



ASC TIMES NEWSLETTER

Volume 25, OCTOBER 2023

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MESSAGE FROM DIRECTOR

Dear Readers,

We are delighted to release our Monthly newsletter 'ASC TIMES' - October Edition considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the Volume-24 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	7th October 2023	The due date for the deposit of Tax deducted/collected for the month of September 2023.	September 2023
2		Due date for deposit of TDS for the period July 2023 to September 2023 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.	July 2023 to September 2023
3	15th October 2023	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of September, 2023 has been paid without the production of a challan	September 2023
4		Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194IB and 194M in the month of August, 2023	August 2023
5		Due date for issue of TDS Certificate for tax deducted under section 194S in the month of August, 2023. Note: Applicable in case of specified person as mentioned under section 194S.	August 2023
6		Quarterly statement of TCS deposited for the quarter ending September 30, 2023	July 2023 to September 2023
7		Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2023	July 2023 to September 2023
8	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2023 Note: Due to extension of due date of TCS statement vide Circular no. 9/2023, dated 28-06-2023, the revised due date for furnishing TCS certificate shall be October 15, 2023	April 2023 to June 2023	
9		Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2023 Note: Due to extension of due date of TDS statement vide Circular no. 9/2023, dated 28-06-2023, the revised due date for furnishing TDS certificate shall be October 15, 2023	April 2023 to June 2023
10	30th October 2023	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB and 194M in the month of September, 2023	September 2023
11		Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S in the month of September, 2023 Note: Applicable in case of specified person as mentioned under section 194S.	September 2023
12		Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2023	July 2023 to September 2023



COMPLIANCE CALENDAR

13		ESIC payment for the month of September 2023	September 2023
14		PF payment for the month of September 2023	September 2023
15	31st October 2023	Intimation by a designated constituent entity, resident in India, of an international group in Form no. 3CEAB for the accounting year 2022-23	FY 2022-23
16		Quarterly statement of TDS deposited for the quarter ending September, 2023	July 2023 to September 2023
17		Due date for furnishing of Annual audited accounts for each approved programmes under section 35(2AA).	-
18		Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September, 2023	July 2023 to September 2023
19		Copies of declaration received in Form No. 60 during April 1, 2023 to September 30, 2023 to the concerned Director/Joint Director	April 2023 to September 2023
20		Due date for filing of return of income for the assessment year 2023-24 if the assessee (not having any international or specified domestic transaction) is <ul style="list-style-type: none"> a) corporate-assessee or b) non-corporate assessee (whose books of account are required to be audited) or c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of Section 5A apply <p>Note: The due date of furnishing of Return of Income in Form ITR-7 in the case of assessee referred to in clause (a) of Explanation 2 to section 139(1) has been extended from October 31, 2023 to November 30, 2023, vide Circular no. 16/2023, dated 18-09-2023</p>	AY 2023-24
21		Audit report under section 44AB for the assessment year 2023-24 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E.	AY 2023-24
22		Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction.	
23		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 October 31, 2023).	-
24		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 October 31, 2023).	-
25		Submit copy of audit of accounts to the Secretary, Department of Scientific and Industrial Research in case	-



COMPLIANCE CALENDAR

	company is eligible for weighted deduction under section 35(2AB) [if company does not have any international/specified domestic transaction]	
26	Intimation in Form 10BBB by a pension fund in respect of each investment made in India for quarter ending September, 2023	July 2023 to September 2023
27	Intimation in Form II by Sovereign Wealth Fund in respect of investment made in India for quarter ending September, 2023	July 2023 to September 2023
28	Furnishing of Audit report in Form no. 10B/10BB by a fund or trust or institution or any university or other educational institution or any hospital or other medical institution. Note: the due date for furnishing the Audit report in Form no. 10B/10BB has been extended from September 30, 2023 to October 31, 2023 vide Circular no. 16/2023, dated 18-09-2023	AY 2023-24



Indo Japan News

Army Chief calls for embracing 'unity of effort' for peace, stability in Indo-Pacific

