



# ASC TIMES NEWSLETTER

Volume 26, NOVEMBER 2023

# INDEX

- 1 Message from Director
- 2 Compliance Calendar - November 2023
- 3 Indo- Japan News
- 4 News Highlights
- 5 Circulars & Notifications:

## INCOME TAX

- CBDT modifies earlier order, clarifies role of PCCIT(NaFAC) w.r.t. faceless assessments
- Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in the filing of Form No. 10-IC for Assessment Year 2021-22 - Reg
- Order under section 119 of the Income-tax Act
- CBDT notifies Form 56F as CA's report for Sec.10AA deduction, effective from Jul'21
- CBDT notifies Form 15CD for IFSC Units as quarterly statement of foreign remittances
- CBDT clarifies on disclosure of 'persons making substantial contribution' in Forms 10B & 10BB
- CBDT clarifies on recognised Startups' assessments in light of Angel Tax amendment
- CBDT amends PAN-related Rules for foreign companies & NRs transacting with IFSC Banking Units

## INTERNATIONAL TAXATION

- OECD/G20 BEPS Inclusive Framework releases Multilateral Convention for Amount A, Pillar One
- OECD/G20 BEPS Inclusive Framework negotiates & adopts STTR MLI, opens for signature

## RESERVE BANK OF INDIA

- Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021: Presentation of unclaimed liabilities transferred to Depositor Education and Awareness (DEA) Fund
- Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023
- Amendment to the Master Direction (MD) on KYC
- Reverse Repo transactions - Reporting in Form 'A' Return
- Gold Loan – Bullet Repayment – Primary (Urban) Co-operative Banks (UCBs)



- Status of March 31, 2024 for Government transactions through integration with e-Kuber

## CUSTOMS

- Seeks to amend notification No. 27/2011-Customs, dated the 1st March, 2011, in order to exempt currently applicable export duty on exports of Onions w.e.f. 29.10.2023.
- Seeks to amend notification no. 50/2017-Customs in order to implement recommendations made by the GST Council during its 52nd Meeting with respect to GST rates on goods.
- Seeks to amend notification No. 55/2022-Customs, dated 31.10.2022, in order to extend the currently applicable export duty of 20% on Parboiled rice up to 31.03.2024.
- Seeks to amend notification no. 152/2009-Customs, dated 31.12.2009 in order to implement Bilateral Safeguard measure on imports of "Ferro Molybdenum" from the Republic of Korea under India-Korea Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017 on the basis of DGTR recommendation.

6

## Internal Publication

- Revised Procedure for NIL or Lower TDS Certificate: NRIs and Resident Indians
- Setting Up Unit in IFSC - Process and Taxation of IFSC Units
- Taxation of Business Trust in India
- Non-Residents Can E-File Form 10F Without PAN
- New Angel Tax Norms Notified: What Has Changed for Investors and Startups
- Procedure for Closure of Liaison Office, Project Office or Branch Office in India

7

## Quote of the Month

# MESSAGE FROM DIRECTOR

Dear Readers,

We are delighted to release our Monthly newsletter 'ASC TIMES' - November Edition considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the Volume-26 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> November 2023	Due date for deposit of Tax deducted/collected for the month of October, 2023. However, all sums deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without the production of an Income-tax Challan.	October 2023
2	14 <sup>th</sup> November 2023	The due date for issue of TDS Certificate for tax deducted under sections 194-IA, 194-IB and 194M in the month of September, 2023	September 2023
3		Due date for issue of TDS Certificate for tax deducted under section 194S in the month of September, 2023  Note: Applicable in case of the specified person as mentioned under section 194S	September 2023
4	15 <sup>th</sup> November 2023	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending September 30, 2023	July-September 2023
5		Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of October, 2023 has been paid without the production of a challan	October 2023
6		ESIC payment for the month of October 2023	October 2023
7		PF payment for the month of October 2023	October 2023
8	30 <sup>th</sup> November 2023	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 October, 2023	October 2023
9		The due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S in the month of October, 2023  Note: Applicable in case of the specified person as mentioned under section 194S	October 2023
10		Return of income for the assessment year 2023-24 in the case of an assessee if he/it is required to submit a report under section 92E pertaining to international or specified domestic transaction(s)	Assessment Year 2023-24
11		Report in Form No. 3CEAA by a constituent entity of an international group for the accounting year 2022-23	Financial Year 2022-23
12		Statement of income distribution by Venture Capital Company or venture capital fund in respect of income distributed during previous Year 2022-23 (Form No. 64)	Financial Year 2022-23
13		Statement to be furnished in Form No. 64D by Alternative Investment Fund (AIF) to Principal CIT or CIT in respect of income distributed (during the previous year 2022-23) to unitholders	Financial Year 2022-23
14		Due date to exercise option of safe harbour rules for international transaction by furnishing Form 3CEFA.	-
15		Due date to exercise option of safe harbour rules for specified domestic transaction by furnishing Form 3CEFB	-



