



Tax & Regulatory Updates – Key developments of January 2022

A. Direct Taxation:-

1. CBDT forms task force to overhaul Income Tax department

CBDT has constituted a task force to restructure the Income Tax (I-T) Department. The panel which comprises ten senior officials of the Income tax department will reassess its role and functions in view of the faceless regime aimed at cutting down physical interface between a taxpayer and the department. CBDT has given a seven-point agenda to the task force. They include restructuring the department and rationalising national and regional e-assessment centres that are the primary gateway in communicating with taxpayers.

As per the CBDT order, the task force will re-evaluate the functional requirement factoring in the new realities and work out the geographical distribution of work accordingly. Since the IT system is playing a vital role, the panel should keep it as a common thread running through functional verticals, and maintain uniform structure across the region.

2. CBDT issues clarification on Form 3CA-3CD, 3CB-3CD

In order to avoid errors in form filing and verification, the CBDT on January 06, 2022 released the latest schema of Form 3CA-3CD, 3CB-3CD and has asked the taxpayers and professionals to ensure the following points:

- Use the latest version of the utility for generating JSON files.
- Re-enter data, if any, in clauses 11, 18, 20, 21, 26, and 34 and generate JSON for uploading on the portal.
- Ensure that the details in respect of PAN of Taxpayer, Assessment Year, CA Membership Number, and Form Filing Type are correctly entered in the utility and selected in the portal for which form is being filed
- For the form verification by DSC:
 - The latest Emsigner/ Embridge application is installed in your system;
 - The token must be logged in by the user;
 - Profile and contact details are updated in taxpayer and CA log in;
 - Localhost e-Mudhra is not blacklisted by the System Admin, and
 - e-Mudhra token drivers are updated.

3. CAG issues Compliance Audit Report on quality of assessments, recommends robust IT & internal control systems:- Report No. 8 of 2021 dated 5 January 2022

The Compliance Audit Report on Direct Taxes by the Comptroller and Auditor General of India (CAG) for the year ended March 2020 was presented in the Parliament on Dec 21, 2021.

The CAG Report discusses significant results of the compliance audit in four chapters:

- (i) Direct Tax Administration,
- (ii) Audit Mandate, Products and Impact,
- (iii) Corporation Tax and
- (iv) Income Tax

The Report points out 38 instances of significant errors/ irregularities in corporation tax assessments. Out of 356 high value cases, involving tax effects of Rs. 3,976.56 Cr over incorrect deduction u/s 10AA, omission on unexplained cash credit, incorrect allowance of pre-paid tax and errors in levy of interest have been identified. On the effectiveness of Internal Audit, the report

states that only 16% of issues raised were acted upon by AOs, thus recommending improvement in follow ups of audit observations.

In respect of arithmetical errors in assessments, the CAG report exclaims, “The cases of incorrect assessments involving arithmetical errors in computation of income and tax are difficult to accept as mere errors, in the days of calculators and IT Systems”. The report recommends that the CBDT not only needs to revisit its assessments, but also put in place a fool proof IT system and internal control mechanism to avoid recurrence of such errors in the future.

4. Mumbai Court upholds fine, jail over late deposit of TDS:- Sessions Court, Mumbai

The criminal appeal filed in July 2019 by Ichibaan Automobiles Pvt Ltd and GMS Motors Pvt Ltd along with GMS directors GM Singh and Parveen Nindraoj against an order of a metropolitan magistrate convicting them for defaulting on payment of tax deducted at source on time. The appeal has been dismissed to which the appellant argued that TDS was paid with interest before show cause issued to them. The appellant added that default was unintentional and there was a reasonable cause of financial difficulty with no loss to the government.

However, the sessions court held that even if a financial crisis is presumed, it makes no difference for payment of deducted taxes and hence the reason is not sufficient.

<https://timesofindia.indiatimes.com/city/mumbai/mumbai-court-upholds-fine-jail-over-late-deposit-of-tds/articleshow/88498542.cms>

5. CBDT notifies Faceless Appeal Scheme, 2021 to replace the Faceless Appeal Scheme, 2020:- Notification No.139/2021 dated 28 December 2021

The CBDT has notified the Faceless Appeal Scheme 2021 applicable with effect from 28 December 2021. The new scheme has been notified in supersession of the earlier Faceless Appeal Scheme, 2020. The Board has brought several changes in the Faceless Appeal Scheme 2021, and some of the key changes are listed below:

-RFAC removed; Cases will assign to Commissioner (Appeals)

The concept of Regional Faceless Appeal Centre (RFAC) has been removed under the new scheme. The National Faceless Appeal Centre (NFAC) shall assign the appeal for disposal to a Commissioner (Appeals) of a specific appeal unit. Earlier, the appeals were assigned to a specific appeal unit in any one RFAC.

- Compulsion on CIT(A) to grant personal hearing if requested

The new scheme has replaced the word 'may' with 'shall' with respect to allowing requests for a personal hearing. Thus, it would be mandatory for the Commissioner (Appeals) to grant a personal hearing if requested by the taxpayer during e-proceedings.

- No draft appeal order

In the previous scheme, the appeal unit was required to prepare a draft order. The said draft order was then sent to another Appeal Unit for review. This was used to be done in cases where the aggregate amount of tax, penalty, interest or fee, including surcharge and cess, payable in respect of disputed issues, exceeds the specified amount. There is no concept of a draft order in the new appeal scheme. Commissioner (Appeals) prepares an appeal order and sends it to the National Faceless Appeal Centre after signing the same digitally. Thereafter, the National Faceless Appeal Centre communicates such an order to the appellant.

6. Business at OECD highlights complexity & policy inconsistencies in Model GloBE Rules:- News Report

Business at the OECD (BIAC), an international business network group, expresses its concerns about the Model GloBE Rules, highlighting two major policy issues and one technical issue, indicating that the Model GloBE Rules cannot achieve their intended purpose and suggesting amendments to specific provisions to achieve the overall policy articulated by the OECD and without identifying a single technical issue. Concerning policy inconsistencies, the letter notes that, while the preamble to the Model Rules states that the intent is to ensure that large MNE Groups pay the bare minimum of tax on their income/profits in each jurisdiction, Article 4.1.5 (Computation of adjusted covered taxes) imposes a top-up tax in cases where a jurisdiction has no net GloBE income and where Adjusted Covered Taxes are negative and are less than the GloBE Income.

It also indicates two unquantifiable difficulties that must be addressed: (a) Interactions between Pillars 1 and 2 to prevent double taxation; and (b) if it is finally decided that the GILTI regime is not a Qualified IIR.

7. CBDT modifies earlier order concerning surveys for TDS & International Tax charges:- F. No. 187/3/2020-ITA-1 dated 31st December, 2021

CBDT, vide this order, modifies its earlier order dated October 19, 2020 prescribing 'Income Tax Authority' for exercising power u/s 133A:

- For TDS Charges, it provides that, in addition to Pr. CCIT of the region/ CCIT(TDS), the 'jurisdictional CCIT' of TDS charge, shall also approve the verification/survey action which shall be conducted by the officers of the TDS charge.

- For International Tax charge, it modifies the constitution of collegium for approval of surveys by including 'CCIT(TDS)/ jurisdictional CCIT of TDS charge' to the collegium.
- The scope of survey is to be monitored by PCIT/CIT/PDIT/DIT of the TDS charge under Investigation Wing as approved by the collegium of the concerned Pr. CCIT/CCIT(TDS)/jurisdictional CIT of TDS charge/DGIT(Inv.).

**8. CBDT issues guidelines for priority disposal of appeals by CIT(A)/AUs:-
*F.No.279/Misc./M-102/2021-ITJ dated 29th December, 2021***

With a view to address the issues faced by taxpayers in respect of priority/ out of turn hearing of appeals pending with CIT (A)/ CIT (AU), it is decided by CBDT that requests covering genuine and exceptional cases may be considered by Pr. CCIT NFAC and CCIT of Central Charges and International Taxation on the basis of recommendation of the jurisdictional Pr. CIT/ Pr. CIT (Central)/ CIT (IT); in the following cases:

- (i) Cases having demand above Rs.1 Cr.,
- (ii) Cases where refunds, as originally claimed in ITR are in excess of Rs.1 Lakhs,
- (iii) Cases where direction for out of turn/ priority hearing of appeals is passed by the Courts,
- (iv) Cases where request is made by Senior citizens /Super Senior Citizen, and
- (v) Any other case of genuine hardship.

9. CBDT notifies Rule 16DD, Form 56FF for claiming deduction u/s 10A:- *Notification No. 140 of 2021 dated 29th December, 2021*

CBDT vide Notification no. 140 of 2021 has notified Rule 16DD and Form 56FF, which is required to be furnished by the assessee along with the return of income to claim deduction under section 10A(1B)(b) / 10AA to SEZ entities. The Rule 16DD and form 56FF is applicable retrospectively w.e.f. **29-07-2021**.

10. CBDT provides one-time relaxation for verification of all ITRs e-filed for AY 2020-21, applicable Upto Feb 28:- *Circular No. 21/2021 dated 28th December, 2021*

CBDT vide circular No. 21 of 2021, provides a one-time relaxation for submission of ITR-V/e-Verification of ITRs for AY 2020-21 for regularising such ITRs have remained pending for want of receipt of respective ITR-V Form or pending e-Verification. Such verification process must be completed by **28.02.2022**. Relaxation is not provided in the cases where during the intervening period, the income tax department has already taken recourse to any measures specified in the act for ensuring filing income tax return by the taxpayer.

CBDT also relaxes the time period for issuing intimation under second proviso to section 143(1) and directs such returns shall be processed by 30th June, 2022. CBDT also clarified that in case the taxpayer concerned does not get her/his return regularised by furnishing a valid verification (either ITR-V or EVC/OTP) by 28.02.2022, necessary consequences as provided in law for non-filing the return may follow.

11. CBDT re-designated CIT (Appeals Unit) as CIT(A) as per Faceless Appeal Scheme, 2021:- Order no. 5 of 2022, dated 07 January 2022

Earlier via notification, CBDT has implemented Faceless Appeal Scheme, 2021, now has issued an order for re-designation of Commissioner of Income-tax (Appeal Unit) as Commissioner of Income-tax (Appeals) for 293 Appeal Units across the country which came into effect from Dec 28, 2021.