In order to confront the challenges facing the Indo-Pacific region, Indian Army Chief Gen Manoj Pande called the like-minded nations to embrace the concept of 'unity of effort' as the guiding principle. The Indian Army hosted a 2-day conclave to evolve a common strategy to ensure stability and peace in the Indo Pacific Delegates from over 30 countries, including chiefs of over 15 armies. He stated that peace in the Indo-Pacific region is not an abstract ideal. It is the foundation upon which the aspirations and dreams of millions of people rest. Talking about the outcomes of the conference, Gen Pande stated that 'Commitment towards Collaboration' has been the first takeaway. [Read more](#)

Japan's Kishida seeks easier investment rules

Indian PM Narendra Modi and his Japanese counterpart Fumio Kishida held discussions across wide-ranging topics including investment climate in India, India-Japan-Bangladesh trilateral and Mumbai-Ahmedabad bullet train. Modi and Kishida met after the Session 1 of the G-20's Summit Session 1. As per the sources, the Japanese PM raised the issue of the regulatory framework for Japanese investments in India. Japan is one of the biggest investors in India and is committed to further increasing its FDI.

India, Japan to step up cyber cooperation

Both India and Japan have decided to step up cyber cooperation to improve skills in securing cyber cooperation at bilateral and multilateral levels. During the 5th India-Japan Cyber Dialogue held in Tokyo, senior officials from both sides discussed important areas of bilateral cyber cooperation. Vikram Misri, India's Deputy National Security

Advisor. Both the representatives embraced the enhancing cooperation in economic security, defence and critical and emerging technology and exchanged their views on global and regional developments. They also reviewed the current progress in areas of technology and cybersecurity, including 5G technology. Both sides shared their views on the latest developments in the cyber domain and mutual cooperation. The Indian delegations comprised of senior officials from the MEA, Ministry of Home Affairs, Electronics and Information Technology, Defence, National Security Council Secretariat, Indian Computer Emergency Response Team etc. The senior officials from Japan included the Ministry of Internal Affairs and Communication, the National Centre of Incident Readiness and Strategy for Cybersecurity, the Ministry of Economy, Trade and Industry, the Ministry of Defence etc. [Read more](#)





NEWS HIGHLIGHTS

Women's Reservation Bill Gets President's Assent Days After Historic Vote, Becomes Law

Droupadi Murmu, President gave assent to the Women's Reservation Bill which now has become a law. The new law provides 33% reservation to the women in Lok Sabha and state assemblies. Jagdeep Dhankhar, Vice President and Rajya Sabha Chairman signed the women's reservation bill before it was presented to the President. This Constitution Amendment Bill was passed in the Lok Sabha with near unanimity and with unanimity in the Rajya Sabha during the special Parliamentary session. While the bill has become law, it will take some time before it is implemented as the next census and subsequent delineation exercise will check the seats that are being kept aside for women candidates. [Read more](#)



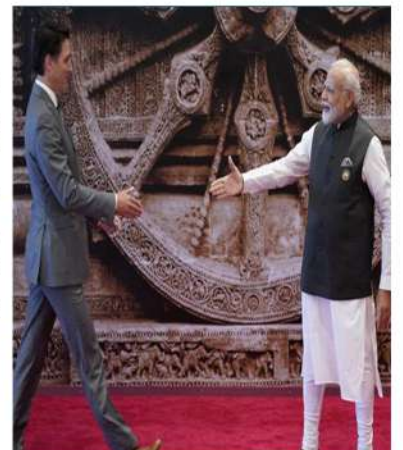
Vedanta to Split into Six Listed Companies

Vedanta Limited will be split into 6 companies with an aim to unlock its value as it faces debt concerns. As per the company's filings, the company will demerge oil and gas, aluminium, steel, power and metal businesses into separate businesses and this will take place in the form of vertical split. However, the display and semiconductor manufacturing units will be operated under Vedanta itself. The shareholders will get 1 share of each of the newly 5 listed companies for every 1 share held in Vedanta. The company expects to receive the SEBI approval in October and the entire process will be completed by Financial Year 2025. [Read more](#)

Committed To "Closer Ties" With India, Says Justin Trudeau Amid Row

While the India-Canada row continues, Canadian Prime Minister Justin Trudeau is still committed to building closer ties with India. Canada has made credible allegations against the Indian Government for being involved in the killing of Khalistani terrorist Hardeep Singh Nijjar. India's influence is increasing at the global level. Trudeau has expressed that it is extremely important that Canada and its allies continue to engage constructively and seriously. Trudeau also got assurance from the US that Secretary of State Antony Blinken will raise this issue during his meeting with his Indian counterpart S Jaishankar in Washington DC.