## COMPLIANCE CALENDAR

16	The due date for filing of statement of income distributed by business trust to unit holders during the financial year 2022-23. This statement is required to be filed electronically to Principal CIT or CIT in form No. 64A	Financial Year 2022-23
17	Submit a copy of the audit of accounts to the Secretary, Department of Scientific and Industrial Research in case the company is eligible for weighted deduction under section 35(2AB) [if company has any international/specified domestic transaction].	-
18	Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is November 30, 2023).	-
19	The due date for e-filing of report (in Form No. 3CEJ) by an eligible investment fund in respect of arm's length price of the remuneration paid to the fund manager. (if the assessee is required to submit return of income on November 30, 2023).	-
20	<p>The due date of furnishing of Return of Income in Form ITR-7 for the Assessment Year 2023-24 in the case of assessee referred to in clause (a) of Explanation 2 to section 139(1).</p> <p>Note: The due date has been extended from October 31, 2023 to November 30, 2023 vide Circular no. 16/2023, dated 18-09-2023</p>	Assessment Year 2023-24



# Indo Japan News

## Cabinet approves pact between India, Japan on semiconductor supply chain

As per the official statement, the Union Cabinet approved a memorandum of cooperation (MoC) on a semiconductor supply chain partnership between Japan and India. Japan has become the 2nd Quad partner after the US to sign an agreement with India for the joint development of the semiconductor ecosystem and maintain the resilience of its global supply chain. The MoC shall come into effect from the date of signature and shall remain into force for a period of 5 years. [Read more](#)

## Indian Navy to host mega military wargame in February, 50 navies set to participate

'Milan' navy exercise is set to be conducted from February 19 to 27 in 2024 and will see the participation of navies from Japan, Australia, USA, France, Bangladesh, Vietnam, South Korea, Malaysia and Indonesia. It will be conducted in Vishakhapatnam and will be the biggest multilateral military wargame to be hosted by India. It will see the participation of more than 50 countries after an increasingly tense global macroeconomic environment and China's increasing dominance in the Indo-Pacific region. Milan will feature advanced air defence operations, large force manoeuvres, anti-surface drills and anti-submarine warfare. It is a biennial multilateral naval exercise that was initiated by the Indian Navy in 1995. [Read more](#)

## Terra Motors ventures into EV charging space in India

Terra Motors Corporation, the Japanese electric vehicle maker, is entering into the Indian electric vehicle space. It has launched Terra Charge i.e., an EV charging infrastructure development venture in India. The company aims to deploy 800 to 1000 charging points by the end of March 2024 with an annual revenue target of \$6,68,000. It has already

installed its first set of charging stations in Haryana and will be expanding to Maharashtra and West Bengal. The company is deploying a comprehensive range of chargers tailored to meet the needs of residential societies, commercial properties and personal parking spaces. [Read more](#)

## BCIC signs up with Japan's SME organisation to step up manufacturing share to India's GDP

The Bangalore Chamber of Industry and Commerce (BCIC) has entered into an MoU with Japan's Organisation for Small & Medium Enterprises and Regional Innovation (SMRJ) which will be supporting businesses in Japan and India to expand their businesses globally. Further, it will also support the exchange of information on trade and investment opportunities and create new opportunities for startups and SMEs in both countries. It will cover all the industries falling within the MSME category. The MoU is based on the projection that the trade volumes between Japan and India will be about \$41 billion by 2030. India's exports to Japan are expected to be around \$8 billion by 2030 while imports from Japan are expected to be around \$33 billion by 2030. [Read more](#)

