%20to%20non%2Dpersonal%20data%20report%20extended%20to%20September%2013&text=The%20Ministry%20of%20Electronics%20and,hat%20tip%3A%20Arun%20P.S.))

38. Commerce Minister, Piyush Goyal says that Strategic Partnership between India and ASEAN countries will be guided by Cooperation, collaboration and Commitment: Press Release dated 27 August 2020

The 3C's i.e. Cooperation, Collaboration and Commitment will guide the Strategic Partnership between India and ASEAN countries. Shri Piyush Goyal said in this time of stress, India will show itself as a trusted partner and he also extended friendship hand to the ASEAN region countries saying partners in progress.

He also said for Aatmanirbhar Bharat connotes a self reliant country which is ready to engage with the world from the position of strength and confidence in the world. Further, India and ASEAN nations have not utilized their full trade potential for different reasons but it's time to open matrix to expand the trade.

Goyal concluded by saying that "India with providing pharmacy services, PPE kits and masks to other countries in the outbreak of Covid-19 pandemic, shows that India is a resilient country, a trusted partner and a friend indeed".

39. More than 8 Lakh net subscribers added during the first quarter of FY 21 as per the latest EPFO payroll data: Press Release dated 20 August 2020

As per the data published by the EPFO, there has been an tremendous addition of 6.55 lakh net subscribers during the month of June 2020 which is 280% of month on month growth. The COVID-19 pandemic had adversely affected the enrolments in the month of April and May 2020.

It's not only the addition that has improved but the exit has also been declined by nearly 33% from 4.45 lakh in May to 2.96 lakh in June 2020. Apart from this, the number of members who exited and then rejoined, indicates switching of jobs by subscribers within the establishments covered by EPFO. This has also increased by approximately 44% for the month of June, 2020 over May, 2020, with more subscribers choosing to retain membership by transferring funds rather than opting for final settlement

40. Eligibility for gratuity even without 5 years on the job: News Report

With shorter job tenures increasingly becoming more common in India, the government is considering easing a key eligibility requirement for gratuity payment, Mint has reported.

Gratuity is paid by a company to an employee for the services rendered by him/her during the period of employment. The amount is generally equivalent to 15 days of pay for each year an employee has worked at a company. Under current rules, an employee has to work for a company/organisation for five continuous years to be eligible for gratuity payment. According to reports, there is now a push in government circles to cut the five-year criterion to a shorter period – between one and three years.

https://economictimes.indiatimes.com/jobs/new-rule-coming-you-may-soon-be-eligible-for-gratuity-even-without-5-years-on-the-job-says-report/articleshow/77458146.cms?utm_source=newsletter&utm_medium=email&utm_campaign=Dailynewsletter&utm_content=Story2&ncode=8a8b1ff714216bd8e7bceb489958a8fa

41. Despite providing some major reliefs, RBI has still got a lot in its tank to support the Economy: News Report

The RBI has taken various hits to protect the economy so far in this pandemic crisis that includes rate cuts and liquidity infusion which is having the desired impact as wanted. The RBI governor Shaktikanta Das said that the bank has not exhausted its policy options by front-loading repo rate cuts and it continues to have enough instruments to battle the COVID 19 while speaking at an event organised by Business Standard.

Further, Das emphasised on the practice that needs to be followed post Covid-19, which includes following a very careful trajectory for an orderly unwinding of the various counter-cyclical measures taken by the RBI and the financial sector should return to normal functioning without relying on the regulatory relaxations and other measures.

Further, he concluded that Banks also need to look out for 'sunrise' sectors like start-ups, renewables, logistics, value chains and other such potential areas. Therefore, the banking sector has a responsible role to play not only as a facilitator of growth of the economy but also to earn its own bread, he added.

<https://www.financialexpress.com/economy/rbi-hasnt-exhausted-its-ammunition-in-covid-war-says-shaktikanta-das/2067539/>

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