[Read more](#)





The US is India's 'optimal choice' as a partner, says Jaishankar

The External Affairs Minister S Jaishankar has stated that the convergences between India and the US far far outweigh the divergences when both countries looked at who are their potential partners and competitors. India and the US have a wide scope for partnering in the areas of defence and security, technology and political convergence. The US is India's optimal choice as a partner for the first for Indian policymakers. S Jaishankar further stated that the US dominance and relative power vis a vis others have changed in the last decade. This is after the world is becoming more democratic, opportunities are becoming available globally and centres of production and consumption are emerging. [Read more](#)

Govt extends RoDTEP scheme till June 2024

The Indian Government introduced the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for duty remission on exports. The scheme was implemented on 1st January 2021 and was effective till 30th September 2023. The Central Government extended this scheme till 30th June 2024. The scheme provides a mechanism for reimbursing the taxes, duties and levies that are currently being refunded under any other mechanism. Rs. 27018 crores have been extended for the 27-month period till 31st March 2023. [Read more](#)





INCOME TAX

■ CBDT notifies Form 10-IFA for Sec.115BAE concessional tax rate, applicable to new cooperative societies

CBDT notifies Form 10-IFA for Sec.115BAE concessional tax rate, applicable to new cooperative societies

The Finance Act 2023 introduced a new taxation scheme for the resident cooperative societies that are engaged in the manufacturing or production of any article or thing. If a cooperative society opts for this scheme specified under Section 115BAE, then the income of such cooperative society will be taxable at a concessional rate if the specified conditions are fulfilled. The provisions of this section shall be applicable from AY 2024-25. The eligible cooperative societies shall exercise the option to choose the new taxation regime on or before the due date to file the return of income under section 139(1). For this purpose, the income tax department has also notified Rule 21AHA. As per this rule, the cooperative society can exercise the option under Section 115BAE(5) by filing Form No. 10-IFA. [Read more](#)



■ Govt. notifies Top, Upper & Middle Layer NBFCs under Sec.43B & 43D

The CBDT has notified the classes of Non-Banking Financial Companies (NBFCs) that shall come into effect from 22nd September 2023. This classification is crucial for the payment of interest on loans to NBFCs. This will directly impact the deduction of interest for assessee. As per Section 43B, deductions for certain expenses can be claimed only on a payment basis. Clause (da) of this section is related to the interest payable by the assessee on any loan or borrowing from NBFCs. The NBFCs have been classified into Top Layer, Upper Layer and Middle Layer. This classification shall also be applicable for the purpose of Section 43D which specifies special provisions for the recognition of income of certain financial institutions. [Read more](#)

■ Govt. expands scope of Sec.47(viib) exemption, includes units of IFSC-based ETFs & others

The government has expanded the list of securities that are eligible for tax exemptions on a recognised stock exchange in an IFSC. As per Section 47(viib) of the Income Tax Act, 1961, the transfer by a non-resident of bonds, GDRs, derivatives and rupee-denominated bonds of an Indian company on IFSC exchanges shall not be treated as a transfer if the consideration is paid or payable in foreign currency.

Under this exemption, units of a scheme, exchange-traded funds and investment trusts have also been included. These changes are expected to expand the scope of incentives available for stock market trading and funds in the IFSC. [Read more](#)

Procedure, format and standards for filing an application for grant of certificate under sub-rule (4) and its proviso of Rule 28AA of Income Tax Rules, 1962, for deduction of Income-tax at any lower rate or no deduction of income under sub-section (I) of section 197 of the Income-tax Act, 1961 through TRACES-reg.