## Suzuki Eyes Exporting Made in India EVs to Japan in 2025: Report

Suzuki Motors of Japan is all set to begin exporting electric vehicles made at its Gujarat plant to Japan as early as 2025. Suzuki is aiming to make India its global electric car manufacturing hub. It will also be considering supplying Indian-made EVs to partner Toyota Motor for the European markets. Last year, the company announced Rs. 10,440 crore investment in India to manufacture BEV batteries and electric vehicles. Out of this, Rs. 3100 crores will be invested to increase the manufacturing capacity of the electric vehicles and Rs. 7300 crores for setting up a plant for manufacturing batteries for electric vehicles. [Read more](#)

## India and Japan will be Asia's next power couple

After already being members of QUAD, India and Japan are setting up an investment fund together. India's National Investment and Infrastructure Fund stated that it was setting up a \$600 million fund with the government-owned Japan Bank. This will facilitate international cooperation to invest in renewable energy and other projects. India is already the largest recipient of Japan's overseas development assistance. Further, the Japanese companies are looking to expand their presence in the giant Indian market. [Read more](#)







## NEWS HIGHLIGHTS

### India to surpass Japan to become 2nd largest economy in Asia by 2030: S&P Global

India is the world's 5th largest economy and is likely to overtake Japan to become the world's 3rd largest economy with a GDP of \$7.3 trillion by 2030. After recording rapid economic growth in 2021 and 2022, the Indian economy has shown sustained growth during the calendar year 2023 as well. India's GDP is expected to grow at 6.2%-6.3% in the fiscal year ending March 2024. The rise in foreign direct investment inflows in India during the past decade shows a favourable long-term growth outlook. India's nominal GDP forecast is expected to rise from \$3.5 trillion in 2022 to \$7.3 trillion by 2030. By 2022, India's GDP overtook the GDP of France and the UK. By 2030, it is expected to surpass Germany as well. The digital transformation in India is expected to increase the growth of e-commerce in India. [Read more](#)



### India resumes visa services in Canada: However, you cannot come to India in these cases

The India-Canada row led to the suspension of visa services in Canada which is now resumed in October as per the announcement by the Indian Embassy in Ottawa, Canada. The Indian High Commission stated, "After a considered review of the security situation that takes into account some of the recent Canadian measures in this regard, it has been decided to resume visa services." Accordingly, the services for entry, medical, business and conference visas were allowed. To recall, the relations between India and Canada soured after Canadian PM Justin Trudeau accused the Indian Intelligence of killing Canadian citizen Hardeep Singh Nijjar which India dismissed as absurd. [Read more](#)

### How India is planning to lower reliance on China for its supply chains; new plan in works

India is building a strategy to lower its reliance on China for supply chains. Niti Aayog is leading this task by primarily focusing on reducing the trade deficit with China over time. It is also proposing measures to safeguard the supply chains considering the geopolitical developments. Niti Aayog will develop an action plan recommending policy interventions, tariff and non-tariff barriers and changes in the regulatory framework. A consultancy firm will be engaged to assist who will be reviewing the India-China trade and the report is expected to be completed in 6 months. [Read more](#)





## Israel-Hamas war rages as Gaza deaths mount

The Israel-Hamas war led to destruction in both countries. The Israel Defense Forces continued the ground raids in Gaza. It continued its strike from air and sea to kill the senior Hamas commanders and destroy the Hamas infrastructure. The matter escalated when a missile struck the hospital in Gaza leading to the loss of life of innocents and those affected by the war. [Read more](#)

## India-Middle East Economic Corridor Possible Reason For Hamas Attack: Biden

After the Israel-Hamas war began, the reasons behind the same are yet to be set clear. US President Joe Biden hinted that one of the possible reasons behind Hamas' attack could be the India-Middle East Europe Economic Corridor that will integrate the entire region through road, rail and ports. During the G20 summit, India, Saudi Arabia, Germany, France, UAE, Italy, the USA and the European Union signed a Memorandum of Understanding (MoU) to build the India-Middle East-Europe Economic Corridor. This will encourage and facilitate economic development through economic integration and enhanced connectivity between these regions. [Read more](#)





