



LATEST NEWS ALERTS

India & USA agrees on transitional approach on Equalization Levy 2020

Executive Summary

Income Tax

- Now Form 26AS reflects all transactions gathered through AIR
- CBDT has roll out the AIS/TIS from AY 2021-22.
- Ministry of finance asking for suggestions for the next year Finance Budget.
- Section 194Q is not applicable on Govt dept. not indulge in Trade activities.

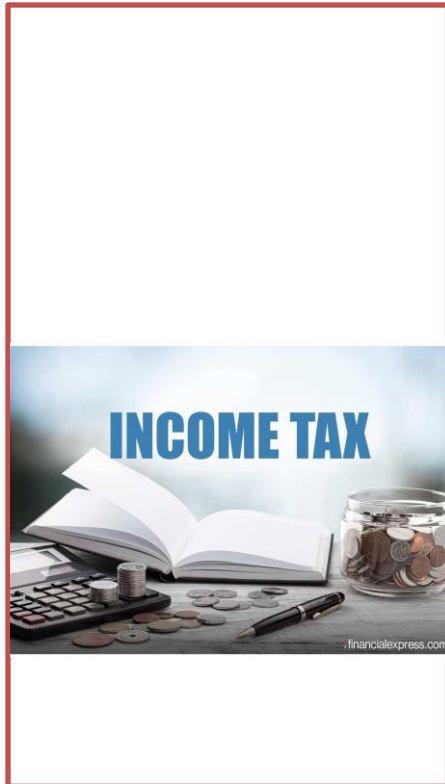
Goods & Services Tax (GST)

- Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices by Supplier of Services.
- Clarification in respect of certain refund related issues in Electronic Cash ledger is addressed by Department
- GST Rates and HSN numbers has been increased on Fabric, apparel and Footwears effective from 01st January 2022

Companies Act 2013/ Other Laws.

- MCA has relaxed by issuing General Circular in paying additional fees in case of delay in filing Form 8 (the Statement of Account and Solvency) by Limited Liability Partnerships up to 30th December, 2021.
- MCA has issued General Circular relating to Extension of last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014
- The Reserve Bank of India (RBI) Directed to appoint ombudsman for NBFC.
- SEBI asked the Listed entities to submit Related Party Transactions (RPTs) disclosures to the Stock Exchange(s) on half yearly basis

Income Tax



➤ **As per the direction given under Order No. 25/155/2020/ITA-II, DATED 26-10-2021**, now the financial transaction collecting through AIR information will be reflecting in Form 26AS. The source of such information will be Form 15CC, ITR & Depository etc.

➤ **CBDT vide Press release dated 01-11-2021** has rolled out the new Annual Information Statement (AIS) on the Compliance Portal which provides a comprehensive view of information to a taxpayer with a facility to capture online feedback. The new AIS can be accessed by clicking on the link "Annual Information Statement (AIS)" under the "Services" tab on the new Income tax e-filing portal (<https://www.incometax.gov.in>) The display of Form 26AS on TRACES portal will also continue in parallel till the new AIS is validated and completely

operational.

- **Ministry of Finance** has inviting suggestions from Trade & Industry associations for upcoming Budget 2022-23.
- **CBDT vide Circular No.20/2021 dated 25-11-2021** issued guidelines that if Govt. dept. is not doing trade then liability to deduct TDS u/s 194Q will not be applicable and also clarified that PSUs are not exempted.

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International Tax

- **CBDT vide Notification No.124/2021, DATED 29-10-2021**, has issued range of tolerance u/s 92C read with rule 10CA, for the purpose of Arm's length price for the AY 2021-22. Range of tolerance in case of wholesale trading is 1% and rate of 3% will be applies in all other cases.
- **Ministry of Finance vide Press Release dated 24-11-2021**, informed that India & USA agrees on a transitional approach on Equalisation Levy 2020. As per the release, India and United States have agreed that the same terms that apply under the October 21 Joint Statement shall apply between the United States and India with respect to India's charge of 2% equalisation levy on e-commerce supply of services and the United States' trade action regarding the said Equalisation Levy. However, the interim period that will be applicable will be from 1st April 2022 till implementation of Pillar One or 31st March 2024, whichever is earlier.