12. CBDT sets up National Faceless Appeal Centre, Appeal Units under Faceless Appeal Scheme, 2021:- F.No. 187/4/2020-ITA-1 dated 29th December, 2021

The CBDT sets up the National Faceless Appeal Centre (NFAC) by an Office Order No. 3 under the Faceless Appeal Scheme, 2021. NFAC's headquarters are in Delhi, and it comprises PCCIT (NFAC), CIT (NFAC), Addl.CIT/JCIT (NFAC), DCIT/ACIT, and two ITOs. Vide Office Order No. 4, the CBDT sets up 31 appeal units in Delhi, 46 in Mumbai, 10 in Ahmedabad, 17 in Chennai and Puducherry, 9 in Hyderabad, 11 in Bengaluru, and 22 in Kolkata.

13. CBDT specifies appeals covered under Faceless Appeal Scheme, 2021:- F.No.279/Misc./66/2014-SO-ITJ(Pt.1) dated 29th December, 2021

CBDT, by an Order under Para 3 of Faceless Appeal Scheme, 2021, specifies that all the appeals under Section 246A or 248 pending or instituted on or after Dec 29, 2021 (except those falling under Central Charge or International Taxation) shall be completed under the new Scheme.

14. CBDT further extends the due dates for filing of Income Tax Return and reports of audit for the Assessment Year 2021-22:- Circular No. 01/2022 dated 11 January 2022

CBDT has further extended the due dates for filing of Income Tax Return, Tax Audit Report, Transfer Pricing Report in respect of FY 2020-21 / AY 2021-22. This is the third occasion when such timelines have been extended by CBDT due to COVID / Technical glitches with the new income tax portal.

Earlier the ITR filing due dates were extended vide Circulars 9/2021 dated 25 June 2021 and 17/2021 dated 09 September 2021, to provide relief to the taxpayers and professionals in view of

spread of COVID-19 pandemic and difficulties reported by the taxpayers and other stakeholders in e-filing thereof at the portal. Now again these timelines have been further extended vide Circular 01/2022 dated 11 January 2022 for similar reasons. Summary of extended due dates is as under:

Sr. No.	Compliance	Existing Date	Extended Date
1.	Report of Audit under any provision for the Previous Year 2020-21 where original due date was 30 September 2021 (non TP cases)	15 January 2022	15 February 2022
2.	Report of Audit under any provision for the Previous Year 2020-21 where original due date was 31 October 2021 (TP cases)	31 January 2022	15 February 2022
3.	Due date of furnishing of Report from an Accountant u/s 92E for the Previous Year 2020-21 (TP audit report in Form 3CEB)	31 January 2022	15 February 2022
4.	Due date of furnishing of Return of Income for the Assessment Year 2021-22, which was originally 31 October 2021 (Non TP cases)	15 February 2022	15 March 2022
5.	Due date of furnishing of Return of Income for the AY 2021-22, which was originally 30 November 2021 (TP cases)	28 February 2022	15 March 2022

In the above Circulars, the CBDT has clarified that the extension of due dates for filing of Income Tax Return shall not affect the provisions under Explanation 1 to section 234A (Interest for default in furnishing ITR), if amount of tax on the total income as reduced by the amount as specified in clauses (i) to (vi) of sub-section (1) of that section exceeds one lakh rupees.

Further, it has been clarified that in the case of a resident individual referred to in section 207(2), i.e. senior citizen not having any income from business or profession, the tax paid by him u/s 140A within the original due date (without extension), shall be deemed to be the advance tax.

15. CBDT releases Excel based - Macro enabled template for online filing of Form 3CEB, with instructions:- CBDT instructions dated 13 January 2022

CBDT has released a new Form 3CEB utility with instructions on 13 January 2022 which is an Excel-based, macro-enabled template for generating CSV for online filing of Form 3CEB, as well as

detailed clause-specific instructions for filling out the particulars in the CSV template for ease of filing. The guidelines will make it easier to file in a CSV template by allowing for smooth filing. Various Annexures to the various clauses of the Form 3CEB are also provided, as well as separate Annexures containing relevant data such as Country description with country code, Unit Name (gms, kilograms, etc.), Amount Type (Paid/Payable Received/Receivable), List of method used for determining the arm's length price, and so on.

16. Supreme Court restores Limitation Extension & excludes Period From 15.03.2020 to 28.02.2022 from Limitation for filing of appeals:- *Supreme court Judgement, dated 10 January 2022*

The Supreme Court in a matter [**Vide Miscellaneous Application No. 21 of 2022 in Miscellaneous Application No. 665 of 2021 in Suo Motu Writ Petition (C) No. 3 of 2020 dated January 10, 2022**] in light of the spread of the new variant of the COVID19 across the country, reinstated its earlier order to exclude the period beginning March 15, 2020, and ending February 28, 2022, for the purposes of limitation prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings.

Accordingly, the period from 15 March 2020 till 28 February 2022 shall stand excluded from the period of limitation prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings. As a result, the balance period of limitation remaining as on 3 October 2021, if any, will become available with effect from 1 March 2022. Notwithstanding the actual balance period of limitation remaining, all persons will have a limitation period of 90 days, beginning from 1 March 2022 until 30 May 2022 and if the actual balance period available as on 1 March 2022 is greater than 90 days, the said greater period will apply.

Previously, the Supreme Court of India In Suo Motu Writ Petition (C) No. 3 of 2020, dated March 23, 2020, extended the period of limitation for judicial and quasi-judicial proceedings from March 15, 2020 until further order, taking into account the challenges faced by the litigants as a result of COVID 19. The extended period limitation was ending on March 14, 2021, as per an order dated March 8, 2021. Further the above-mentioned March 15, 2020 order was restored until further order. The original order was followed by orders dated 6 May 2020, 10 July 2020 and 8 March 2021. The said Order was further restored by the Order dated 27 April 2021 thereby extending all periods of limitation ending on 14 March 2021 until further orders.

Thereafter, an Order was passed on 23 September 2021 holding that the period from 15 March 2020 till 2 October 2021 stood excluded from the period of limitation, leading to the balance period of limitation remaining as on 15 March 2021 becoming available with effect from 3 October 2021. Also, notwithstanding the actual balance period of limitation remaining, a limitation period of 90 days

beginning 3 October 2021, was made available to all litigants. Consequently, the said time was extended till 31 December 2021, except in cases where the actual balance period available as on 3 October 2021 was greater than 90 days, in which case the said greater period was applicable.

As a result, any remaining limitation period as of October 3, 2021, will become available as of March 1, 2022.

17. OECD's 'complex' minimum tax rules have 'major policy issues:- BIAC

Business advisory group Business at OECD (BIAC) criticises the OECD's global minimum tax model regulations for "major policy differences" that are "possibly deadly" to its functioning. BIAC also wants the OECD to prioritise work on safe harbours and complexity reduction. Taken together, the rules have a "cumulative" complexity that is going to be a "struggle" for taxpayers to comply with and for tax authorities to administer.

The first of two "inconsistencies" identified by BIAC in the model regulations is a clause that, according to the organisation, imposes worldwide anti-base erosion top-up tax to multinational firms even if they have no income in a jurisdiction during the year. It accepts that the manner the provision was constructed had a policy rationale to do with avoiding the hiding of undertaxed income but it suggests that there are alternative ways to address the issue without imposing a tax in the absence of income. It claims that a provision that recasts deferred tax balances at the minimal rate undermines this goal. According to BIAC, such a course of action will result in double taxation.

BIAC also lists certain unresolved difficulties. For example, after some unresolved concerns with Pillar One are resolved, interactions between the minimum tax and Pillar One will need to be addressed. Furthermore, greater advice will be needed to alleviate confusion if the US global intangible low-taxed income regime is not regarded to be a qualified income inclusion norm.

18. CBDT notified Rule 8AD for computation of capital gains from specified ULIP (Unit linked insurance policy):- CBDT Notification no. 08 of 2022 dated 18 January 2022

CBDT vide its notification dated 18 January 2022 has ruled out the Rule 8AD for the computation of capital gains from specified ULIPs which are essentially known as the life insurance policy which has the components of both investment and insurance and is linked to a unit defined in regulation 3(ee) of the Insurance Regulatory and Development Authority of India (Unit Linked Insurance Products) Regulations, 2019. Rule 8AD of the Income Tax Rules, 1962 mandates that:

- Where any person receives any amount for the first time from the specified unit linked insurance policy during the precious year, then the taxable income under the head capital gains shall be (A-B)

where, A= the amount received for the first time under a specified ULIP during the previous year, including the amount allocated by way of bonus on such policy; and

B = the aggregate of the premium paid during the term of the specified unit linked insurance policy till the date of receipt of the amount as referred to in "A";

- Further, if the person receives any amount from the specified unit linked insurance policy in the subsequent years, then the taxable income under the head capital gains shall be (C-D)

where, C= the amount received under a specified ULIP during the previous year, including the amount allocated by way of bonus on such policy excluding the amount that has already been considered for calculation of taxable amount mentioned above; and

D = the aggregate of the premium paid during the term of the specified ULIP till the date of receipt of the amount as referred to in „C“ as reduced by the premium that has already been considered for calculation of taxable amount calculated above in (A-B)

- The capital gains calculated under this rule shall be deemed to be the capital gains arising from the transfer of a unit of an equity oriented fund set up under a scheme of an insurance company comprising unit linked insurance policies and shall be taxed accordingly.

19. CBDT issues guidelines for income tax exemption under a Unit Linked Insurance Policy:- Circular No. 2 of 2022 dated 19 January 2022

The CBDT vide Circular No. 2 of 2022 has issued guidelines under clause (10D) of Section 10 of the Income Tax Act that provides for income-tax exemption on the sum received under a life insurance policy, including any sum allocated by way of bonus on such policy subject to certain exclusions.

Section 10(10D) provides an exemption for any sum received under ULIP, including the sum allocated by way of bonus on such policy. However, if the premium is paid in excess of the limits prescribed, no exemption will be provided under this section except in case of the policyholder's death.