## INCOME TAX

### ■ CBDT modifies earlier order, clarifies role of PCCIT(NaFAC) w.r.t. faceless assessments

The Central Board of Direct Taxes (CBDT) has modified its earlier order vide F.No. 187/3/2020-ITA-I dated 31st March 2021 bringing further clarification to the role of Principal Chief Commissioner of Income Tax (NaFAC). It stated that para 3 of the above order shall be substituted and the Pr. CCIT will be responsible for the following functions:

- Overall implementation of the board's policy in relation to the faceless assessment.
- Formulating the guidelines and SOPs required for the work to be done by the Technical Units/Review Units/Verification Units/Assessment Units with the prior approval of the board.
- To ensure that the Technical Units provide a considered view on the legal matters and provide the necessary technical support for the Assessment Units. provide a considered view on the legal matters and provide the necessary technical support for the Assessment Units.
- Advising the Board for improvement of the efficiency and effectiveness of the faceless assessment. This order has been implemented with immediate effect.



### ■ Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in the filing of Form No. 10-IC for Assessment Year 2021-22 - Reg

The CBDT received various representations that Form No. 10-IC could not be filed for the Assessment Year 2021-22 within the due date and therefore, the delay should be condoned. Accordingly, the CBDT has condoned the delay in filing of Form No. 10-IC for the AY 2021-22 if the following conditions are satisfied:

- The income tax return for the relevant AY has been filed on or before the due date specified under section 139(1)
- The assessee company has opted for taxation u/s 115BAA of the Act in item (e) of "Filing Status" in "Part A-GEN" of the Form ITR-6 and
- Form No. 10-IC is filed electronically on or before 31st January 2024 or 3 months from the end of the month in which this circular is issued, whichever is later. [Read more](#)

## Order under section 119 of the Income-tax Act

In order to ease the difficulties of the taxpayers and other stakeholders in filing of report under section 10AA(8) read with Section 10A(5) of the Income Tax Act, 1961 on account of notification of relevant Form 56F on 19th October 2023, the CBDT has extended the due date of filing of report of the accountant as required under Section 10AA(8) read with Section 10A(5) for Assessment Year 2023-24 to 31st December 2023. [Read more](#)

## CBDT notifies Form 56F as CA's report for Sec.10AA deduction, effective from Jul'21

The Central Board of Direct Taxes (CBDT) has notified Form 56F for the Chartered Accountant's report required under Section 10AA(8) read with Section 10A(5) of the Income Tax Act, 1961. These came into effect from 29th July 2021 and the CBDT has notified detailed format of Form No. 56F. Section 10AA plays a vital role in providing tax exemption to startups and other businesses. [Read more](#)

## CBDT notifies Form 15CD for IFSC Units as quarterly statement of foreign remittances

The CBDT has amended Rule 37BB by issuing Notification No. 89/2023 dated 16th October 2023. This has exempted IFSC units from furnishing Part-D of Form 15CA for non-taxable remittances. This is expected to simplify the compliance and administrative burden for the IFSC units. However, the IFSC units will now be required to submit a quarterly statement in Form 15CD. They shall disclose all the remittances made to foreign companies or non-residents. Form 15CD shall be submitted electronically to the Income Tax Department within 30 days after the end of each quarter. The new rules shall come into force from 1st January 2024 [Read more](#)

## CBDT clarifies on disclosure of 'persons making substantial contribution' in Forms 10B & 10BB

As per the provisions of income tax law, the audit report by any trust, fund, institution, university or educational institution or hospital or medical institution should be furnished as per clause (b) of the 10th proviso of Section 10(23C), Section 12A(1)(b)(ii) in Form 10B/10BB. The CBDT has recently notified new forms 10B/10BB. Various representations were received by the CBDT in providing details of persons who have made significant contributions to the trust or institution i.e., any person who has contributed an amount exceeding Rs. 50,000 during the financial year. Therefore, for the purpose of providing details in Form No. 10B in Annexure in row 41 and Form No. 10BB in Annexure in row 28 for AY 2023-24:

