



# ASC TIMES NEWSLETTER

Volume 28, JANUARY 2024



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## CUSTOMS

- Seeks to exempt imports of Yellow Peas [HS 0713 10 10] from applicable BCD and AIDC up to 31.03.2024
- Seeks to amend notification No. 49/2021 - Customs, dated 13.10.2021, in order to extend nil Agriculture Infrastructure and Development Cess [AIDC] on Lentils (Mosur) up to and inclusive of the 31st March, 2025.
- Seeks to further amend No. 22/2022-Customs, dated the 30th April, 2022 to enable gold imports by valid TRQ holders under India UAE CEPA

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## Internal Publication

- Taxation of Private Trusts (Family Trusts) in India: A Detailed Guide
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## Quote of the Month

# MESSAGE FROM DIRECTOR

Dear Readers,

We are delighted to release our Monthly newsletter 'ASC TIMES' - JANUARY Edition considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the Volume-28 of our monthly newsletter. ASC Times summarizes all the business-related news & government updates like imparting relevant information, press releases, notifications, periodic updates, etc. to keep you updated with things affecting the business as a whole.

This newsletter is designed as a comprehensive knowledge-sharing initiative focused on updating you with all the monthly updates covering Income Tax Act 1961, Company's Act 2013, Foreign Exchange Management Act (FEMA), Customs, etc.

ASC Group, continues to be the leader for financial, secretarial, legal & management advisory for more than 25 years of industry experience operating out of 11 offices globally. Our team of 300+ professionals consists of experienced Chartered Accountants, Company Secretaries, Lawyers, Investment Advisors, and Management Consultants who continuously contribute towards the ease of doing business across the world.

We as ASC always believe in strengthening the relationship between us and share timely and insightful editions.

ASC releases a monthly Newsletter named '[GST TIMES](#)' and '[INSOLVENCY TIMES](#)' which provides a rewarding experience to the reader.

Best regards  
Shailendra Kumar Mishra  
Director  
ASC Group





## COMPLIANCE CALENDAR

Sr. No.	Date	Compliance	Period	
1	7 <sup>th</sup> January 2024	The due date for deposit of Tax deducted [except under Section 194-IA, Section 194-IB, Section 194M, or Section 194S (by specified person)] or collected for the month of December, 2023.	December 2023	
2		The due date for deposit of TDS for the period October 2023 to December 2023 when the Assessing Officer has permitted quarterly deposit of TDS under Sections 192, 194A, 194D or 194H	October 2023 to December 2023	
3	14 <sup>th</sup> January 2024	The due date for issue of TDS Certificate for tax deducted under sections 194-IA, 194-IB and 194M in the month of November, 2023	November 2023	
4		The due date for issue of TDS Certificate for tax deducted under section 194S (by specified person) in the month of November, 2023	November 2023	
5	15 <sup>th</sup> January 2024	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of December, 2023 has been paid without the production of a challan	December 2023	
6		Quarterly statement of TCS for the quarter ending December 31, 2023	October 2023 to December 2023	
7		Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for the quarter ending December, 2023	October 2023 to December 2023	
8		The due date for furnishing of Form 15G/15H declarations received during the quarter ending December, 2023	October 2023 to December 2023	
9		Furnishing of statement in Form No. 49BA under Rule 114AAB (by specified fund) for the quarter ending December 31, 2023	October 2023 to December 2023	
10		ESIC payment for the month of December 2023	December 2023	
11		PF payment for the month of December 2023	December 2023	
12		30 <sup>th</sup> January 2024	Quarterly TCS certificate in respect of the quarter ending December 31, 2023	October 2023 to December 2023
13			The due date for furnishing of challan-cum-statement in respect of tax deducted under sections 194-IA, 194-IB and 194M in the month of December, 2023	December 2023
14			The due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S (by specified person) in the month of December, 2023	December 2023
15	31 <sup>st</sup> January 2024	Quarterly statement of TDS for the quarter ending December 31, 2023	October 2023 to December 2023	
16		Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending December 31, 2023	October 2023 to December 2023	