Besides restricting the exemption under Section 10(10D) for payment of excess premium, the Finance Act, 2021 has inserted Fourth and Fifth Proviso to Section 10(10D). The Fourth Proviso provides that no exemption shall be available for a policy acquired on or after 01-02-2021 if the premium paid in any year during the tenure of the ULIP exceeds Rs. 2,50,000 (single policy). The Fifth Proviso provides that if the person has more than one policy acquired on or after 01-02-2021, and the premium payable for each policy during any year does not exceed Rs. 2.5 lakhs, the exemption would be allowed only in respect of those policies whose aggregate premium is within Rs. 2,50,000.

In order to remove any difficulty which arises while giving effect to the provisions of said provisos, the CBDT has issued guidelines and following clarifications:

Condition 1: In prior years, the assessee has not received sum from any eligible ULIP or if sum is received, but assessee didn't claim any exemption on such sum. In this case, the exemption under section 10(10D) shall be available in the following manner:

- If consideration is received from one eligible ULIP, the exemption shall be available to assessee only if the premium payable on such eligible ULIP does not exceed Rs.2,50,000.
- If consideration is received from more than one eligible ULIPs and the aggregate of the amount of premium payable on such eligible ULIPs exceeds Rs 2,50,000 for any previous year during the term of such ULIPs. In that case, the exemption shall be available only for those ULIPs where the aggregate of the amount of the premium payable does not exceed Rs.2,50,000.

Condition 2: In prior years, the assessee has received sum from any eligible ULIP (old ULIP) and claimed exemption under section 10(10D). In this case, the exemption under section 10(10D) shall be available in the following manner:

- If consideration is received from one or more than one eligible ULIPs, the exemption shall be available only if the aggregate amount of premium payable on such eligible ULIPs and old ULIPs does not exceed Rs 2,50,000 for any of the previous year during the term of such eligible ULIPs.
- If the aggregate of premium payable on eligible ULIPs and old ULIPs exceeds Rs. 2,50,000, the exemption shall be available only for those eligible ULIPs where the aggregate amount of premium along with the aggregate amount of premium of old ULIPs does not exceed Rs 2,50,000 for any of the previous year during the term of any of such eligible ULIPs.

20. CBDT amends STT Rules for Insurance Companies:- CBDT Notification No. 9 of 2022 dated 18th January, 2022

CBDT has notified Securities Transaction Tax (1st Amendment), Rules, 2022 to amend Securities Transaction Tax Rules, 2004 through Notification No. 9 of 2022 dated 18th January, 2022. CBDT inserted Rule 5A, prescribing that the person responsible for collecting and paying STT in the case of Insurance Companies shall be the managing director or a whole-time director, as defined under the Companies Act, 2013, duly authorised by the Board of Directors of such company in this regard. CBDT also prescribed form No. 2A as the Return of Taxable Securities Transactions for Insurance Companies.

21. Income Tax department has challenged the High Court order quashing reassessment notices:- *Supreme Court*

The Income-Tax department has moved the Supreme Court challenging an order by the Allahabad High Court quashing income tax notices issued after March 31, 2021, under the old re-assessment regime.

In the 2021 budget, the government had amended the provision governing reassessment proceedings under Section 148 of the Income-Tax Act, 1961. The amendment had limited the period for issuing notices with respect to reopening past years assessment to three years from six earlier. This amendment was to take effect from 1st April 2021 but due to the second wave of covid-19, time limit was extended to 30 June 2021 by way of an Ordinance Act (TOLA). However, the tax department issued multiple notices under Section 148 between 1 April 2021 and 30 June 2021, alleging improper disclosure of income for years prior to the last three assessment years.

Taxpayers moved the Allahabad High Court contesting the notices on the grounds that they were contradictory to the provisions of the new tax regime. The HC had said that the new tax regime did not empower the I-T department to reopen cases after March 31, 2021. This was followed by similar orders by other high courts, including the Rajasthan High Court, Delhi High Court and Calcutta High Court, preventing the income-tax department from reopening cases for reassessment. However, this issue continues as the tax department has challenged the latest Allahabad High Court order before the Supreme court considering the massive impact it has on such proceedings in a large number of cases.

22. Income Tax Department releases format for raising TAR/ITR e-filing queries:- *Press Release*

The Income Tax Department on 25th January, 2022 released the "Format for sharing queries on helpdesk email IDs" considering the challenges faced by the taxpayers in filing income tax audit forms and returns. The detailed format is as follows:

Sr.No.	Information	Details	Help
Details of the Person facing problem			
1	Grievance ID		Mention Grievance ID, if already raised at e-filing portal

2	Name of the Person		Mention name of the person who can explain the issue, if contacted by helpdesk team
3	Contact Number of the Person		Mention Contact number of the person who can explain the issue, if contacted by helpdesk team
4	Email ID of the Person		Mention email ID of the person where the response can be sent
Details of Problem faced			
5	PAN of Taxpayer		
6	User ID at e-filing portal. Of Chartered Accountant	ARCA.....	CA Login ID of CA
7	AY		Assessment Year or Financial Year. Mention AY or FY or General, if unrelated to Year
8	Name of the Form	Form 3CA-3CD / Form 3CB-CD/ ITR Form No. (Online) or ITR Form No. (Offline)	Mention Form No. or ITR or functionality in which you are facing an issue. ITR (Online) or ITR (Offline)
9	Details of the Problem faced		Mention detailed description of the issue being faced by you in filling, filing Form /ITR or using that functionality
10	Screenshot		Attach screenshots wherever you are facing errors containing error messages
11	JSON	Attached/ Not Attached	Attach JSON, if relevant (For faster resolution it is advised to attach JSON)

23. Income Tax Department releases Process Flow for Audit Reports & FAQs for Statutory Forms to facilitate e-filing:- Income Tax Update dated 24 January 2022

The Income Tax Department has released Process Flow for filing various Audit Reports on the new e-filing portal and also notified the list of Audit Reports available on the e-filing portal 2.0.

The process flow for all audit forms except Form 15CB and Form 10CCB is the same wherein the taxpayer has to first add CA and assign the form for the relevant assessment year through My CA Functionality or File Forms Functionality under the Taxpayer Login. Thereafter, the CA will accept the request under CA Login, prepare and file the form and submit using the DSC under CA Login. The taxpayer can then complete the process by using prescribed modes of e-verification under Taxpayer Login. The submitted Form can be downloaded from View Filed Forms Functionality for both CA and Taxpayer Login.

For Form 15CB and 10CCB, the taxpayer again has to first add CA and assign the form for the relevant assessment year through My CA Functionality under the Taxpayer Login. Thereafter, the CA will navigate to e-file form, prepare and file the form and submit the same using DSC under CA Login. The taxpayer can then complete the process by using prescribed modes of e-verification under Taxpayer Login. The submitted Form can be downloaded from View Filed Forms Functionality for both CA and Taxpayer Login.

Additionally, the Income Tax Department has also issued the Frequently Asked Questions (FAQs) to assist in the filing of various statutory forms & related services.

24. OECD releases Stage 2 MAP peer review for 8 jurisdictions:- *News Report*

OECD has recently released Stage 2 MAP (Mutual Agreement Procedure) peer review report with respect to BEPS Action Plan 14 which is a minimum standard. The report highlights the developments made from April 1, 2019 to Dec 31, 2020 after implementing the recommendations of stage 1 peer review in the eight jurisdictions i.e. Brunei Darussalam, Curacao, Guernsey, Isle of Man, Jersey, Monaco, San Marino and Serbia. The report highlights that a substantial number of treaties are now brought in line with the Action 14 minimum standard by these above-mentioned jurisdictions and have implemented a documented bilateral notification/consultation process that they apply in cases where an objection is considered as being not justified by their competent authority.

<https://www.taxsutra.com/news/oecd-releases-stage-2-map-peer-review-8-jurisdictions>

B. Cross Border: -

1. Ireland updates mutual agreement procedure guidelines for tax disputes:- *News Report*

On December 23, 2021, the Irish Revenue Department announced revised guidelines for mutual agreement procedure (MAP) assistance for resolving cross-border tax and transfer pricing issues.

The EU Dispute Resolution Directive, which went into effect on July 1, 2019, establishes a mechanism for resolving tax disputes between EU member states arising from the interpretation of a tax treaty or the EU Arbitration Convention with regard to income or capital earned on or after January 1, 2018. With the agreement of the appropriate competent authorities, the procedure may also apply to prior tax years.

According to the updated guidelines, if a taxpayer submits a MAP request under the EU dispute resolution mechanism, any ongoing MAP proceedings under a tax treaty or the EU Arbitration Convention will cease. Under the EU mechanism, taxpayers must make such requests within three years after the initial notification of the activity giving rise to the dispute. To be considered valid, requests must include certain information, which is stated in appendix 2 of the updated guidelines.

The updated guidelines have been changed to reflect 1997 tax legislation, which allows the collection of disputed tax to be suspended when a taxpayer submits a MAP request within 30 days of the date of the notification of the corresponding assessment and has paid any undisputed tax amounts.

<https://mnetax.com/ireland-updates-mutual-agreement-procedure-guidelines-for-tax-disputes-46545>

2. Ireland weighs movement to territorial tax system:- *News Report*

Irish Finance Department is inviting comments on a possible transition to a territorial tax regime for corporations. It could lead to simpler and provide greater certainty for businesses and would also be accompanied by robust anti-abuse measures. Currently Ireland has worldwide corporate tax regime under which Irish resident entities are subject to taxation on both domestic and foreign source income, double taxation relief is provided through credits against domestic tax liability. The changes would move Ireland from a credit method of relieving double taxation to an exemption method. It can be achieved through participation exemption or branch exemption approach as against fully territorial regime.

3. Tax rules for dividends received deduction for foreign income explained by US IRS:- *News Report*

IRS released an overview of the rules relating to the dividends received deduction for certain foreign income of US corporations under Internal Revenue Code section 245A. Section 245A allows a 100% dividends received deduction for the foreign-source portion of dividends received by certain corporate US shareholders from specified 10%-owned foreign corporations. It is effective for distributions made in 2018 or later. It is only available to distributions of residual untaxed foreign-

source earnings and profits remaining after application of the “subpart F” and global intangible low-taxed income (GILTI) provisions.

Treasury regulations limit the dividends received deduction in case certain dividends from current or former controlled foreign corporations. It also limit application of an exception with respect to certain dividends paid by a lower-tier to an upper-tier controlled foreign corporation.