- Aforesaid details may be provided for those persons whose total contributions exceed Rs. 50,000
- Details of relatives of such persons may be provided
- Details of concerns in which such a person has substantial interest may be provided [Read more](#)

## CBDT clarifies on recognised Startups' assessments in light of Angel Tax amendment

The Department for Promotion of Industry and Internal Trade (DPIIT) provided tax exemption for the purpose of Section 56(2)(viib) to the startup companies through Notification No. G.S.R. 127(E) dated 19-02-2019. Therefore, the provisions of Section 56(2)(viib) of the Income Tax Act, 1961 shall not apply to the Startup companies that have been recognised by the DPIIT and fulfils all the conditions as mentioned in para 4(i) and 4(ii) of the said notification. Following this, the Central Board of Direct Taxes (CBDT) issued Notification No. 13/2019/F. No. 370142/5/2018-TPL(Pt.) dated 05-03-2019 notifying that the provisions of Section 56(2)(viib) shall not apply to

the Startup companies that have been recognised by the DPIIT and fulfils all the conditions as mentioned in para 4(i) and 4(ii) of the said notification. Following this, the Central Board of Direct Taxes (CBDT) issued Notification No. 13/2019/F. No. 370142/5/2018-TPL(Pt.) dated 05-03-2019 notifying that the provisions of Section 56(2)(viib) shall not apply to the consideration received by a company for the issue of shares that exceeds the face value of such shares if such consideration is received from a person, being a resident, by a company that fulfils the conditions specified in para 4 of the Notification no. G.S.R. 127(E) dated 19-02-2019.

The Finance Act 2023 omitted the word 'being a resident' with effect from 01-04-2024. Certain startups have been picked up for scrutiny under CASS. Where the cases of startups have been picked for scrutiny solely for the issue of applicability of Section 56(2)(viib) of the act, no verification on such issues shall be done by the Assessing Officers during the proceedings u/s 143(2) or 147 or 143(2) of the Act and the contention of such startup companies on the issue will be summarily accepted. Further, where the scrutiny of such startup companies has been selected for multiple issues including issues under Section 56(2)(viib), the issue relating to the applicability of Section 56(2)(viib) shall not be pursued during the assessment proceedings of such startup company. The due procedure should be followed for other issues for which the scrutiny was selected.

### **CBDT amends PAN-related Rules for foreign companies & NRs transacting with IFSC Banking Units**

The CBDT has amended rules relating to obtaining and quoting PAN in Rules 114B, 114BA and 114BB of the Income Tax Rules, 1962. Rule 114B specifies various transactions in relation to which the quoting of PAN is mandatory. The second proviso states that declaration in Form No. 60 should be furnished if PAN if they do not hold PAN. The CBDT amended this provision to exclude the company or a firm from the requirement to furnish Form No. 60.

Also, a new proviso is inserted allowing a foreign company to furnish Form No. 60 if such a company has no income chargeable to tax in India and does not hold PAN. This relaxation is applicable only in relation to the following transactions entered into with an IFSC banking unit:

- Opening a bank account (other than a basic savings deposit account)
- Time deposit if the amount of deposit exceeds Rs. 50,000 in each transaction or Rs. 5 lakhs in aggregate during the financial year with post office, bank, NBFC, Nidhi company etc. [Read more](#)



### Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021: Presentation of unclaimed liabilities transferred to Depositor Education and Awareness (DEA) Fund

As per Notes and Instructions for compilation given in Annex-II to the Reserve Bank of India (Financial Statements – Presentation and Disclosures) Directions, 2021 (Master Direction), the commercial banks shall present all unclaimed liabilities where the outstanding amount has been transferred to the Depositor Education and Awareness (DEA) Fund established under the DEA Fund Scheme, 2014. The amount should be presented under ‘Schedule-12 – Contingent Liabilities – Other Items for which bank is contingently liable’. Further, all the cooperative banks shall present the unclaimed liabilities (where the due amount has been transferred to DEA Fund) under ‘Contingent Liabilities – Others’. These instructions shall be applicable to all the commercial and cooperative banks for the preparation of financial statements for the year ending 31st March 2024 and onwards.

### Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023

The RBI has issued the Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 in the public interest. The directions were issued to enable RBI to regulate the financial systems to the advantage of the country and prevent the affairs of the NBFC from being conducted in a manner detrimental to the interest of depositors and investors. [Read more](#)



### Amendment to the Master Direction (MD) on KYC

As per the Master Directions on KYC, the Regulated Entities (REs) are required to undertake Customer Due Diligence (CDD) for their customers. The RBI has decided to review the master directions on KYC to:

- Update certain instructions considering the amendment in the Prevention of Money Laundering Rules
- Update Annex II of the master directions considering the changes to the Government of India Order related to the Unlawful Activities (Prevention) Act (UAPA), 1967, vide corrigendum dated August 29, 2023
- Update Annex III of the master directions by replacing the Government of India Order dated 30th January 2023 related to the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (WMD Act, 2005) with the Government of India Order dated September 1, 2023 (which has been issued by the Government in suppression of the earlier WMD Act Order dated January 30, 2023), on the matter
- Update certain instructions in accordance with the FATF recommendations
- Add a new Section 55A on the FCRA in the master directions on KYC
- Update certain other instructions

## Reverse Repo transactions - Reporting in Form 'A' Return

The Reserve Bank of India issued Master Direction – Reserve Bank of India [Cash Reserve Ratio (CRR) and Statutory Liquid Ratio (SLR)] Directions – 2021 regarding reporting of Reverse Repo transactions by the Commercial Banks. To bring uniformity in the reporting of Reverse Repo transactions in Form A Return by various banks, the banks should adhere to the following practices for presentation in Form A Return:

A. Reverse Repo transactions with the banks should be reported as under:

i. For original tenors up to and inclusive of 14 days

a. Item III(b) of Form A (i.e. Money at call and short notice) and;

b. Memo item 2.1 of Annex A to Form A (i.e. under Inter Bank Assets)

ii. For original tenors more than 14 days

a. Item III(c) of Form A (i.e. Advances to banks) and;

b. Memo item 2.1 and 2.2 of Annex A to Form A (i.e. under Inter Bank Assets)

B. Reverse Repo transactions with non-banks (other institutions) for all tenors should be reported under Item VI(a) of Form A [i.e. Loans, cash credits and overdrafts under Bank Credit in India (excluding inter-bank advances)].

## Gold Loan – Bullet Repayment – Primary (Urban) Co-operative Banks (UCBs)

The Urban Cooperative Banks (UCBs) were allowed to extend gold loans with bullet repayment options up to Rs. 2 lakhs. Further, RBI also stated that incentives shall be provided to UCBs that meet the Priority Sector Lending (PSL) targets. Therefore, it has been decided to increase the monetary ceiling of gold loans with bullet repayment options from Rs. 2 lakhs to Rs. 4 lakhs for those UCBs who have met their overall PSL targets and sub-targets as on 31st March 2023 and continue to meet their targets and sub-targets.

## Status of March 31, 2024 for Government transactions through integration with e-Kuber

e-Kuber is the Core Banking Solution platform of RBI for the Government and other payments. It does not process any government transactions on global holidays. It is observed that 31st March 2024 will fall on Sunday. The office of Controller General of Accounts, Government of India has advised that in order to account for all the Government transactions in the financial year 2023-24 itself relating to receipts and payments, it is decided that 31st March 2024 will be marked as working day for the Government transactions. Therefore, all the Government transactions through integration with e-Kuber will be processed on 31st March 2024 and accounted for in the financial year 2023-24 itself. This will enable deriving the cash balance of the Government of India as of 31st March 2024. Further, the luggage files from the banks for transferring data related to Government transactions to RBI would also be accepted by the e-Kuber system on March 31, 2024 for accounting of the same in the financial year 2023-24 itself.

## INTERNATIONAL TAXATION

### OECD/G20 BEPS Inclusive Framework releases Multilateral Convention for Amount A, Pillar One

The OECD/G20 BEPS Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has released a new text on multilateral convention. This will update the international tax framework, coordinate a reallocation of taxing rights to market jurisdictions, remove digital service taxes and improve tax certainty. It will reflect the current consensus achieved among the members of Inclusive Framework. The Amount A of Pillar One coordinates a reallocation of taxing rights to the market jurisdictions. This is based on the share of profits of the most profitable and largest Multinational Enterprises (MNEs) operating in their markets irrespective of their physical presence. It will also help prevent the proliferation of digital services taxes, avoid double taxation and bring certainty and stability in the international taxation system.