## COMPLIANCE CALENDAR

17	Exercising the option to opt for an alternative tax regime under Section 115BAA by a domestic company for the assessment year 2021-22  Note: The CBDT, via Circular No. 19/2023, dated 23-10-2023, extended the due date for filing of Form No. 10-IC till 31-01-2024	AY 2021-22
18	Intimation by Sovereign Wealth Fund in respect of investment made in India for the quarter ending December, 2023	October 2023 to December 2023
19	Intimation by a pension fund in respect of investment made in India for the quarter ending December 31, 2023	October 2023 to December 2023



# Indo Japan News

## MUFG to build India operations amid economic slowdown in China

Mitsubishi UFJ Financial Group Inc. (MUFG) is the largest bank of Japan and it is further expanding to India to tap the nation's growth potential. Economic growth is not a challenge for India. Private equity companies and global lenders are pushing into India. The economic growth forecast for India is 7% for the year ending March 2024. It has become one of the most attractive destinations in the capital markets this year. In August 2022, MUFG opened its branch in Gujarat International Finance Tec-City. It has also set up a fund to invest in middle to late-stage Indian startups. It also acquired a stake in the Indian Fintech company DMI Finance Private Limited.

[Read more](#)

## Japan big on India's consumer market and manufacturing: Masahiro Goto, global head of investment banking, Nomura

India is being perceived as a credible long-term manufacturing partner for Japanese companies alongside being a top consumer market, says Masahiro Goto – Global Head of Investment Banking at Nomura. Nomura is bullish on India's growth and believes it to be one of the few economies offering multi-decade scalability and growth prospects. India is on track to become the world's 3rd largest economy in the medium term. The opportunity is quite appealing for overseas businesses for strategic cooperation with India that is driven by infrastructure spending and domestic consumption. [Read more](#)

## Japan's TDK Corp to manufacture iPhone battery cells in India

TDK Corp, the Japanese electronic parts maker, will be manufacturing lithium-ion batteries for Apple iPhones in India. Apple has been eyeing India for manufacturing amidst its plan to shift some of its

manufacturing operations away from China. It began assembling iPhones in 2017 in India through Wistron and later Foxconn. TDK will be setting up a manufacturing facility in Haryana. This will help create thousands of new jobs. Cells manufactured in Haryana will be supplied to Sunwoda Electronics which is Apple's lithium-ion battery assembler. [Read more](#)

## Air India borrows USD 120 mn from Japan's SMBC to buy Airbus plane

TATA Group-owned Air India recently borrowed \$120 million from the Japanese lender SMBC to purchase a wide-body aircraft from Airbus that was delivered in October 2023. This is part of the TATA's commitment to buy a total of 470 aircraft from Airbus and Boeing. As per certain reports, an Airbus A350-900 aircraft is usually priced above \$300 million. The SMBC stated that it is their first-of-its-kind transaction for an aircraft finance lease. India is 5th largest aviation market globally and it is likely to grow significantly in the near future. [Read more](#)

## 7 passive funds tracking Nifty indices launched in Japan, South Korea

In the year 2023, seven passive funds were launched in Japan and South Korea that tracked Nifty Indices. Six of these funds tracked the Nifty50 index while one fund focuses on the Nifty50 2x leverage index. Total Assets Under Management (AUM) garnered by these 2 funds reached approximately \$550 million. Passively managed funds are those funds that directly track the indices like Sensex and Nifty, thus involving lesser decision-making by the fund managers. Currently, there are 21 passively managed funds tracking Indian indices are there outside India. These were launched by large global asset managers like First Trust, iShares Blackrock, Nomura AMC, DWS, Mirae Asset Global Investments etc. The total AUM of passive funds tracking Nifty indices in and outside India has reached \$70 billion as of November 2023. [Read more](#)



## NEWS HIGHLIGHTS

### **CBDT Releases New ITR Forms and Key Changes For 2024-25; Find Details Here**

The Central Board of Direct Taxes (CBDT) has notified the Income Tax Return (ITR) forms for AY 2024-25 way before their usual schedule. As of now, ITR-1 and ITR-4 have been notified by the CBDT. The early release of ITR forms will provide more time to taxpayers and tax professionals to understand the reporting requirements, gather necessary information and documents and file their income tax returns accurately and timely. One of the significant changes is that the new regime under Section 115BAC is the default tax regime in line with the announcements in the Finance Act 2023.