4. Global tech giants’ Bangladeshi subscribers doubly taxed:- News Report

Due to legal inconsistencies and a lack of expertise in tracking transactions by non-resident companies, a large number of Bangladeshi subscribers to global technology giants are subjected to double taxation.

Those who place advertisements with or obtain services from Facebook, Google, Netflix, Microsoft, and Amazon are currently required to pay VAT at a rate of 32.5 percent. As per VAT law, commercial banks deduct 15-per cent VAT at the time of remitting the service charges by the global companies while local subscribers also pay another 15 per cent on the advertisements or other services obtained from the digital platforms.

The problem arose after companies registered with the National Board of Revenue's VAT wing of National Board of Revenue (NBR) and started submitting VAT returns since last August, in compliance with the country's law.

According to the VAT laws, Businesses have to face a Tk 10,000 penalty if they fail to submit VAT returns by the 15th of every month.

Big companies availing services of Facebook and Google's are capable of adjusting their VAT payments by claiming refunds, but thousands of small and medium businesses cannot. The NBR updated relevant provisions of the VAT and Supplementary Act-2021, issued new forms for VAT compliance, and permitted non-resident enterprises to pay VAT directly from outside the nation as per the demand of non-resident companies.

<https://thefinancialexpress.com.bd/trade/global-tech-giants-bangladeshi-subscribers-doubly-taxed-1640744266>

5. The government of Malaysia proposed to remove the tax exemption on FSI received by residents in Malaysia:- News Report

Currently, Foreign Sourced Income (FSI) of any person that is received in Malaysia is exempted from income tax, with the exception of Malaysian resident companies carrying on the business of banking, insurance, or air or sea transport. The tax exemption on FSI was first introduced in 1998 for resident companies to encourage taxpayers deriving income overseas to repatriate their income

back to Malaysia. In 2004, this exemption on FSI was extended to all taxpayers, including individuals.

According to the Budget 2022 speech, to comply with international tax best practises, the government proposed to remove the tax exemption on FSI received by residents in Malaysia with effect from Jan. 1, 2022. This proposal is reflected in the Finance Bill 2021, which has been passed by the House of Representatives.

<https://news.bloombergtax.com/financial-accounting/malaysia-bracing-for-taxation-of-foreign-sourced-income>

6. European Commission's Proposal to end the misuse of Shell Entities for Tax Purposes within the European Union:- News Report

In 2021, the EU tackled business taxation with the aim of promoting a robust and efficient business tax system with long term benefits. However, while these amendments do push for better tax-evasion detection and ensure fair taxation, the existence of legal entities with no minimal substance and economic activity (Shell Entities) continues to lead to improper tax practices. Due to this, the European Commission is proposing a new Directive with the specific intent of dealing with the misuse of shell entities.

The proposed new measures will establish transparency standards around the use of shell entities, so that their abuse can be detected by tax authorities in a more efficient way.

An entity falling into the scope of the provisions of this new directive will be required to report information in its tax return such as information in relation to the premises of the company, its bank accounts, the tax residency of its directors and that of its employees.

If a company is deemed a shell company because it fails the substance test, it will not be able to access tax relief and the benefits of the tax treaty network of its Member State and/or to qualify for the treatment under the Parent-Subsidiary and Interest and Royalties Directives. In addition, payments to third countries will not be treated as flowing through the shell entity and will be subject to withholding tax at the level of the entity paying the shell entity. Accordingly, inbound payments will be taxed in the state of the shell's shareholder.

Once adopted by Member States, the proposal should come into force from 1 January 2024.

7. Swiss Federal Council decides on ordinance to implement minimum tax rate by Jan 2024:- News Report

The Swiss Federal Council decides to implement the OECD and G20 member states' agreed-upon minimum tax rate for qualifying companies through a constitutional amendment. As a stopgap measure, an ordinance is proposed to ensure that the minimum tax rate goes into effect on January 1, 2024.

On the implication for Switzerland as a business location, the **Federal Council** press release states that “Certain companies will face a heavier tax burden. The minimum rate will spare them additional tax proceedings abroad. Switzerland will have fiscal policy leeway to counteract a possible loss of attractiveness as a business location. The cantons will make sovereign decisions on measures in favour of the location.”

The Confederation, cantons, cities, and communes will collaborate closely on the proposal's implementation, and the Federal Department of Finance has established a political consultative body representing all three levels of government to carry out the implementation.

8. OECD transfer pricing guidelines get first update in five years:- *Guidelines issued by OECD*

In the new 2022 edition of the OECD's transfer pricing guidelines released on January 20, the OECD has made three significant additions and revisions to the guidelines for multinational enterprises and tax administrations, reflecting several enhancements developed over the last few years. Said guidelines analyse and illustrate various methods for satisfying the arm's length principle, and they are intended to govern the resolution of transfer pricing methods between OECD countries.

This amended edition includes the revised guidance on the application of the transactional profit method and the guidance for tax administrations on the application of the approach to hard-to-value intangibles agreed in 2018, as well as the new transfer pricing guidance on financial transactions approved in 2020. Finally, consistency changes have been made to the rest of the OECD Transfer Pricing Guidelines. The OECD Transfer Pricing Guidelines were approved by the OECD Council in their original version in 1995.

9. Sri Lanka to ink new tax treaties with India, Turkey and Czech Republic:- *News Report*

The Sri Lanka government will sign new agreements with the Indian government, to avoid double taxation on income tax and to eliminate tax evasion. The Cabinet has already approved a proposal in this regard submitted by Basil Rajapaksa, Finance Minister of Sri Lanka. Similar treaties would be signed with the Republic of Turkey and the Czech Republic. Currently, Sri Lanka doesn't have a

double taxation avoidance treaty with Turkey. Sri Lanka has 45 bilateral double taxation avoidance treaties and one multilateral treaty in place.

<https://www.dailymirror.lk/business-news/Sri-Lanka-to-ink-new-tax-treaties-with-India-Turkey-and-Czech-Republic/273-229828>

C. Indirect Taxation:-

1. No credit reversal for cash discount:- *Madhya Pradesh AAR in Rajesh Kumar Gupta of M/s. Mahveer Prasad Mohanlal in Order Number 01/2022*

The AAR has held that a recipient can avail the Input Tax Credit of the full GST charged on the invoice of the supply and no proportionate reversal of ITC is required in respect of commercial credit note issued by supplier for Cash discount for early payment of supply invoices and Incentive/schemes provided without adjustment of GST, if the said discount is not covered under Section 15(3)(b) of CGST Act, 2017 and the said discounts is not in terms of prior agreement. This is subject to the conditions that the GST paid for the said goods/service is not reversed or reimbursed / re-credited by the supplier to the recipient in any manner.

2. Exempt all branded essential food products under GST:- *News Report*

The Agrofood chamber of commerce and industry (agrofood chamber) has urged the union government to exempt all branded essential food products under the Goods and Services Tax (GST) at par with the same products such as unbranded. In the representation on behalf of the trade and industry, farming and agrofood sector, the agrofood chamber president S Rethinavelu said that this has been a long pending demand of the industry. “Unbranded essential food items such as rice, wheat and pulses are exempted from GST. But the same when branded attract 5% GST, making them expensive or forcing brands to disown the brand names with a disclaimer,” he said.

http://timesofindia.indiatimes.com/articleshow/89047593.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

3. RBI holds special repo auction as GST outflow tightens liquidity:- *News Report*

The Reserve Bank of India (RBI) on Thursday conducted a variable rate repo operation to infuse liquidity, instead of its usual variable rate reverse repo operations (VRRR) to suck out cash, as a larger-than-expected goods and services tax (GST) outflow tightened liquidity. The central bank proposed to lend the banking system Rs 50,000 crore for a day, and got bids for Rs 65,700 crore

https://www.business-standard.com/article/economy-policy/rbi-holds-special-repo-auction-as-gst-outflow-tightens-liquidity-122012100031_1.html

4. Companies, exporters cry foul as the Tax department raise fresh GST demands on ocean freight even as issue is pending in SC:- News Report

The government and a number of companies, primarily importers, are battling before the Supreme Court over the imposition of integrated GST (IGST) on ocean freight but in the last month or so, the department has started issuing fresh tax demands and notices to the companies over GST on ocean freight even the matter is pending before the Supreme court.

The basic issue is that if a exporter located outside India is exporting goods to India and enters into an agreement with shipping companies to pay the ocean freight then in such cases the Indian tax department cannot collect the GST from outside exporter as the transaction is taking place outside the Domestic tariff area so the government hopes to collect the tax from Indian importer through the mechanism of reverse charge.

Gujarat High court already held the IGST on ocean freight as unconstitutional but several companies are still receiving notices in this regard as the government had approached the Supreme court against the order of Gujarat high court.

<https://cfo.economictimes.indiatimes.com/news/companies-exporters-cry-foul-as-taxman-raise-fresh-gst-demands-on-ocean-freight-even-as-issue-is-pending-in-sc/88975101>

5. Telcos seek refund of INR 35,000 crore input tax credit, GST waiver on licence fee, SUC:- News Report

Telecom operators want the government to refund input tax credit (ITC) of around INR 35,000 crore, reduce levies and waive GST on licence fees and spectrum usage in the upcoming Budget. "Refund unutilised ITC of Rs 35,000 crore of the industry, which cannot be utilized in the near future. The current market dynamics have led to the accumulation of massive ITC. The credit would further increase with the upcoming significant capital expenditure to further enhance customer experience and achieve the vision of Digital India," COAI said.

https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-seek-refund-of-rs-35000-crore-input-tax-credit-gst-waiver-on-licence-fee-suc/articleshow/88903898.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

6. CAIT urges Centre to exempt GST registration for ecommerce sales:- News Report

The Confederation of All India Traders has requested Union Finance Minister Nirmala Sitharaman to waive mandatory GST registration for selling products through e-commerce platforms. Instead of GST registration, Aadhar number, bank details or similar other measures may be designated as essential qualification for onboarding on e-commerce portals, the CAIT said, adding that a large number of artisans, craftsmen, cottage and household industries are facing challenges.