Goods & Services Tax



- **CBIC Vide Notification No. 14/2021- Central Tax (Rate) dated 18 November 2021** notifies to further amend notification No. 01/2017-Central Tax (Rate) dated 28-06-2017 through which GST Rates increased from 01.01.2022 on fabrics from 5% to 12%, article of apparel of any value 12% (earlier it was 5% for sale value upto Rs.1000 per piece) and for footwear of any value 12% (earlier it was 5% for sale value upto Rs.1000 per pair).

- **CBIC Vide Notification No. 15/2021- Central Tax (Rate) dated 18 November 2021** notifies to amend Notification No 11/2017- Central Tax (Rate) dated 28.06.2017 notifies Job work services w.r.t Dyeing or printing of textile products shall be taxable @18%.

- **CBIC Vide Notification No. 16/2021- Central**

Tax (Rate) dated 18 November 2021 notifies to amend Notification No 12/2017- Central Tax (Rate) dated 28.06.2017 relating to exempts the intra-State supply of services effective from 01st January 2022.

- **CBIC Vide Notification No. 52/2021- Customs dated 3 November 2021** Seeks to amend Notification No. 18/2019-Customs reducing Road and Infrastructure Cess (RIC) on Petrol and Diesel.
- **CBIC Vide Circular No. 165/21/2021- Customs dated 17 November 2021** issues clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices.

Issue	Clarification
Where receiver of services is located outside India, and payment is being received by the supplier of services through RBI approved modes of payment whether in such cases, the Dynamic QR Code is required on the invoice issued to such recipient located outside India?	No. Wherever an invoice is issued to a recipient located outside India, for supply of services and the payment is received by the supplier through RBI approved modes of payment such invoice may be issued without having a Dynamic QR Code, as such dynamic QR code cannot be used by the recipient located outside India for making payment to the supplier."

- **CBIC Vide Circular No. 166/22/2021- Customs dated 17 November 2021 issues clarification on certain refund related issues as below:**

Issue	Clarification
Whether the provisions regarding time period relating to relevant date would be applicable in cases of refund of excess balance in electronic cash ledger?	No, it would not be applicable in cases of refund of excess balance in electronic cash ledger.
Whether certification/ declaration is required to be furnished along with the application for refund of excess balance in electronic cash ledger?	No, furnishing of certification/ declaration is not required in cases of refund of excess balance in electronic cash ledger is considered as unjust enrichment clause is not applicable in such cases.

<p>Whether refund of TDS/TCS deposited in electronic cash ledger can be refunded as excess balance in cash ledger?</p>	<p>The amount deducted/collected as TDS/TCS and credited to electronic cash ledger is equivalent to cash deposited in electronic cash ledger of the registered person and he is at full liberty to utilize that amount as per his choice.</p> <p>Any amount, which remains unutilized in electronic cash ledger can be refunded to the registered person as excess balance in electronic cash ledger.</p>
<p>Whether the date of return filed by the supplier or date of return filed by the recipient will be relevant for the purpose of determining relevant date for refund of tax paid on supplies regarded as deemed export?</p>	<p>Tax on the supply of goods regarded as deemed export, would be paid by the supplier in his return, therefore, the relevant date for purpose of filing of refund claim for such supplies would be the date of filing of return by the supplier.</p>

- **CBIC Vide Notification No. 64/2021- Customs (ADD) dated 28 October 2021** Seeks to impose anti-dumping duty on 'Seamless tubes, pipes and hollow profiles of iron, alloy or non-alloy steel (other than cast iron and stainless steel), whether hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14" OD' originating in or exported from China PR for a period of 5 years.
- **CBIC Vide Notification No. 65/2021- Customs (ADD) dated 11 November 2021** Seeks to rescind Notification No. 34/2016 - Customs (ADD) dated 14th July, 2016 to remove levy of ADD on Medium Density Fiberboard.
- **CBIC Vide Notification No. 66/2021- Customs (ADD) dated 11 November 2021** Seeks to impose ADD on Imports of Untreated Fumed Silica from China PR - reg.
- **CBIC Vide Notification No. 67/2021- Customs (ADD) dated 12 November 2021** Seeks to impose ADD on "measuring tapes" originating in or exported from Singapore and Cambodia.