### **India's per capita emissions less than half of global average in 2022: Report**

India's per capita emissions of carbon dioxide reached 2 tonnes rising by around 5% in 2022. However, it was still less than half of the global average. As per the Global Carbon Project, the United States topped the per capita carbon emissions chart. Every individual in the USA emitted 14.9 tonnes of carbon dioxide followed by Russia (11.4 tonnes), Japan (8.5 tonnes), China (8 tonnes) and the European Union (6.2 tonnes). The global average stood at 4.7 tonnes. India's total emissions have increased by 8.2% in 2022 due to a rise in emissions from coal, natural gas, oil and cement. [Read more](#)

### **India gets new crime laws, bills replacing colonial-era codes get President nod**

The Indian Government has passed new criminal bills replacing the colonial-era criminal laws. The Indian Penal Code, Code of Criminal Procedure and the Indian Evidence Act have been replaced by the Bhartiya Sakshya Sanhita, 2023, the Bhartiya Nagarik Suraksha Sanhita, 2023 and the Bhartiya Nyaya Sanhita. The new bills have already received the President's assent making them the official laws of the land. Interestingly, the bills were passed through a voice vote in the Rajya Sabha in the absence of over 2/3rd of the opposition MPs. The new bills will heavily target organised crimes, terrorism and offences that strike the peaceful progress of the nation. [Read more](#)





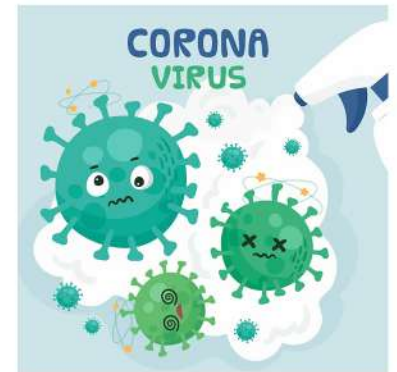


## Will the new telecom Bill streamline the sector?

The Indian Government also passed the Telecommunication Bill, 2023 in Parliament. The bill will be replacing archaic laws like the Indian Wireless Telegraphy Act, 1933, the Telegraph Act, 1885 and the Telegraph Wires (Unlawful Possession) Act, 1950. It will be consolidating the law for internet service providers and wireless networks. Further, it is also expected to simplify the process of application for permits and licenses for telecom operators. The bill also allows the government to take emergency measures in the interest of public safety and national security like suspending telecommunication services, intercepting messages or even taking temporary possession of any telecommunication network or service. [Read more](#)

## Genova Biopharmaceuticals says its Omicron-specific Covid-19 booster vaccine is available

Genova Biopharmaceuticals, the only mRNA vaccine producer, stated that its Omicron-specific Covid-19 vaccine is available across 50 major cities in India. This comes at a time when the cases due to the JN.1 variant are increasing. The JN.1 variant is a descendant of BA.2.86 which is a sub-variant of the Omicron. GEMCOVAC-OM is the first and only COVID-19 booster vaccine in India available against the highly transmissible Omicron variant. It has received Emergency Use Authorisation (EUA) from the Drugs Controller General of India (DCGI). The vaccine will help generate antibodies and memory immune responses against the Omicron variant. This will reduce the probability of hospitalisation and infection. [Read more](#)





## INCOME TAX

### The government has notified ITR forms ITR-1 and ITR-4

As the financial year is nearing its end, the government has already notified the income tax return forms for AY 2024-25 (i.e., financial year ending 31st March 2023) well in advance. As of December 2023 end, ITR-1 and ITR-4 have been notified by the government. ITR-1 is primarily applicable to taxpayers having salaried and other income while ITR-4 is applicable for small business owners that opt for a presumptive taxation scheme. The government is expediting the procedural aspects to streamline the tax filing process and give more time to taxpayers and tax professionals. [Read more](#)



### Powergrid Infrastructure investment fund notified for modes of investment by charitable trusts

Trusts, charitable institutions and religious institutions accept donations from the donors and public at large for their specified activities. However, in cases where the donations are not utilized fully by such institutions, then the government has specified certain areas and modes where such institutions can invest and still be eligible for exemption. The government has recently notified the units of Powergrid Infrastructure Investment Trust. [Read](#)