### OECD/G20 BEPS Inclusive Framework negotiates & adopts STTR MLI, opens for signature

The OECD/G20 BEPS Inclusive Framework on Base Erosion and Profit Shifting (BEPS) have concluded their negotiations on a multilateral instrument to protect the rights of developing countries. It ensures that the multinational enterprises pay at least a minimum level of tax on a broad range of cross border intra-group payments, including the services. The new Multilateral Convention will facilitate the implementation of the Pillar Two Subject To Tax Rule (STTR). It is an integral part of the two pillar solution to address the tax challenges in the rising digital economy. The convention is now open for signature and is a major step to conclude the work under two pillar. The STTR will allow the developing countries to tax certain categories of intra-group payments. It allows source jurisdictions to levy tax which was otherwise would not have been allowed under the provisions of tax treaties.

## CUSTOMS

### Seeks to amend notification No. 27/2011-Customs, dated the 1st March, 2011, in order to exempt currently applicable export duty on exports of Onions w.e.f. 29.10.2023.

The government has issued Notification No. 62/2023-Customs dated 28th October 2023 wherein the government has decided to exempt the export of onions by removing the applicable export duty. The export duty discourages the exports of the commodities in order to protect the domestic interest. The notification has come into effect from 29th October 2023.





**Seeks to amend notification no. 50/2017-Customs in order to implement recommendations made by the GST Council during its 52nd Meeting with respect to GST rates on goods.**

The Central Board of Indirect Taxes and Customs (CBIC) has made the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017 by inserting the 'Foreign Going Vessel converted for a coastal run' with Nil rate of duty. However, such vessel should re-convert to a foreign going vessel within 6 months from the date of such conversion. Foreign-going vessels shall have the same meaning as assigned to them under Section 2(21) of the Customs Act 1962. Further, conversion to a coastal vessel shall include the vessel granted a necessary license under the Merchant Shipping Act, 1958. [Read more](#)

**Seeks to amend notification No. 55/2022-Customs, dated 31.10.2022, in order to extend the currently applicable export duty of 20% on Parboiled rice up to 31.03.2024.**

The government levied an export duty of 20% on parboiled rice in order to discourage export for domestic interest by the issue of notification. The export duty was applicable till 16th October 2023. However, the government has extended the applicability of export duty till 31st March 2024 by issuing Notification No. 59/2023-Customs. [Read more](#)

**Seeks to amend notification no. 152/2009-Customs, dated 31.12.2009 in order to implement Bilateral Safeguard measure on imports of "Ferro Molybdenum" from the Republic of Korea under India-Korea Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017 on the basis of DGTR recommendation.**

The Directorate General of Trade Remedies initiated a bilateral safeguard investigation in terms of the India-Korea Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017 to determine whether the import of goods from Korea RP constitutes increased imports causing or threatening to cause serious injury to the domestic industry. As per the findings, the authorities have concluded that the imports should be constituted as 'increased imports' and it has caused serious injury to the domestic industry. Therefore, it has recommended the imposition of bilateral safeguard measures of increasing the rates of customs duty on subject goods originating in Korea RP and imported into India. [Read more](#)



# PUBLICATIONS

## INTERNAL PUBLICATION

### Revised Procedure for NIL or Lower TDS Certificate: NRIs and Resident Indians

The Central Board of Direct Taxes (CBDT) has revised the procedure for Non-Resident Indians (NRIs) to obtain Tax Deduction at Source (TDS) certificates. NRIs cannot use Form 15G/15H to prevent TDS deductions. Instead, they must apply for lower or NIL TDS certificates through Form 13 of income tax. The process removes multiple verification methods, including Aadhaar and mobile OTPs. The assessing officer reviews the application and approves the lower or NIL TDS rate. The TDS certificate is valid for one financial year. [Read more](#)

### Setting Up Unit in IFSC - Process and Taxation of IFSC Units

IFSC is set up by the government to enhance the ease of doing business and promote international services among Indian companies. The government has put in place multiple taxpayer-friendly provisions especially curated for the units in IFSC to encourage more and more businesses to export financial services through IFSC. [Read more](#)