<https://www.deccanherald.com/business/business-news/cait-urges-centre-to-exempt-gst-registration-for-ecommerce-sales-1071702.html>

7. Supreme Court Order Suspending Limitation Is Applicable For Refund Under GST Act:- Bombay High Court in Saiher Supply Chain Consulting Pvt. Ltd. vs. Union of India and Anr. in WP no. 1275 of 2021

The refund filed by the Petitioner was rejected as being time barred. The petitioners filed the writ stating that limitation stands extended in view of Supreme Court Order dated 23 March 2020 and the judgement dated 23 September 2021. The Court observed that as per the second order of the Supreme Court in the same suo motu case from 23 September 2021, the limitation period as prescribed under various acts would resume only from 03 October 2021. "In view of the said Order dated 23 March 2020 and the judgement dated 23 September 2021 passed by the Hon'ble Supreme Court, the period of limitation falling between 15 March 2020 and 02 October 2021 stood excluded. In our view also, the period of limitation prescribed in the said Circular under Section 54(1) also stood excluded," the court held.

The ruling will help taxpayers who could not file refund claims due to the covid breakout. As per Supreme Court order dated 10 January 2022 the period from 15 March 2020 till 28 February 2022 stands excluded from limitation.

8. Guidelines for recovery proceedings under the provisions of section 79 in case of mismatch in GSTR-1 and GSTR-3B:- Instruction No. 01/2022-GST dated 07 January 2022

An explanation has been added to section 75(12) to clarify that "self-assessed tax" shall include the tax payable in respect of outward supplies, the details of which have been furnished under GSTR-1 but not included in GSTR-3B and accordingly, the same can be recovered under section 79. Doubts were raised regarding modalities for initiation of the recovery proceedings under section 79 in such cases. Accordingly, the following instructions have been issued.

- The proper officer may send a communication (with DIN) to the registered person to pay the amount short paid or not paid, or to explain the reasons for such short payment or non-payment of self-assessed tax, within a reasonable time, as prescribed in the communication.

- If the concerned person is able to justify the differences between GSTR-1 and GSTR-3B, or is able to explain the reasons of such short-payment or non-payment of tax, to the satisfaction of the proper officer, or pays the amount such short paid or not paid, then there may not be any requirement to initiate proceedings for recovery under section 79.
- If the registered person either fails to reply to the proper officer, or fails to make the payment of such amount short paid or not paid, within the time prescribed in the communication or such further period as may be permitted by the proper officer, then the proceedings for recovery of the said amount as per provisions of section 79 may be initiated by the proper officer. Further, where the said registered person fails to explain the reasons for such difference/ short payment of tax to the satisfaction of the proper officer, then the proper officer may proceed for recovery of the said amount as per provisions of section 79.

The instructions are a welcome step. The amendment had caused trade wide concern that recovery proceeding without providing any opportunity to the taxpayer may result in genuine cases being picked up for recovery e.g., typographical error, adjustment of excess amount paid in previous tax periods etc. The instruction will ensure that recovery proceedings are not initiated against genuine taxpayers and also allows taxpayers to pay the amount upfront to avoid initiation of recovery proceedings.

9. Interest Calculator in GSTR-3B:- GSTN updated 08 January 2022

As a facilitation measure for taxpayers & for assisting the taxpayers in doing a correct self-assessment, a new functionality of interest calculator is being released in GSTR-3B. This functionality will arrive at the system computed interest on the basis of the tax liability values declared by the taxpayers. The interest applicable, if any, on the tax liability declared in the GSTR-3B of a particular tax-period will be computed after the filing of the said GSTR-3B. These system computed interest values will be auto-populated in the Table-5.1 of the GSTR-3B of the next tax-period. The facility would be similar to the collection of Late fees for GSTR-3B, filed after the Due date, posted in the next period's GSTR-3B.

A new button called Tax Liability Break-up (Voluntary) will be provided in GSTR-3B for furnishing the tax-period wise break-up of tax liability. For Annexure containing a sample computation with screenshots of the upcoming functionality are available at https://tutorial.gst.gov.in/downloads/news/interest_calculator_gstr3b_sample.pdf

The new feature will allow trade to correctly compute and pay the amount of interest. The update allows for downward revision of interest however, the same will prompt a warning. In case a taxpayers makes a downward revision it is likely that the return will be flagged for further scrutiny by the tax authorities.

10. Implementation of Rule-59(6):- GSTN updated dated 03 January 2022

As per Notification No. 35/2021 – Central Tax dated 24 September 2021, Rule 59(6)(a) of CGST Rules, 2017 was amended and the words “for preceding two months”, the words “for the preceding month” were substituted with effect from 01 January 2022. Accordingly, w.e.f. 01 January 2022 onwards, if a monthly filer has not filed the GSTR-3B for the preceding month, then such taxpayer will not be allowed to file the GSTR-1 for the subsequent month, till the GSTR-3B for the preceding month is filed.

11. Existing GST rates in textile sector to continue beyond 01 January 2022:- Press Release dated 31 December 2021

The GST Council’s 46th meeting was held on 31 December 2021 in New Delhi. The GST Council has recommended to defer the decision to change the rates in textiles recommended in the 45th GST Council meeting. Consequently, the existing GST rates in textile sector would continue beyond 01 January 2022.

The textile associations along with various trade associations had been protesting to rate hike in textile from 5% to 12%. It was feared that rate hike would adversely impact the industry.

12. Relaxation of 5% for input tax credit availment removed: Amendment to rule 36(4) vide notification no. Central Tax dated 29 December 2021

The Government has amended rule 36(4) w.e.f. 01 January 2022 to provide that no input tax credit shall be availed by a registered person unless the details of such invoices or debit notes have been furnished by the supplier in the statement of outward supplies in FORM GSTR-1 or using the invoice furnishing facility; and such details have been communicated to the registered person in FORM GSTR-2B.

The amendment provides clarity that taxpayers are required to reconcile input tax credit with GSTR-2B. Previously there was confusion among trade whether input tax credit should be reconciled with GSTR-2A or GSTR-2B. The amendment also puts an end to contradiction between the newly inserted condition under section 16(2)(aa) and relaxation under rule 36(4) of GST Rules by completely removing the relaxation.

13. GSTR-9 and GSTR-9C for FY 2020-21 extended to 28 February 2021: Amendment to rule 80 vide notification no. 40/2021 – Central Tax dated 29 December 2021

The notification has amended rule 80 to provide that the due date for filing of annual return GSTR-9 and reconciliation statement GSTR-9C for FY 2020-21 is 28 February 2022. The notification has extended the due date from 31 December 2021 to 28 February 2022.

Representation for extension of the due date of GST annual return had been made by various trade associations and professional bodies. The extension will give the taxpayers additional time to file annual returns.

14. Process of provisional attachment standardised:- Amendment to rule 159 vide notification no. 40/2021 Central Tax dated 29 December 2021

The Government has notified form DRC-22 as prescribed form for order of attachment. Further, communication of such order to the person whose property is being attached has also been made mandatory. The Government has prescribed form DRC-22A for filing of objections by the person whose property has been attached.

The amendments are a welcome step as they aim to standardise the process of attachments. Various High Courts across the country had expressed their concern on misuse of powers of attachment. The Supreme Court in Radha Krishna Industries had observed that power of provisional attachment under GST law is draconian. The amendment streamline the process by making communication to the affected person mandatory and providing a standardised form for filing objections.

15. Deployment of Interest Calculator in GSTR-3B:- GSTN update dated 26 January 2022

The new functionality of interest calculator in GSTR-3B has been deployed on the GST Portal. This functionality will facilitate & assist the taxpayers in doing self-assessment. This functionality will arrive at the system computed interest on the basis of the tax liability values declared by the taxpayers, along with the details about the period to which it pertains. The interest applicable, if any, will be computed after the filing of the said GSTR-3B and will be auto-populated in the Table-5.1 of the GSTR-3B of the next tax-period. The facility would be similar to the collection of Late fees for GSTR-3B, filed after the Due date, posted in the next period's GSTR-3B.

This functionality will inform the taxpayers about the manner of system computed interest for each tax-head and hence will assist the taxpayers in doing correct computation of interest for the tax liability of any past period declared in the GSTR-3B for the current tax period

16. Formation of GST tribunal likely to be announced on 01 February 2022, suggests report:- News Report

The Centre may be looking to announce the formation of the Goods and Service Tax Appellate Tribunal (GSTAT) in the Union budget next week. The GSTAT will be the tribunal where taxpayers

can bring their litigations. While the law has the provision for setting up the national bench, state bench, and area benches for tribunals, the proposed GSTAT is expected to be a national-level bench.

<https://www.cnbctv18.com/finance/budget-2022-formation-of-gst-tribunal-likely-to-be-announced-on-february-1-suggests-report-12290102.htm>

17. Insurance players seek reduction in GST:- News Report

Insurance players have demanded from FM Nirmala Sitharaman to reduce GST on health insurance from 18 per cent to 5 per cent. While sharing their wish list ahead of Union Budget 2022 date i.e. 01 February 2022, they forwarded their demand from the Narendra Modi government, which they want to be met in the upcoming Budget.

18. One-to-one correlation of particular inputs with particular outward supply not required for utilisation of input tax credit:- Gujarat Appellate AAR in Aristo Bullion Pvt Ltd in GUJ/GAAAR/APPEAL/2021/36

The Appellant had approached the Appellate AAR against advance ruling which held that one-to-one correlation of inputs is required for utilisation against output liability. The Appellant contended the law does not provide for any such condition.

The Appellate AAR held that the Appellant can use the input tax credit balance available in its Electronic Credit Ledger, which has been legitimately earned on the inputs / inward supplies (meant for outward supply of Bullions) for payment of 'output tax' (GST) on its outward supply of Castor Oil Seeds. In other words, it held that payment of output tax on Castor Oil Seeds through utilization of Input Tax Credit taken on Gold & Silver Dore Bars etc. cannot be denied merely on the ground that the inputs have no nexus with outward supply.

The ruling reinforces the legal principle which has been settled since pre-GST regime. The AAR had created dispute with the position however, the Appellate AAR settled the same in favour of assessee thus avoiding prolonged litigations.

D. Regulatory: -

1. MCA relaxes additional fees on annual financial-statements filing upto Feb 15, for FY 2020-21:- General Circular No. 22/2021 dated December 29, 2021

Ministry of Corporate Affairs has extended the due date for filing below mentioned eforms for the financial year ended on 31/03/2021 without levy of any additional fees for the same.