### Income-tax (Twenty-Ninth Amendment) Rules, 2023

The government has notified Income Tax (Twenty Ninth Amendment) Rules, 2023 which brought certain important changes in definitions relating to Safe Harbour Rules. The government has revised Rules 10TA and 10TD to revise the definition of intra-group loans and situations where they can be treated as Safe Harbour. Loans extended to “Associate Enterprises” have also been included in the intra-group loans apart from wholly owned subsidiaries. Further, the erstwhile condition that loans should be extended in Indian Rupees has been done away with. Further, Rule 10TD has also been amended replacing the conditions of Safe Harbour in case intra-group loans have been extended in foreign currency. The reference to CRISIL credit rating in Rule 10TD has also been eliminated. [Read more](#)

## ■ CBDT issues TDS Guidelines for e-commerce operators; Clarifies 5 major issues

TDS under Section 194-O is required to be deducted by the e-commerce operators (ECO) where the sellers are providing goods or services through such operators. The TDS should be deducted at the rate of 1% of the gross amount of goods or services. The government has released the following guidelines to address the concerns of the taxpayers relating to Section 194-O:

- In case there are multiple e-commerce operators involved in a single transaction, then the TDS shall be deducted by the seller side ECO that finally makes payment to the seller of goods or services.
- The TDS shall be calculated on the amount without including GST if the GST has been indicated separately.
- In case of a purchase return where tax has already been deducted, the tax deducted may be adjusted against the next purchase against the same seller. No adjustment shall be required if the purchase return is replaced.
- The seller discounts will be reduced from the value of goods and services. [Read more](#)

## ■ CBDT extends the time for processing 'non-scrutiny ITRs' for AYs 2018-19 to 2020-21 to Jan'24

The Central Board of Direct Taxes issued an Order relating to the processing of income tax returns under Section 143(1) of the Income Tax Act, 1961 in non-scrutiny cases. The time has been extended for AYs 2018-19 to AY 2020-21. The time has been extended till 31st January 2024. The Board took this decision after considering the grievances of the taxpayers where they were unable to get tax refunds from the department.



### Tim Power elected as Chair of the OECD Committee on Fiscal Affairs

Tim Power has been elected as Chair of the OECD Committee by the Committee on Fiscal Affairs (CFA) beginning on 18th December 2023. He earlier served as the Deputy Director for Business and International Tax in His Majesty's Treasury of the United Kingdom. Mr. Power will also serve as the co-chair of the OECD/G20 Inclusive Framework on BEPS. At HM Treasury, Mr. Power and his team are responsible for the corporation tax. It spans across transfer pricing, base protection measures, tax base design and tax treaties. They also manage other taxes applicable to businesses. The CFA acts as the main forum of the OECD in relation to taxation matters. The discussions span across both domestic and international tax issues, administration and tax policy.



### OECD/G20 BEPS IF releases Administrative Guidance on GloBE; Commits for final Amount A-MLC by Mar'24

The OECD/G20 Inclusive Framework on BEPS released further guidance to assist the governments in the implementation of the global minimum tax under Pillar 2. Further, a statement on the timeline of the Multilateral Convention (MLC) under Pillar One was also introduced. The Inclusive Framework will continue to release further Agreed Administrative Guidance on a continuous basis. This will help bring more clarification to the stakeholders on various aspects of GloBE rules while also addressing the aggressive tax planning. The framework will also continue developing simplifications on key compliance items. This is followed by implementing a transparent and robust peer review process and continuation of the ongoing work on the administrative framework and dispute resolution mechanisms.

### OECD reports 54000 information exchanges under BEPS Action 5; India's peer review remains unchanged

The latest peer review assessments for 131 jurisdictions were released by the OECD/G20 Inclusive Framework on BEPS in relation to the compulsory spontaneous exchange of information on tax rulings. This is the 7th annual peer review of the implementation of the BEPS Action 5 minimum standard on tax rulings. It aims to provide necessary information to the tax administration relating to their taxpayers to assist them in efficiently tackling tax avoidance and other BEPS risks. As per the reports, 54000 exchanges of information took place of over 24000 tax rulings. Further, the new peer review results show that 100 jurisdictions are in line with the BEPS Action 5 minimum standard. 58 recommendations were provided to the remaining 31 jurisdictions to improve their operational and legal framework to identify relevant tax rulings and exchange information.

### Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Review of National Development Banks

Under the NSFR framework, NABARD, SIDBI and NHB are considered as the National Development Banks (NDBs). The RBI has decided upon review that the other All India Financial Institutions (AIFIs) i.e., National Bank for Financing Infrastructure and Development (NaBFID) and Exim Bank shall also be considered as NDBs for NSFR computation. 3. Further, unencumbered loans to NDBs with a residual maturity of 1 year or more that would qualify for a 35% or lower risk weight under the Standardised Approach for credit risk shall be assigned a Required Stable Funding (RSF) factor of 65% (as against current 100%). [Read more](#)

### Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023

The RBI institutionalised the Internal Ombudsman mechanism in various regulated entities by releasing guidelines and instructions in order to strengthen the Internal Grievance Redressal systems. It undertook a review of these schemes in line with the integration of the erstwhile 3 RBI Ombudsman Schemes. The framework reaffirms that the Internal Ombudsman mechanism should work as envisaged and it should be positioned as an independent and apex-level authority on the consumer grievance redressal within the regulated entities. Therefore, the regulated entities are advised that the erstwhile Internal Ombudsman Schemes/Directions shall continue to hold office till the expiry of their tenure. The regulated entities that do not fall under these directions or schemes should closely monitor their eligibility as per the provisions prescribed. [Read more](#)

### Fair Lending Practice - Penal Charges in Loan Accounts: Extension of Timeline for Implementation of Instructions

The RBI released the instructions on 'Fair Lending Practice – Penal Charges in Loan Accounts' that were going to come into effect from 1st January 2024. However, the regulated entities sought additional time to reconfigure their internal systems to operationalise the circular. Therefore, the RBI has decided to extend the timeline by 3 months for implementation of the instructions. Further, the regulated entities should ensure that the instructions are implemented for all the fresh loans availed of after 1st April 2024. In the case of existing loans, the new penal charges regime will come into effect on or after 1st April 2024 upon review, but not later than 30th June 2024. [Read more](#)



## Payments Infrastructure Development Fund – Extension of Scheme and Enhancements

The RBI operationalised the Payments Infrastructure Development Fund (PIDF) which has now been extended by 2 more years up to 31st December 2025. The scheme was launched to subsidise the deployment of payment acceptance infrastructure in Tier-3 to Tier-6 cities. The aim was to create 30 lakh new touch points for digital payments each year. Further, the RBI has also made certain amendments to the scheme. The beneficiaries of the PM Vishwakarma Scheme shall be included as merchants for deployment under the PIDF Scheme. All the eligible installations under the PM Vishwakarma Scheme since 17th September 2023 may prefer claims under the PIDF scheme. Until now, the PIDF scheme subsidised the deployment of acceptance infrastructure based on category devices, either physical or digital. The RBI has decided to enable other contemporary devices as well including soundbox and Aadhaar-enabled biometric devices. [Read more](#)

## Classification of MSMEs

The classification and reclassification of MSMEs is the statutory responsibility of the Ministry of Micro, Small and Medium Enterprises (MSMEs). For the purpose of Priority Sector Lending (PSL), the Ministry has carried out certain amendments in the Master Direction – Lending to the Micro, Small and Medium Enterprises sector. All the enterprises eligible for being classified as MSMEs need to register online on the Udyam Registration Portal and obtain a 'Udyam Registration Certificate'. For PSL, the bank shall be guided by the classification recorded in the Udyam Registration Certificate (URC). [Read more](#)

## MHP Exemption for Transfer of Receivables

The RBI has already released master directions on the Minimum Holding Period (MHP) for the transfer of loans. For developing the secondary market operations of receivables acquired during the factoring business as defined under the Factoring Regulation Act, 2011, the RBI has decided that MHP requirement shall be exempted from the transfer of receivables by eligible transferors if the following conditions are satisfied:

- The residual maturity of such receivables should not be more than 90 days at the time of such transfer and
- The transferee conducts a proper credit appraisal of the drawee of the bill before acquiring such receivables

All the other provisions of the master direction shall continue to be applicable as usual. [Read more](#)