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Companies Act, 2013

- **MCA has issued General Circular relating to Relaxations in paying additional fees in case of delay in filing Form 8 (the Statement of Account and Solvency) by Limited**



Liability Partnerships up to 30th December, 2021.

This Ministry has received a representation seeking extension of timeline for filing the Statement of Account and Solvency without paying additional fees by LLPs on account of challenges faced by the LLPs due to COVID-19 pandemic. As part of the Government's constant efforts to promote ease of living and compliances for Micro, Medium and Small Enterprises doing business through the vehicle of LLP, it has been decided to allow LLPs to file Form 8 (the Statement of Account and Solvency) for the Financial Year 2020-2021 without paying additional fees up to 30th December, 2021.

- **MCA has issued General Circular relating to Extension of last date of filing of Cost Audit Report to the Board of Directors under Rule**

6(5) of the Companies (Cost Records and Audit) Rules, 2014

The Ministry of Corporate Affairs has further extended the last date of filing of Cost Audit Report for the FY 2020-21 by the Cost Auditor to the Board of Directors of the Companies from 31st October, 2021 to 30th November, 2021.

- **General Circular Relaxation on levy of additional fees in filing of e-forms AOC-4, AOC-4 (CFS), AOC-4, AOC-4 XBRL AOC-4 Non-XBRL and MGT-7/MGT-7A for the financial year ended on 31.03.2021 under the Companies Act, 2013**

Keeping in view of various requests received from stakeholders regarding relaxation on levy of additional fees for annual financial statement filings required to be done for the financial year ended on 31.03.2021, it has been decided that no additional fees shall be levied up to 31.12.2021 for the filing of e-forms AOC-4, AOC-4 (CFS), AOC-4XBRL, AOC-4Non_ XBRL and MGT-7/MGT-7A in respect of the financial year ended on 31.03.2021. During the said period, only normal fees shall be payable for the filing of the aforementioned e-forms.

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Other Laws

SEBI

- **Listed entities to submit Related Party Transactions (RPTs) disclosures to the Stock Exchange(s) on half yearly basis**

SEBI vide notification dated 9th November 2021 has notified SEBI Listing Obligations & Disclosure Requirements (LODR) 6th Amendment Regulations, 2021 by virtue of some key changes have been introduced with respect to RPTs undertaken by listed entities in their day to day operations, applicable from 1st April 2022 onwards.

RBI

- **The Reserve Bank of India directed appointment of Internal Ombudsman for NBFC**

RBI vide notification dated 15th November 2021 has directed prescribed NBFCs registered with RBI u/s 45-IA of the RBI Act, 1934 to appoint an IO to deal with various complaints / grievances received by these NBFCs in day to day operations.

- **The Reserve Bank of India has Replacement of London Interbank Offered Rate (LIBOR) by Overnight Alternative Reference Rate (ARR) as a new benchmark interest rate for deposits**

Replacement of London Interbank Offered Rate (LIBOR) by Overnight Alternative Reference Rate (ARR) as a new benchmark interest rate for deposits.

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Monthly Compliance Calendar

07 Dec Equalisation Levy Deposit	07 Dec TDS/ TCS Liability	10 Dec GST-7/8 for the month of Nov 2021
11 Dec GSTR-1 for Nov (turnover > 5 Cr.)	13 Dec GSTR-1/ IFF for Oct-Dec 2021 under QRMP scheme	15 Dec Providend Fund / ESI
15 Dec 3rd Advance Tax Installment	20 Dec GSTR-3B for Nov (turnover > 5 Cr.)	22/24 Dec GSTR-3B for Nov 2021 Group -1/2 States
30 Dec Form-8 by LLP (Annual Account) FY 2020-21	31 Dec AOC-4(Annual Account) FY 2020-21	31 Dec Income Tax Return (Non- Corporate/non- tax audit) FY 2020-21
31 Dec GSTR-9C Reconciliation Statement.	31 Dec GSTR-9 Annual Return FY 2020-21	31 Dec Form 3CEAB (Designated Party intimation for MF) FY 2020-21

Disclaimer: Information in this note is intended to provide only a general update of the subjects covered. It is not intended to be a substitute for detailed research or the exercise of professional judgment. KNM accepts no responsibility for loss arising from any action taken or not taken by anyone using this publication. Updates are for the period 26.10.2021 till 25.11.2021.



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