- eforms AOC 4, AOC 4 CFS, AOC 4 XBRL, AOC 4 Non-XBRL upto 15/02/2022
- eforms MGT 7/MGT 7A upto 29/02/2022

2. MCA revised additional fees for delay in filings with effect from 1 July 2022 and notified other key sections of Amendment Acts:- Notification No. G.S.R. 12(E) dated 11 January 2022

The MCA vide Notification dated 11 January 2022 has issued the Companies (Registration Offices and Fees) Amendment Rules, 2022 in order to amend the Companies Rules, 2014, with effect from 1 July 2022, in a following manner:

- Additional fees on form will be increased to 18 times from existing 12 times of normal fees.
- Higher additional fees shall be payable, if there is a delay in filing e-form INC-22 or e-form PAS-3, on two or more occasions, within a period of 365 days from the date of filing of the last such belated e-form for which additional fee or higher additional fee was payable.
- Additional fee and higher additional fee shall be applicable for delay in filing of forms other than for increase in Nominal share capital or forms under Section 92 or Section 137 of the Companies Act or forms for filing charges, in a following manner:

Sr. No.	Period of delays	Additional fee as a multiple of normal fees	Higher additional fee as a multiple of normal fees (for certain cases)
(1)	(2)	(3)	(4)
1	Upto 15 days (section 139 and 157)	One time of normal fees	-
2	More than 15 days and upto 30 days (Section 139 and 157) and upto 30 days in remaining forms.	2 times of normal filing fees	3 times of normal filing fees
3	More than 30 days and upto 60 days	4 times of normal filing fees	6 times of normal filing fees
4	More than 60 days and upto 90 days	6 times of normal filing fees	9 times of normal filing fees
5	More than 90 days and upto 180	10 times of normal filing	15 times of normal filing

	days	fees	fees
6	Beyond 180 days	12 times of normal filing fees	18 times of normal filing fees

Further, the Central Government designates July 1, 2022, as the date on which the provisions of Section 56 of the Companies (Amendment) Act, 2020 will enter into force. Section 56 of the Companies (Amendment) Act revises section 403(1) of Companies Act, 2013 which deals with the fee required to be paid by companies in case they fail to submit, file, register or record any document with the Registrar of Companies.

The Revised section 403(1) of Companies Act 2013 states as follows: Any document, required to be submitted, filed, registered or recorded, or any fact or information required or authorised to be registered under this Act, shall be submitted, filed, registered or recorded within the time specified in the relevant provision on payment of such fee as may be prescribed.

Also, the Central Government designates 1st July, 2022, as the date on which the provisions of second and third proviso to clause (i) of section 80 of the said Act shall come into force.

Section 80 of the Companies (Amendment) Act revises section 403(1) of Companies Act, 2013 which deals with the time required to file any document, fact or information and the fee for delay in filing of form which shall not be less than INR 100 per day and different amounts as may be prescribed. In case of two or more defaults in filing the documents can be submitted, filed, registered or recorded, as the case may be, on payment of a higher additional fee, as may be prescribed and which shall not be lesser than twice the additional fee.

3. SEBI encourages investors to file their complaints through SCORES Portal:- Circular No. SEBI/HO/MRD1/MRD1_ICC1/P/CIR/2022/05 dated 5 January 2022

In a move to increase awareness regarding online mechanisms for investor grievance redressal, SEBI advised all recognized stock exchanges including commodity derivatives exchanges/ depositories/ clearing corporations to display the information to direct investors to SCORES website, on the home page of their websites and mobile apps.

SCORES is an online platform designed to help investors to lodge their complaints, pertaining to the securities market, online with SEBI against listed companies and SEBI registered intermediaries. All complaints received by SEBI against listed companies and SEBI registered intermediaries are dealt through SCORES. The website also facilitates investors to lodge their complaints online with SEBI and subsequently view its status.

An investor may lodge a complaint on SCORES within three years from the date of cause of complaint, where the investor has approached the listed company or registered intermediary for redressal of the complaint and got the complaint rejected or was not communicated.

4. SEBI notifies new provisions related to Special Situation Funds under SEBI (Alternative Investment Funds) Regulations:- Notification No. SEBI/LAD-NRO/GN/2022/68 dated 24th January 2022

The SEBI has notified SEBI (AIF) (Amendment) Regulations, 2022 wherein amendment has been made to Regulation 3 and 12. Further chapter –III-B is also added specifying the various definitions, applicability, registration process, and investment norms relating to the Special Situation Funds.

“Special situation fund” means a Category 1 Alternative Investment Fund that invests in special situation assets in accordance with its investment objectives and may act as a resolution applicant under the Insolvency and Bankruptcy Code, 2016.

This regulation is made applicable to Special situation funds and schemes launched by such special situation funds. An applicant may apply for registration as a special situation fund in accordance with the provisions of Chapter II of these Regulations. Each scheme of a special situation fund shall have a corpus as may be specified by the Board. The special situation fund shall accept from an investor, an investment of such value as may be specified by the Board. The special situation fund shall not accept investments from any other Alternative Investment Fund other than a special situation fund.

5. SEBI notified (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2022:- Notification No. SEBI/LAD-NRO/GN/2022/66 dated 24 January, 2022

The SEBI has notified a new set of regulations to amend the existing SEBI (LODR) Regulations, 2015 which are applicable from 24th January, 2022.

The Amendments are broadly covering the following areas:

i) In Regulation 17(1C) :-

a.) After the word "Board of directors" the word "or as a manager" is inserted, which implies that the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

b.) Two Provisos are inserted implication of which is that appointment or re-appointment of a person, including as MD, WTD or a manager, who was earlier rejected by the shareholders at a general meeting shall be done only with **PRIOR APPROVAL** of shareholders, that is to say, in such cases the Company cannot rely on taking approval at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier and an explanatory statement shall contain detailed explanation and justification by the NRC and Board for recommending such a person for appointment or re-appointment.

ii) In Regulation 32(7) :-

The words "an annual basis" shall be substituted with the words "a quarterly basis", which implies that where the listed entity has appointed a monitoring agency to monitor the utilisation of proceeds of a public or rights issue, the monitoring report of such agency shall be placed before the audit committee on a quarterly basis and not on an annual basis.

iii) In Regulation 39(2) :-

The word "issue" is substituted with the words "effect issuance of" and before the words "within a period" the words and symbol ",", in dematerialized form" is inserted. This implies that the listed entity shall effect issuance of certificates, receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable in dematerialized form within a period of **thirty days** from the date of such lodgement. The listed entities shall effect issuance of certificates or receipts or advice in demat form.

iv) In Regulation 40(1) :-

The existing proviso shall be substituted with the following:

"Provided that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository" "Provided further that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form."

v) In Regulation 40(3) :-

In the first proviso the words "for securities held in dematerialized mode and physical mode" and the words "and twenty one days respectively" are omitted.

With this amendment all the requests of transmission, be it for securities held in dematerialized mode or physical mode shall be processed by the listed entity in **7 days** after receipt of the specified documents.

vi) In Schedule VI clause D(1) :-

(a) The words and symbols “, or deliver the physical certificates after re-materialising the same, depending on what has been opted for by the allottee:” is omitted.

(b) The proviso read as "Provided that the rematerialising of the physical certificates shall be done only in case where the shares were originally issued in physical form" is omitted.

6. RBI Retail Direct Scheme on Market Making:- RBI/2021-22/147 dated 04th January, 2022

RBI Retail Direct Scheme was launched on November 12, 2021 for providing one-stop access to facilitate investment in Government securities by retail investors. In this connection and to provide liquidity in the secondary market, a market making scheme is issued by the RBI on January 04, 2022 which is as follows,

1. Objective of the Scheme:

To promote retail participation in Government Securities by providing prices/quotes to Retail Direct Gilt (RDG) account holders enabling them to buy/sell securities under the RBI Retail Direct Scheme.

2. Definitions:

In this scheme, unless the context otherwise requires:

- a. “Government Securities”, for the purpose of this scheme, mean securities issued in the form of stock by credit to the SGL/CSGL account maintained with RBI as defined under Section 3(iii) of Government Securities Act, 2006;
- b. “Liquid Securities” means a security identified and published by Fixed Income Money Market and Derivatives Association of India (FIMMDA)/ Financial Benchmarks India Limited (FBIL) as a ‘liquid security’ for the purpose of short sale transactions.
- c. “NDS-OM” or Negotiated Dealing Segment – Order Matching means RBI’s screen based, anonymous electronic order matching system for trading in Government Securities in the secondary market;
- d. “Odd-lot segment” refers to the odd-lot segment of NDS-OM;

- e. “Primary Dealers” means entities authorised by RBI to undertake primary dealership activities in Government Securities;
- f. “Request for Quotes (RFQ) segment” refers to the on-screen negotiation system of RBI’s NDS-OM system;
- g. “Retail Direct Gilt (RDG) Account” means gilt account maintained in the books of RBI under the Retail Direct Scheme;
- h. “Retail Direct Scheme” refers to the RBI Retail Direct scheme formulated to facilitate investment in Government Securities by individual investors.

3. Applicable entities:

All Primary Dealers.

4. Obligations of Primary Dealers:

A. In the Odd Lot segment:

Primary Dealers (PDs) may provide buy and sell quotes on the NDS-OM odd lot segment as below:

- i. All PDs may provide buy/sell quotes for liquid securities throughout market hours. Alternatively, the secondary market trading time may be divided into time slots and it shall be ensured that PDs provide buy/sell quotes during these time slots for the liquid securities that they hold. Primary Dealers Association of India may decide on the allocation of time slots amongst PDs and inform the same to IDMD, RBI.
- ii. PDs may strive to achieve turnover on the odd-lot segment on a best effort basis.

B. In the Request-For-Quotes (RFQ) segment:

- i. PDs may be present on the RFQ platform throughout market hours.
- ii. Any request for buy/sell from the Retail Direct Gilt Account Holders may be responded to by the PDs with a market-relevant quote.

5. Simplified KYC for transaction with RDG account holders in RFQ segment:

Rule 9 sub-rule 14 clause (i) of The Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, provides for simplified measures to verify the client’s identity. Therefore, it is, hereby, prescribed that the PDs shall rely on the Know Your Customer (KYC) verification of the RDG account holders done under the retail direct scheme. No further KYC verification is required for transacting with RDG account holders on the RFQ segment of NDS-OM.