## Reserve Bank of India (Financial Benchmark Administrators) Directions, 2023

The RBI has issued RBI (Financial Benchmark Administrators) Directions, 2023 that shall be applicable to all the Financial Benchmark Administrators (FBAs) administering benchmarks that are wholly or partially based on financial instruments. The directions have already come into effect and lay down the eligibility criteria for FBAs and the authorisation among other things. FBA shall be a company incorporated in India. Further, an FBA administering a 'significant benchmark' should have a minimum net worth of Rs. 5 crores at all times while those administering a 'non-significant benchmark' should have a minimum net worth of Rs. 1 crore at all times. The classification of significant benchmarks is at the disposal of the RBI. [Read more](#)



## Reserve Bank of India (Government Securities Lending) Directions, 2023

The RBI has issued RBI (Government Securities Lending) Directions 2023 which came into effect on 27th December 2023. The directions shall be applicable in cases of Government securities issued by the Central Government excluding Treasury Bills, securities obtained under a repo transaction and those borrowed under another GSL transaction. Government securities issued by the Central Government (including Treasury Bills) and the State Governments should be eligible for placing as collateral under the GSL transaction. Securities obtained under a repo transaction and those borrowed under another GSL transaction shall also be eligible to be placed as collateral under a GSL transaction. [Read more](#)

## Sovereign Gold Bond (SGB) Scheme 2023-24

The Government of India has announced Series III and IV of the Sovereign Gold Bond Scheme 2023-24. Here are the timelines for the same:

Sr. No.	Tranche	Date of Subscription	Date of Issuance
1	2023-24 Series III	December 18 - December 22, 2023	December 28, 2023, Thursday
2	2023-24 Series IV	February 12 - February 16, 2024	February 21, 2024, Wednesday

The subscription to the Gold Bonds under the scheme shall be open on the above-specified dates (Monday to Friday). However, the Central Government reserves the right to close the scheme at any time before the above-specified period. The application for the above bond shall be made in the prescribed application Form A stating the number of units of gold, the full name of the applicant and the address thereof. The application should be accompanied by a valid PAN issued by the Income Tax Department. [Read more](#)

## Processing of e-mandates for recurring transactions

Earlier, the RBI issued a circular relaxing the Additional Factor of Authentication (AFA) for processing the e-mandates / standing instructions on cards, Prepaid Payment Instruments and Unified Payments Interface for subsequent recurring transactions with value up to Rs. 15,000 subject to certain conditions. The RBI has now decided to increase the above limit to Rs. 1,00,000 per transaction for the following categories

- Mutual fund subscription
- Payment of insurance premiums and
- Credit card bill payments

The above limit has already come into effect. [Read more](#)

## Investments in Alternative Investment Funds (AIFs)

Regulated Entities (REs) are permitted to invest in the units of AIFs as part of their regular investment operations. However, the RBI has noticed regulatory concerns relating to certain transactions of REs that involve AIFs. These transactions entail the substitution of direct loan exposure of REs to borrowers and indirect exposure through investments in units of AIFs. Therefore, RBI has released certain advisory instructions for the same. REs shall not invest in any AIF scheme that has direct or indirect downstream investments in a debtor company of the RE. Debtor company of the RE shall mean any company to which the RE currently has or previously had a loan or investment exposure anytime during the previous 12 months. If an AIF scheme, in which the RE is already an investor, makes any downstream investment in any such debtor company, then the RE shall liquidate its investment in such AIF within 30 days of such downstream investment by AIF. [Read more](#)

## Card-on-File Tokenisation (CoFT) – Enabling Tokenisation through Card Issuing Banks

Card issuers and card networks provide card tokenization services in terms of the RBI circulars on Tokenisation – Card Transactions. The RBI has decided to enable CoFT directly through card-issuing banks and institutions as well. This will provide the cardholders with an option to tokenise their cards through a single process on multiple merchant sites. The generation of CoF tokens through the card issuer can be enabled through internet banking and mobile banking channels. CoFT generation should be done only upon the explicit consent of the customers with AFA validation. In case the cardholder selects multiple merchants, then the AFA validation will be combined for all these merchants. The tokens generated shall be available on the merchant’s payment page in the cardholder’s account with the merchant. The cardholder may tokenise the card anytime at his convenience. [Read more](#)