In case the income or sum payable to any person requires a deduction of tax and the Assessing Officer (AO) is satisfied that the total income of the recipient justifies the deduction of income tax at lower rates or no deduction of income tax, then such AO shall issue a certificate upon application of the assessee. Rule 28 of the Income Tax Rules, 1962 prescribes filing of Form No. 13 in this regard. Proviso to Rule 28AA(4) provides for the issuance of the certificate of deduction of tax at lower rates to the person making such application where the number of persons responsible for deducting TDS is likely to exceed 100 and the details of such persons is not available at the time of making the application. The CBDT has specified the procedure for the electronic filing of Form 13 and the generation of the certificate under section 197(1) through the TRACES portal. It shall be applicable from 1st October 2023.

The deductee shall register and log in to the TRACES portal fill in the required details and submit Form 13 along with Annexure-II and supporting documents. They can track the status of the application from the portal itself.

[Read more](#)

Forms for the report of audit or inventory valuation under section 142(2A)

The CBDT has specified that the audit report of the accounts of an assessee that is required to be furnished under section 142(2A)(i) shall be in Form No. 6B. Further, the report of inventory valuation that is required to be submitted under Section 142(2A)(ii) shall be in Form No. 6D. Further, the Chief Commissioners of Income Tax shall maintain a panel of Chartered Accountants and Cost Accountants for this purpose. The CBDT has also specified that the expenses of and incidental to the audit or inventory valuation, including remuneration of Chartered Accountants and Cost Accountants, should not be less than Rs. 3750 and not more than Rs. 7500 for each hour of the period specified under Section 142(2C). [Read more](#)

New angel tax norms

The Finance Act, 2023 introduced the provisions where if an unlisted company issue shares to non-resident investors, then it shall fall within the ambit of Section 56(2)(viib). Accordingly, if the consideration of such shares exceeds the Fair Market Value (FMV) of these shares, then such excess shall be chargeable under the head 'Income from Other Sources'. Currently, there are two methods for the purpose of valuation. The CBDT has introduced 5 more methods including:

- Comparable Company Multiple Method
- Replacement Cost Method
- Probability Weighted Expected Return Method
- Replacement Cost Method
- Option Pricing Method
- Milestone Analysis Method

Further, the CBDT has specified safe harbour rules in order to account for the factors affecting the valuation of unquoted shares across multiple rounds of investments. A 10% variation has been decided for the same. [Read more](#)

Extension of timelines for 10B/10BB and ITR-7

The CBDT has extended the deadline for furnishing of audit report under clause (b) of section 10(23C) and sub-clause (ii) of Section 12A(1)(b) of the Income Tax Act, 1961. The date of filing of Form 10B/10BB for the Financial Year 2022-23 has been extended from 30th September 2023 to 31st October 2023. Consequently, the date to file Form ITR-7 of such institutions for the same period has also been extended from 31st October 2023 to 30th November 2023. This extension will be applicable to trusts, funds, universities, institutions, educational institutions, hospitals or any other medical institution. [Read more](#)



Display of information - Secured assets possessed under the SARFAESI Act, 2002

The RBI has decided that the Regulated Entities (REs) that are secured creditors as per the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 shall display information relating to the borrowers whose secured assets have been taken into possession by the regulated entities. The REs shall upload this information to their website in the prescribed format. The first such list should be displayed on their website within 6 months from the date of this circular and subsequently, it shall be updated on a monthly basis. [Read more](#)

Master Direction - Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023

The RBI has issued Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 that shall be applicable from 1st April 2024. The directions shall be applicable to All India Financial Institutions (AIFIs) regulated by RBI i.e., the National Bank for Agriculture and Rural Development (NABARD), Export-Import Bank of India (EXIM Bank), the National Housing Bank (NHB), the National Bank for Financing Infrastructure and Development (NaBFID) and the Small Industries Development Bank of India (SIDBI). [Read more](#)



Data Quality Index for Commercial and Microfinance Segments by Credit Information Companies