6. Facilities/Incentives for fulfilling the obligations:

A. Switching securities with RBI – A special Switch window will be opened for PDs every month, wherein PDs may switch the illiquid/semi-liquid securities acquired through RFQ segment from RDG account holders with liquid securities from RBI at FBIL/market prices.

B. Inclusion of successful trades in the annual target for PDs for achieving turnover with mid-segment and retail investors – All successful trades under the Retail Direct scheme will be reckoned towards fulfilling the annual target for turnover with mid-segment and retail investors prescribed to each PD respectively.

7. Performance Monitoring:

i. Primary Dealers may submit a report to IDMD, RBI, on successful trades executed in the RFQ segment, monthly on or before 10th of the following month as per the format given in Annex – I.

ii. Primary Dealers may submit a report to IDMD, RBI, on total turnover achieved on the secondary market and turnover achieved via the odd lot segment, on an annual basis within 15 days from the close of the FY as per the format given in Annex – II.

iii. The reports may be sent via an email to IDMD, RBI.

iv. Audit logs of the trades executed by PDs with RDG account holders shall be preserved for verification, if necessary.

7. RBI releases Eligibility criteria to become eligible as Specified User of Credit Information Companies:- Press Release: 2021-2022/1500 dated 05th January, 2022

The Reserve Bank on 05 January 2022 released the eligibility criteria for entities to be categorised as Specified User under clause (j) of Regulation 3 of Credit Information Companies (Amendment) Regulations, 2021. The eligibility criteria is as follows:

- The entity shall be a company incorporated in India or a Statutory Corporation established in India.
- The governing statute of the Statutory Corporation or the Memorandum of Association of the Company, as the case may be, shall permit the business/activity of information processing for the support or benefit of credit institutions.
- In the case of a company, it must have a net worth of at least Rs. 2 crores as per the latest audited balance sheet and must satisfy the criteria on an ongoing basis.
- In the case of a company, it shall be owned and controlled by resident Indian citizens/Indian company owned and controlled by resident Indian citizens.

- The company's ownership should be well-diversified.
- In case of a company, it must have at least three years of experience in running the business/activity of processing information for the support or benefit of credit institutions, as well as a clean track record.
- The company, nor its promoters, or any of its directors should not have been convicted of any moral turpitude or economic infraction in the past.
- The entity should have a certification from a CISA certified auditor that it has a robust and secure Information Technology system in place for preserving and protecting credit information data in accordance with the provisions of the Credit Information Companies (Regulations) Act, 2005 and Rules and Regulations framed thereunder, and any other applicable Regulations, Guidelines in this regard.

https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=53055

8. IBU, GIFT City, Gandhinagar to undertake SWIFT operations:- IFSCA Circular No.293/IFSCA/Banking Supervision/2021-22/2 dated 04th January, 2022

With reference to IFSC (Banking) Regulations, 2020 dated 18th November 2020 and IFSCA Circular F. No. 293/IFSCA/Banking Supervision/2021-22/ dated April 21, 2021 & Circular F. No. 293/IFSCA/Banking Supervision/2021-22/1 dated June 24, 2021, following directions have been made by International financial services centre (IFSC) authority:

1. SWIFT operations will be undertaken from the IBU, GIFT City, Gandhinagar by assigning the roles of maker and checker to suitable staff in IBU itself for ensuring the data confidentiality and data protection.
2. IBUs are directed to ensure compliance of the above on or before 31st Mar 2022.

IBUs are advised to acknowledge the same and confirm compliance of the IFSCA Circular F. No. 293/IFSCA/Banking Supervision/2021-22/1 dated June 24, 2021, regarding implementation of 8-digit distinct BIC SWIFT Code for the IBUs to Banking Supervision Division to e-mail ids ibu-reports@ifsc.gov.in, with a copy to the concerned Officer.

9. Centre notifies the Consumer Protection (Direct Selling) Rules, 2021:- Notification No. G.S.R. 889(E), dated 28th December, 2021

The Centre vide its notification dated 28th December 2021 has notified the Consumer Protection (Direct Selling) Rules, 2021 which are as follows,

- Both Direct selling entities and direct sellers are prohibited from promoting the Pyramid Scheme or money circulation scheme.

- The existing entities have to ensure compliance with the rules within 90 days.
- The direct selling companies will also be liable for the grievances arising out of the sale of goods or services by its direct sellers.
- Both Direct sellers as well as the direct selling entities using e-commerce platforms for sale shall comply with the requirements of the Consumer Protection (e-Commerce) Rules, 2020.
- State Government to set up a mechanism to monitor or supervise the activities of direct sellers and direct selling entities.
- Well laid down duties and obligations for both direct selling entities and direct sellers to safeguard the interests of consumers.

**10. Rule 9(1A) of PML (Maintenance of Records) Rules, 2005 not applicable to FPI:-
Notification No. G.S.R. 5(E), dated 04 January 2022**

The Ministry of Finance vide its notification dated 04 January 2022 has stated that the provisions of sub-rule (1A) of Rule 9 of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 shall not apply to Foreign Portfolio Investors. Rule 9 deals with the verification of client identification data, and subrule (1A) stipulates that the following shall not apply to foreign portfolio investors. Every banking organisation, financial institution, and intermediary must assess if a customer is working on behalf of a beneficial owner, identify the beneficial owner, and take all reasonable means to authenticate his identity.

11. Revision of last date of submitting application for scrip bases schemes to 31st January 2022:- DGFT Notification No. 48/2015-2020, New Delhi, dated 31/12/2021

Considering the demand of the industry, DGDT has extended last date for submitting application for scrip based FTP schemes from 31st December 2021 to 31st January 2022 encapsulating the following:

- MEIS (for exports made in the period between 1 July 2018 to 31 December 2020)
- SEIS (for services exports rendered for FY 2018-19 and 2019-20)
- 2% additional ad hoc incentives (incentive under para 3.25 of the FTP for exports made in period 1 January 2020 to 31 March 2020 only)
- ROSTL (for the exports made from 7 March 2019 to 31 December 2020)
- ROSL (for exports made upto 6th March 2019)

Also take note that new late cut provisions,if any, as mentioned shall apply.

1. MEIS FY 2018-19 (01.07.2018 to 31.03.2019) 10%
2. MEIS FY 2019-20 and FY 2020-21 (upto 31.12.2020) Nil
3. SEIS FY 2018-19 5%
4. SEIS FY 2019-20 Nil
5. ROSCTL 07.03.2019 to 31.12.2020 Nil
6. ROSL Upto 06.03.2019 Nil

12. Extension of FCRA registration certificates till 31st March 2022:- FCRA public Notice No. 11/21022/23(22)/2020- FCRA-III Dated 31/12/2021

The Central Government, in public interest, has decided to extend validity of FCRA registration certificates upto 31st March 2022 or till the date of disposal of the renewal application, whichever is earlier, in respect of only those entities who fulfil the following criteria:

- (i) FCRA registration certificates of such entities is expiring between the period 29th September,2020 and 31st March, 2022; and
- (ii) Such entities have applied/apply for renewal on FCRA portal before expiry of certificate of registration in accordance with Rule 12 of Foreign Contribution (Regulation) Rules, 2011.

13. Exposure Draft of AS 110 "Consolidated and Separate Financial Statements" Issued by Accounting Standards Board:- ICAI Press release dated 04th January, 2022

The Accounting standard board of ICAI has finalised AS 110, Consolidated and Separate Financial Statements, taking AS 21, Consolidated Financial Statements, notified by MCA as the base. Major differences between the draft of AS 110 and Ind AS 110, Consolidated Financial Statements and Ind AS 27, Separate Financial Statements, are included in the Appendix 1 of the Standard. Major differences between the draft of AS 110 and AS 21 are included in the Appendix 2 of the Standard.

The ASB invites comments on any aspect of this Exposure Draft on AS 110. Comments must be submitted by **February 03, 2022** via one of the following ways,

Electronically: click on <http://www.icai.org/comments/asb/to> submit comments online

Email: Comments can be sent at commentsasb@icai.in

Postal: Secretary, Accounting Standards Board, The Institute of Chartered Accountants of India
ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110 002

Further clarifications on any part of this Exposure Draft may be requested by sending an email to asb@icai.in.

14. Exposure Draft of AS 103, "Accounting for Amalgamations" Issued by Accounting Standards Board:- ICAI Press release dated 04th January, 2022

The Accounting standard board of ICAI has finalised AS 103, Accounting for Amalgamations, taking AS 14, Accounting for Amalgamations, notified by MCA as the base. It deals with accounting for amalgamations (including business acquisitions) and the treatment of any resultant goodwill or reserves.

But does not deal with:

(a) accounting for the formation of a joint venture in the financial statements of joint controlled entities; and

(b) acquisition of a group of assets that does not constitute a business.

The ASB invites comments on any aspect of this Exposure Draft on AS 103. Comments must be submitted by **February 03, 2022** via one of the following ways,

Electronically: click on <http://www.icai.org/comments/asb/to> submit comments online

Email: Comments can be sent at commentsasb@icai.in

Postal: Secretary, Accounting Standards Board, The Institute of Chartered Accountants of India ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110 002

Further clarifications on any part of this Exposure Draft may be requested by sending an email to asb@icai.in.

15. Exposure Draft of Revised AS 103, 110, 111, 28 for Comments:- ICAI Exposure draft dated 04 January 2022

The Accounting Standard Board (ASB) of ICAI has released the exposure drafts on the amendments introduced in various Accounting Standards (ASs) and invites comments on the aspects of the Exposure Draft relating to AS 103, 110, 111, 28. ASB is embarking on a project to revise these standards, which will be relevant to businesses to whom Ind AS do not apply. While formulating these Accounting Standards, the ASB opted to keep the numbering of AS consistent with that of Ind AS..

1. Exposure Draft of AS 103, Accounting for Amalgamations
2. Exposure Draft of AS 110, Consolidated and Separate Financial Statements

3. Exposure Draft of AS 111, Financial Reporting of Interest in Joint
4. Exposure Draft of AS 28, Accounting for Associates and Jointly Controlled Entities

Comments must be received by February 3, 2022, and must be submitted via one of the ways listed below:

Electronically: Click on <http://www.icai.org/comments/asb/> to submit comment online (Preferred method)

Email: Comments can be sent at commentsasb@icai.in

Postal: Secretary, Accounting Standards Board, The Institute of Chartered Accountants of India
ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110 002

Further clarifications on any part of this Exposure Draft may be requested by sending an email to asb@icai.in.