### Taxation of Business Trust in India

While the **taxation of business trusts** might seem complex, the government has carefully crafted the provisions to avoid any instances of double taxation. As per the **taxation provisions of a business trust**, the income that is taxed in the hands of the business trust is exempted in the hands of unit holders. Conversely, all income that is exempted in the hands of business trust remains taxable for unit holders. [Read more](#)

### Non-Residents Can E-File Form 10F Without PAN

India has entered into tax treaties with multiple countries to avoid double taxation of income. Non-residents can use these treaties by submitting their Tax Residency Certificate (TRC) and self-certified Form 10F. However, the Central Board of Direct Taxes (CBDT) mandated electronic filing of Form 10F, creating challenges for non-residents. The CBDT introduced an exemption for non-residents not required to obtain a PAN, allowing them to file Form 10F without PAN. However, OTP verification may not be delivered to foreign mobile numbers, and registration is mandatory. [Read more](#)

### New Angel Tax Norms Notified: What Has Changed for Investors and Startups

The Finance Act, 2023 introduces new angel tax rules for startups and investors. These rules change the valuation methods for unlisted shares issued to non-resident investors, including the Comparable Company Multiple Method, Replacement Cost Method, Probability Weighted Expected Return Method, Replacement Cost Method, Option Pricing Method, and Milestone Analysis Method. The government also introduces safe harbor rules to account for factors affecting the valuation of unquoted shares during multiple rounds of investments. [Read more](#)

### Procedure for Closure of Liaison Office, Project Office or Branch Office in India

India has been promoting foreign companies to establish a presence and operate in the country through Liaison Offices (LO), Project Offices (PO), or Branch Offices (BO). However, if these offices are no longer needed or the companies cease operations in India, they must be closed. The process involves notifying the AD Category-I Bank and the Registrar of Office (ROC). The applicant must submit an application along with necessary documents to the bank, including approvals, auditor certificates, confirmation of liabilities being paid, compliance with the Companies Act, and more. [Read more](#)

# QUOTE OF THE MONTH

"A big part of financial freedom is having your heart and mind free from worry about the what-ifs of life."

*-Suze Orman*

## REGISTERED OFFICE

73, National Park, Lajpat Nagar IV,  
New Delhi - 110024 (India)  
P: ++91-11-41729056-57, 41601289

## CORPORATE OFFICE

C-100, Sector-2,  
Noida- 201301  
Uttar Pradesh (India)  
Phone No: +91-120-4729400

## BRANCHES IN INDIA

### Gurugram:

605, Suncity Business Tower  
Golf Course Road, Sector-54,  
Gurugram - 122002, Haryana  
Phone No: +91-124-4245110/116

### Mumbai:

Office No. 315-316, A wing, Sagar Tech  
Plaza, Andheri Kurla Road, Sakinaka, And-  
heri (E), Mumbai - 400072, India.  
Phone No: 022-67413369/70/71

### Pune:

Office No. 511, City Space, Vimannagar,  
Nagar Road, Pune MH - 411014  
Phone No: +91-9022131399

### Bengaluru:

0420, Second Floor,  
20th Main, 6th Block,  
Koramangala,  
Bangalore - 560095, Karnataka  
Phone No: 080-42139271

### Chennai:

Plot No. 2,S, 12/2A, Industrial Area,  
Perungudi, Chennai, Tamil Nadu 600096,  
India

### Hyderabad:

Level 2, Oval Building, Plot no.18, iLabs  
Hyderabad Technology Park, Inorbit Mall  
Rd Hyderabad-500081 Telengana

## BRANCH ABROAD

### Singapore:

One Raffles Place  
Tower 1, 27-03  
Singapore - 048616  
www.ascgroup.sg  
info@ascgroup.sg

### Canada:

302-18 Edgecliff Golfway, North York, To-  
ronto, Ontario-M3C 3A3  
Mobile No:+1437-774-4488  
www.ascventures.ca  
info@ascventures.ca

### Japan:

Shinjuku Monolith 28F  
2-3-1, Nishi Shinjuku, Shinjuku, Tokyo  
japandesk@ascgroup.in