The Data Quality Index (DQI) assesses the quality of data submitted by Credit Institutions (CIs) to Credit Information Companies (CICs). Currently, the DQI is used for data submitted under the consumer segment. In order to further implement the DQI, the RBI has decided that CICs shall also prepare DQI for commercial and microfinance segments. The CICs shall provide DQI for Commercial and Microfinance segments to all CICs till 31st March 2024. The CICs are advised to provide DQI for this segment in the form of numeric scores on a monthly basis to all the member credit institutions. The DQI shall be provided at the CI and file level. The DQI at the CI level should be computed as the weighted average of file-level DQI scores of commercial and microfinance segments respectively of that CI. [Read more](#)

PM Vishwakarma Scheme

The Government of India has launched the 'PM Vishwakarma Scheme' that aims to support craftspeople and artisans to help them rise in the value chain. The scheme provides credit support to the beneficiaries at concessional interest rates along with interest subvention support by the government. The Ministry of Micro, Small and Medium Enterprises has also released the detailed scheme guidelines for the eligible lending institutions. [Read more](#)

Responsible Lending Conduct - Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans

The Regulated Entities (REs) are required to release all the movable and immovable property documents after receiving the full repayment and closure of the loan account. However, it has been observed that the REs follow different practices when it comes to the release of documents of such movable and immovable properties. The RBI has released explicit directions in order to address these issues. As per these directions, the REs shall release all the original movable and immovable property documents and remove the charges with any registry within 30 days after settlement or full repayment of the loan. The borrowers shall be given an option of collecting the documents either from the bank branch where the loan was serviced or any other office of the RE where the documents are available. In case of delay in releasing the documents and failure to file charge satisfaction forms with the registry beyond 30 days, the RE shall compensate the borrower at the rate of Rs. 5000 for each day of delay. [Read more](#)

Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023

The RBI has placed a revised regulatory framework for the investment portfolio by introducing the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023. The revised framework has updated the regulatory guidelines with the global standards and best practices. It has also introduced a symmetric treatment of fair value gains and losses. It has also removed the 90-day ceiling on the holding period under Held for Trading (HFT). [Read more](#)

Reserve Bank of India Act, 1934 - Section 42(1A)- Requirement for maintaining additional CRR

The RBI has directed all the Scheduled Commercial Banks, Regional Rural Banks, Scheduled Primary (Urban) Cooperative Banks and Scheduled State Cooperative Banks to maintain an average daily balance over and above the average daily balance required to be maintained under Section 42(1) during the following fortnights with RBI as under:

During the Fortnight	Amount to be Maintained
September 09-22,2023	An additional average daily balance which shall not be less than 7.5 per cent of the increase in net demand and time liabilities between May 19, 2023 and July 28, 2023
September 23, 2023 - October 06, 2023	An additional average daily balance which shall not be less than 5.0 per cent of the increase in net demand and time liabilities between May 19, 2023 and July 28, 2023
From October 07, 2023	Nil

[Read more](#)

Operation of Pre-Sanctioned Credit Lines at Banks through Unified Payments Interface (UPI)

Currently, UPI can be linked to savings accounts, prepaid wallets, overdraft accounts and credit cards. The RBI is expanding the scope of UPI by including credit lines as a funding account. Under this facility, payments through a pre-sanctioned credit line issued by a Scheduled Commercial Bank to the individuals are enabled for transactions using the UPI system. This should be done with the prior consent of the customer. The banks may stipulate the terms and conditions of use of such credit lines. [Read more](#)

INTERNATIONAL TAXATION

Papua New Guinea deposits BEPS MLI ratification instrument

Papua New Guinea submitted its instrument of ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS Convention) as well as the Multilateral Convention on Mutual Administrative Assistance in Tax Matters on 31st August 2023. This shows its strong commitment to prevent the abuse of tax treaties and base erosion and profit shifting by multinational enterprises. This will also facilitate international cooperation relating to tax transparency and exchange of information. The BEPS convention covers 1870 bilateral tax treaties. For Papua New Guinea, it will enter into force on 1st December 2023. On 5th September, 2023, Romania confirmed the completion of its internal procedures for entry into effect of the provisions of the Multilateral BEPS Convention under Article 35(7)(b).