<https://www.icai.org/post/ed-of-revised-accounting-standard-for-comments>

16. Exposure Draft on AS 28- Accounting for Associates and Jointly Controlled Entities issued by ASB for comments:- ICAI Exposure draft dated 04 January 2022

ASB has initiated the process of revision of these standards which will be applicable to the entities to whom Ind AS are not applicable. ASB has finalised AS 28 taking AS 23 as the base. This has been done to maintain the consistency in the numbering of AS with Ind AS numbering.

Comments can be submitted :-

1. Electronically:- <http://www.icai.org/comments/asb/>
2. Email:- commentsasb@icai.in
3. Postal:- Secretary, Accounting Standards Board, The Institute of Chartered Accountants of India
ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110002

17. Exposure Draft on AS 111- Financial Reporting of interests in Joint Ventures is issued by ASB for the comments:- ICAI Exposure draft dated 04 January 2022

ASB has initiated the process of revision of these standards which will be applicable to the entities to whom Ind AS are not applicable. ASB has finalised AS 111 taking AS 27 as the base. This has been done to maintain the consistency in the numbering of AS with Ind AS numbering.

Comments can be submitted :-

1. Electronically:- <http://www.icai.org/comments/asb/>

2. Email:- commentsasb@icai.in

3. Postal:- Secretary, Accounting Standards Board, The Institute of Chartered Accountants of India
ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110002

18. DGFT includes Customs/ GST/ Bank Authorities in grievance committee:- *Public Notice No.44/2015-2020 dated 5 January 2022*

The DGFT has amended the para 9.08 of Handbook of Procedures - 2015-20 to revise the composition of Standing Grievance Committee by including other relevant Central/ State Government agencies such as Customs/ GST Authorities, Banks, GM DICs etc. to address the grievances and complaints of the industry members at one platform.

19. IEPF Authority (Accounting, Audit, Transfer and Refund), Third Amendment Rules, 2021:- *MCA Notification Dated 28/12/2021, New Delhi*

Government notifies Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Third Amendment Rules, 2021 to amend Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which relates to manner of transfer of shares under section 124(6) of the Companies Act, 2013 to the IEPF Fund incorporating the following substitutions:

(i) for sub rule(9) of IEPF Rules, 2016- "the shares held in such DEMAT account shall be transferred only for the purposes of transferring the shares back to the claimant or in accordance with sub rule(10), (11) and (11A)."

(ii) after sub rule(11) of IEPF Rules, 2016- sub rule "(11A) the authority having received the amount from the company on behalf of the minority shareholders shall ensure that it is credited to the fund and a separate ledger account is maintained for such proceeds."

(iii) after sub rule (13) of IEPF Rules, 2016- sub rule "(13A) the amount to be credited as provided under sub rule (11A) shall be remitted into the specified account of the IEPF authority maintained in the Punjab National Bank along with the details thereof to be furnished in Form No. IEPF-7 within 30 days from the date of remittance or within 30 days from the date of commencement of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Third Amendment Rules, 2021, as the case may be."

20. Commerce Minister, Piyush Goyal calls for a Single portal KYC system for Stock Brokers, Mutual Fund:- *Press Release*

Shri Piyush Goyal, the Union Minister of Commerce, Industry, Consumer Affairs, Food and Public Distribution, and Textiles, has advocated for greater openness and integrity in the capital markets

and addresses the National Stock Exchange (NSE) function to mark the Silver Jubilee Celebration of 25 Years of Nifty Index and 20 Years of Launching of Derivatives Markets in India.

The Index has grown by 15 times in the last 25 yrs symbolising the growth potential of the Indian economy. Further, the government, led by Prime Minister Modi, has been working on a goal to lower the compliance load. The NSE is all set to adopt a single KYC system for all trading and financial operations.

21. Continuation of operations of DGFT 'COVID-19 Helpdesk' for International Trade related Issues:- Trade Notice No. 29/2021-2022, dated 06 January 2022

The DGFT vide its Trade Notice No. 29/2021-2022 dated January 06, 2022 has operationalised a 'COVID-19 Helpdesk' to support and seek suitable resolutions to issues arising in respect of International Trade and to monitor the status of export and imports and difficulties being faced by trade stakeholders in view of the surge of COVID-19 cases.

The export-import community may submit information on the DGFT website and submit information relevant to their difficulties for which assistance is necessary by following the procedures below.

- i. Go to the DGFT Website (<https://dgft.gov.in>) — > Services — > DGFT Helpdesk Service
- ii. Click 'Create New Request' and choose 'Covid-19' as the Category.
- iii. Select the appropriate sub-category, enter the other pertinent information, and submit. Alternatively, email can be sent with concerns to dgftedi@nic.in with the subject line: Covid-19 Helpdesk, or contact the Toll-Free Number 1800-111-550.

22. Tax refund schemes may see a sharp hike in outlay:- News Report

A senior official told that the refund rates of Remission of Duties and Taxes on Exported Products (RoDTEP) scheme is set in the range of 0.3% to 4.3% of the freight-on-board (FoB) value of the exported products. The government will likely raise allocation under two crucial tax remission schemes for exporters RoDTEP and RoSCTL to as much as Rs 22,000-27,000 crore in the Budget for the next fiscal from about Rs 19,400 crore in FY22 and he also said that there is a need to raise the outlay for these schemes substantially to ensure all exporters continue to get tax remission and our outbound shipments remain truly zero-rated, in sync with the best global practices. Since the export target is going to be much bigger in FY23, the fund requirement will also rise accordingly.

Earlier this fiscal, the government pledged to release Rs 56,027 crore to clear all the pending dues owed to exporters until FY21 under various schemes. This amount was aimed at substantially improving the liquidity of Covid-hit exporters.

23. Exposure Draft of ICAI Valuation Standard-304 “Valuation of Assets in the Extractive Industries”:- ICAI Announcement dated 18th January, 2022

The valuation standard board of ICAI has formulated Valuation Standard-304 “Valuation of Assets in the Extractive Industries”. This Standard prescribes specific guidelines and principles which are applicable to the valuation of assets (including rights or interests) in Extractive Industries and that are not dealt with specifically in any other Valuation Standard.

The importance of valuing assets of Extractive Industries arises from the fact that the reported and intangible form of the said assets may not reflect the true value of the said assets. Unlike valuation of many other industries, valuation of assets in extractive industry is based on depleting mineral assets, the knowledge of which is imperfect prior to the commencement of extraction. It is therefore essential that the valuation incorporates the risks associated with each stage of mining.

Valuation of Extractive Industry assets (including interests / rights) is necessary to assess the availability of capital for supporting the continuity of the said Industry as well as to help in the effective use of Mineral and Petroleum natural resources. Some exploration and evaluation assets are treated as intangibles (e.g. drilling rights), whereas others are considered as tangible (e.g. vehicle and drilling rigs). The Standard is not applicable and does not cover the assets downstream (or assets involved in the distribution of products to retailers or fabricators) from the metal refineries or mineral processing plants or petroleum refineries and natural gas processing plants.

Further, comments on the above mentioned Exposure Drafts may be submitted upto 27th January, 2022 through any of the following modes:

1. Electronically: To submit comments online click on <https://forms.gle/rhyFhjwSQpnr12xm9> (Preferred method)
2. Email: Comments can be sent to: commentsvsb@icai.in
3. Postal: Secretary, Valuation Standards Board, The Institute of Chartered Accountants of India, ICAI Bhawan, A-29, Sector-62, 4th Floor, Admin Block Noida – 201309

24. CCI looks to ease market share disclosure norms for mergers:- News Report

The Competition Commission of India (CCI) is planning to revamp the disclosure regime for seeking approval of merger to make the process less burdensome. Currently, disclosures are made under Form-II if the post-merger entity's market share exceeds 15%. The form contains about 30 queries that seek extensive information about the deal and post-merger markets, as well as the business

environment. In the case of less significant details, a Form-I, or short form, which seeks basic information about mergers and queries that are more general and less specific is filed.

The regulator is planning to increase this present 15 percent market share norm and to drop/modify the outdated questions such as segment economics, R&D data, and quantitative efficiencies of the companies to get in line with the international best practises. Globally, competition laws are deal-focused and focus on questions that are relevant for merging firms.

The purpose of the Form-II disclosure is to ensure that the merger is not anti-competitive. In addition to market share, Form-II must be filed if CCI is dissatisfied with the 'combination' disclosure or suspects misrepresentation of facts while reviewing the application.

<https://cfo.economictimes.indiatimes.com/news/ci-looks-to-ease-market-share-disclosure-norms-for-mergers/89105821>

25. Date for Mandatory electronic filing of Non-Preferential Certificate of Origin (CoO) through the Common Digital Platform extended to 31st March 2022:- Trade Notice No. 32/2021-22 dated 24th January 2022

Electronic platform for Certificate of Origin (CoO) was implemented to facilitate electronic filing and issuance for Non-Preferential Certificates of Origin(CoO) besides Preferential CoOs and its objective was to provide an electronic, contact-less single window for the CoO related processes. The transition period of mandatory filing of applications for Non-Preferential Certificate of Origin through the e-CoO Platform has been extended till 31st March 2022. This timeline is for manual/paper mode filing and electronic system is not mandatory.

Various enhancements are also to be rolled out to make maximum use of the e-CoO platform for process familiarisation and ease of operations.

26. Data Bill waivers sought by government worry Indian IT firms:- News Report

The information technology sector will petition the government over concerns that the broad exemptions sought by lawmakers in the proposed Data Protection Bill will adversely impact the fortunes of India's \$190 billion IT-BPM industry in the European Union. Industry representatives will also highlight the inclusion of non-personal data in the bill, absence of timeliness by which government entities must comply with the rules, and the lack of applicability to personal data in physical format.

The industrial association plans to send a delegation to the federal government as soon as next week. Currently, India does not have adequate status with the EU, which enhances Indian enterprises prospects of getting business from regional organisations and governments. While the

government may not exercise the (Exemptions sought) without due process, their inclusion in the proposed Bill would concern global privacy regulators.

<https://cfo.economictimes.indiatimes.com/news/data-bill-waivers-sought-by-govt-worry-indian-it-firms/89170609>

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