## Reverse Repo transactions - Reporting in Form ‘A’ Return

The RBI earlier laid down the reverse repo transaction reporting requirements in Form ‘A’ Return. It has reviewed the instructions and has decided that the reverse repo transactions of a bank with non-bank (other institutions) should be reported as under:

- For original tenors up to and inclusive of 14 days – Not required to be reported in Form A
- For original tenors more than 14 days – Item VI(a) of Form A (i.e., loans, cash credits and overdrafts under Bank Credit in India (excluding inter-bank advances)

All the other instructions in the earlier circular shall remain the same. [Read more](#)

## CIMS Project implementation - Discontinuation of submission in legacy XBRL

The AD Category-I banks were required to submit the following returns on the XBRL site:

- Half-yearly statement (March end and September end) disclosing the quantity and value of gold imported by the nominated bank / agencies / EOUs and SEZs in the Gem & Jewellery sector, mode of payment wise
- Monthly statement disclosing the quantity and value of gold imported by the nominated agencies (other than nominated banks) / SEZs and EOUs in the Gem & Jewellery sector during the relevant month under report as well as the cumulative position at the end of each month.

The RBI has discontinued the submission of returns through the XBRL system and it has now been shifted to the Centralised Information Management System with effect from 26th December 2023. [Read more](#)

## Liberalised Remittance Scheme (LRS) for Resident Individuals- Reporting of monthly returns and daily transactions

AD Category-I banks were required to upload data in relation to the number of applications received and the total amount remitted under the Liberalised Remittance Scheme (LRS) monthly on the XBRL site. Further, they are also required to upload daily transaction-wise information undertaken by them under the LRS on the XBRL site. The RBI has now decided to discontinue the submission of both returns through the XBRL site with effect from 26th December 2023 and it has been shifted to the Centralised Information Management System (CIMS) – the bank’s new data warehouse. AD Category-I banks have already been onboarded on the CIMS portal and are currently submitting the returns on both the XBRL site and the CIMS portal. The return codes for LRS monthly returns and LRS daily returns are ‘R089’ and R’010’ respectively on the CIMS portal. [Read more](#)



## Rupee Drawing Arrangement - Submission of statement/return on CIMS Portal

AD Category-I banks were required to submit Statement E relating to total remittances received each quarter. As the XBRL system has been discontinued with effect from 26th December 2023, the submission of the above statement has also been shifted from XBRL to the CIMS portal. The above statement has been assigned the return code 'R123' on the CIMS portal. Therefore, the AD Category-I banks shall upload the above-mentioned statement on the CIMS portal from the quarter ending December 2023. If no data is required to be furnished, then the AD Category-I banks shall upload an NIL report. [Read more](#)

## Trade Credit for imports into India – Submission of return on issuance of bank guarantees for Trade Credits on the Centralised Information Management System (CIMS)

AD Category-I banks were required to submit quarterly statements on the issuance of guarantees through the XBRL system. After the discontinuance of the XBRL system with effect from 26th December 2023, the same has been shifted to the CIMS portal. The return code for the above statement is 'R131' on CIMS. Thus, the AD Category-I banks shall submit the quarterly data on the issuance of the above guarantees for trade credits on the CIMS portal. [Read more](#)

## Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023

The RBI has made Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023 that lays down detailed regulations relating to the manner of receipt and payment from a person resident outside India. It specifies that the receipt and payment between a person resident in India and a person resident outside India should be made through an authorised person or bank. The regulations bifurcate the transactions into trade transactions and non-trade transactions and lay down how receipts and payments can be undertaken from Nepal and Bhutan and countries other than Nepal and Bhutan. [Read more](#)

**Seeks to exempt imports of Yellow Peas [HS 0713 10 10] from applicable BCD and AIDC up to 31.03.2024**

The CBIC has decided to exempt the Yellow Peas from the levy of Basic Customs Duty and Agriculture Infrastructure and Development Cess (AIDC) in the public interest. The exemption came into effect on 8th December 2023. The exemption has been granted till 31st March 2024. [Read more](#)



**Seeks to amend notification No. 49/2021 - Customs, dated 13.10.2021, in order to extend nil Agriculture Infrastructure and Development Cess [AIDC] on Lentils (Mosur) up to and inclusive of the 31st March, 2025.**