CUSTOMS

Implementation of Section 16 4 of IGST Act related to restriction on export of certain goods on payment of IGST and coverage under refund mechanism- reg.

Apart from certain specified goods (as specified under column (3) of the TABLE in the notification), exporters can export all goods and services upon payment of integrated tax and claim refund of the same. Thus, the goods specified under column (3) can be exported only under LUT. To implement the above restrictions, the CBIC has developed a backend functionality to restrict the IGST refund route for the goods that are specified in the notification. Further, it should be noted that in case the shipping bills contain single or multiple invoices for which GST has been paid and even if one invoice contains an item that is restricted for export on payment of IGST, then the shipping bill containing such items will not be allowed to be filed. [Read more](#)



Implementation of Ex-Bond Shipping Bill in ICES 1.5 -reg

Sections 68 and 69 of the Customs Act, 1962 deal with clearance of the warehoused goods for home consumption and for export respectively. A Bill of Entry (BE) format for clearance of goods for home consumption is available in the ICES. Such ex-bond BE is linked in the System with the original warehousing (into-bond) BE through which these goods were warehoused while being imported into India. Till now, there was no format of ex-bond shipping bill in the system that could cover the export of warehoused goods. Because of this, all transactions relating to the removal of cargo were not captured. The CBIC has developed a format of ex-bond SB for processing the export of warehoused goods from bonded warehouses. [Read more](#)



PUBLICATIONS

[Read more](#)

INTERNAL PUBLICATION

OECD Manual on Multilateral Mutual Agreement Procedures and Advance Pricing Arrangements

The OECD published a manual on Multilateral Mutual Agreement Procedures (MAP) and Advance Pricing Arrangements (APA) on 1st February 2023. MAP is an alternate tax dispute resolution mechanism for disputes giving rise to double taxation. APA is an agreement between a taxpayer and the tax authorities for determining the methodology for transfer pricing in relation to international transactions. Multilateral MAP and APA involve those where the legal basis is derived from the provisions contained in multiple treaties that exist among different jurisdictions. The OECD manual provides guidance to taxpayers and tax administrations on how the multilateral MAPs and APAs can be negotiated and implemented under the existing bilateral tax treaties. [Read more](#)

Allowing Pre-Packaged Insolvency Resolution Process For Large Corporates

The Pre-Packaged Insolvency Resolution Process (PPIRP) was introduced for Micro, Small, and Medium Enterprises (MSME) in April 2021. It provides an efficient alternative insolvency resolution process for corporate persons classified as micro, small, and medium enterprises. PPIRP works on the Debtor in Possession Model and has numerous advantages like maintaining business continuity, faster resolution, value maximization, cost-effectiveness, and job preservation. The process gives substantial consent rights to the financial creditors and adopts a plan evaluation process similar to the Swiss Challenge. The formation of state-owned NARCL and India Debt Resolution Company Limited (IDRCL) has further accelerated the process of resolving stressed assets. [Read more](#)

DTAA Treaty Benefit Would Not be Available for Dividend Distribution Tax (DDT): ITAT, Mumbai

The Dividend Distribution Tax (DDT) was abolished in India from 1st April 2020, making dividend income taxable for shareholders. Domestic resident companies are not allowed to use Double Taxation Avoidance Agreements (DTAA) to offset their DDT liabilities. The Income Tax Appellate Tribunal (ITAT) ruled on 20th April 2023 that domestic resident companies cannot use DTAA to reduce tax liabilities on dividends paid by them. After the DDT and Section 10(34) of the Income Tax Act, of 1961 were abolished, dividend income became taxable at the hands of shareholders. Companies are required to deduct TDS @10% before paying dividends to resident shareholders if the dividend payment exceeds Rs. 5000 during the financial year. Non-resident shareholders are allowed to benefit from the beneficial rate under income tax law or the domestic tax law. TDS should not be deducted if the income being paid or likely to be paid is in the form of capital gains. [Read more](#)

QUOTE OF THE MONTH

**"To get rich, you have to
be making money while
you're asleep."**

-David Balley



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