The CBIC charged Nil Agriculture Infrastructure and Development Cess (AIDC) on Lentils (Mosur). The nil rate was applicable till 31st March 2024. The CBIC has decided to extend the nil rate of AIDC on Lentils till 31st March 2025. [Read more](#)

**Seeks to further amend No. 22/2022-Customs, dated the 30th April, 2022 to enable gold imports by valid TRQ holders under India UAE CEPA**

The CBIC has amended notification No. 22/2022-Customs dated 30th April 2022 to allow gold imports by the valid TRQ holders as per the India-UAE CEPA. This includes:

- Nominated agencies as notified by the Reserve Bank of India (RBI) (in the case of banks),
- Nominated agencies as notified by the Directorate General of Foreign Trade (DGFT) (for other agencies)
- Qualified jewellers (as notified by International Financial Services Centres Authority (IFSCA)) through India International Bullion Exchange (IIBX), or
- Valid India UAE TRQ Holders as notified by IFSCA through India International Bullion Exchange (IIBX) against the TRQ and can obtain physical delivery of their imports through IFSCA registered vaults located in SEZs as per guidelines prescribed by the IFSCA.

The importer shall follow the procedure as prescribed in Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022. These rules shall not be applicable if the importer and TRQ holders are the same entity. [Read more](#)





# PUBLICATIONS

## INTERNAL PUBLICATION

### Taxation of Private Trusts (Family Trusts) in India: A Detailed Guide

Private trusts are investment vehicles that allow property to be transferred from one person to another or a group of people for their benefit. They are created for the benefit of specific individuals or families and are governed by the Indian Trusts Act, 1882. Private trusts are divided into four categories: Private Specific (Determinate), Private Discretionary, Revocable, and Irrevocable. The trustee is assessed as the representative assessee and the beneficiaries are identifiable and their shares are determined. The tax implications for private trusts differ from that of normal trusts, and the trustee's status depends on the status of the beneficiaries. In case of a revocable trust, the trust will be disregarded and the income will be taxed in the hands of the settlor. In other cases, the trustee will be eligible to claim all the deductions, benefits, and allowances.

[Read more](#)

### Waiver & Reduction of Interest Under Income Tax Section 156 and 220

The Income Tax Act, 1961, provides for Assessing Officers (AO) to collect outstanding dues from taxpayers. Non-payment of the demand under income tax law can attract interest costs to the assessee. Section 156 and Section 220 of the acts play a significant role in this regard. [Read more](#)

### Issue of Optionally Convertible Debentures

The Companies Act, 2013 authorizes companies to issue Optionally Convertible Debentures (OCDs) to raise capital from investors. OCDs are debt instruments that allow companies to initially issue debentures as debt

instruments, but investors have the option to convert them into shares in the future. The price of conversion can be decided at the time of issue or after conversion. The legal provisions for the issue of OCDs include provisions for terms and conditions, acceptance of deposits, and filing of resolutions and agreements with the Registrar of Companies. The process for issuing OCDs in India involves passing a board resolution, shareholder approval, valuation, and an offer letter. The company must allot the debenture within 60 days of receipt of the application and the conversion price should be determined by a registered valuer. The debenture can be listed on any recognized stock exchange and can be converted into equity shares upon conversion. Optionally convertible debenture offers attractive investment opportunities for both equity and debt investors. [Read more](#)

### Immunity from Imposition of Penalty Under Income Tax Section 270AA

The Income Tax Act, 1961, has provisions for levy of penalty for non-compliance. However, in certain cases, the assessee can avail of immunity from imposition of penalty under the income tax law. The penalty on under-reported income should be equal to 50% of the tax payable on it. [Read more](#)

### Valuation of Rent Free Accommodation Under Income Tax

Rent-free accommodation, offered by companies to employees, forms part of their income and becomes taxable under income tax law. It is classified into two categories: furnished and unfurnished accommodation. The value of perquisite depends on the city's population and whether the accommodation is owned by the employer or taken on lease. In furnished accommodation, the valuation is equivalent to the value of accommodation and furniture. [Read more](#)

# QUOTE OF THE MONTH

***"The Changing nature of money  
is only one facet of the financial  
services revolution."***

***-Scott Cook***

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