

IMC

Chamber of Commerce and Industry

Sub: Direct Tax related important dates, Circulars and Notifications

Dear Sir/Madam

Please find below important dates, circulars and notifications related to Direct Tax matters compiled by IMC Direct Tax Committee for your information.

1. Important dates for the month of September 2020:

Due date	Purpose	Period	Description
7th Sep	TDS /TCS Liability Deposit	Aug'20	Depositing TDS/ TCS liability
14th Sep	TDS Certificate (Form 16B)	Jul'20	Issuance of TDS certificate for Tax deducted under section 194-IA - TDS on payment made by the person transferring Immovable property valuing more than fifty lakh rupees.
	TDS Certificate (Form 16C)	Jul'20	Issuance of TDS certificate for Tax deducted under section 194-IB - TDS on Rent paid by Individual /HUF to any resident exceeding fifty thousand rupees per month
	TDS Certificate (Form 16D)	July'20	Issuance of TDS certificate for Tax deducted under section 194-M - TDS on contractual payments made by Individual/HUF to any resident exceeding fifty lakh rupees
15th Sep	PF/ESI	Aug'20	Depositing contribution towards PF/ESI
	Form 24G	Aug'20	Furnishing of Form 24G by an office of the Government where TDS/TCS has been paid without the production of a challan
	Form No. 3BB	Aug'20	Furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system.
	Advance Tax Payment	Jul to Sep'20	Second instalment for AY 2021-22
30th Sep	TDS Challan cum Statement in case of Section 194IA, 194IB and 194-M	Aug'20	Furnishing of challan-cum-statement under Section 194IA, 194IBand 194-M
30th Sep (extended because of COVID-19 outbreak in the month of March)	Capital gains exemption for FY 2019-20	FY 2019-20	Last date to make investments for capital gains exemption for FY 2019-20

2. Details of important circulars, notifications and press release issued during the period of April 2020 to August 2020:

Circular:

1. **CIRCULAR NO. C1/2020, DATED: 13-04-2020 – Clarification In Respect of Option u/s 115BAC of the Income-tax Act, 1961 ('Act')** – CBDT has clarified that an employee, having income other than the income under the head "profit and gains of business or profession" and intending to opt for the concessional rate under section 115BAC of the Act, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS thereon in accordance with the provisions of section 115BAC of the Act. If such intimation is not made by the employee, the employer shall make TDS without considering the provision of section 115BAC of the Act.
2. **CIRCULAR NO. 08/2020, DATED: 13-04-2020 - Clarification regarding short deduction of TDS/TCS due to increase in rates of surcharge by Finance (No.2) Act, 2019**

CBDT has clarified that a person responsible for deduction/collection of tax under any provision of the Income-tax Act will not be considered to be an assessee in default in respect of transactions where:—

- a. such transaction has been completed and entire payment has been made to the deductee/payee on or before 5th July, 2019 and there is no subsequent transaction between the deductor/collector and the deductee/payee in the financial year 2019-20 from which the shortfall of tax could have been deducted/collected by the deductor/collector;
- b. TDS has been deducted or TCS has been collected by such deductor/collector on such sum as per the rates in force as per the provisions prior to the enactment of the Act;
- c. such tax deducted or collected has been deposited in the account of Central Government by the deductor/collector on or before the due date of depositing the same;
- d. TDS/TCS statement has been furnished by such person on before the due date of filing of the said statement.

However, if the person fails to fulfill any of the conditions as laid down above, such a person will, with respect to short deduction/collection, not be eligible for benefit provided under this circular.

3. **CIRCULAR NO. 09/2020, DATED: 22-04-2020 - CLARIFICATIONS ON PROVISIONS OF THE DIRECT TAX VIVAD SE VISHWAS ACT, 2020** – CBDT vide Circular No 9/2020 has re-issued the Circular no 7/2020 wherein clarifications on 55 questions on Vivad Se Vishwas Scheme have been clarified, giving reference to Act as passed by the Parliament.
4. **CIRCULAR NO. 10/2020, DATED: 24-04-2020 – Clarifications on Tax Audit Report- Applicability of Clause 30C & Clause 44 deferred** – CBDT has deferred the applicability of reporting under clause 30C regarding Impermissible Arrangement u/s 96 and reporting under clause 44 regarding break-up of total expenditure into GST paid/ not-paid till 31 March 2021.
5. **CIRCULAR NO. 11/2020, DATED: 08-05-2020 – Clarification in respect of Residency u/s 6 of the Act** – CBDT has as a measure of relief for non-resident has clarified that the lockdown period will not be counted to determine residency status for the purpose of computation of Tax Liability
6. **CIRCULAR NO. 12/2020, DATED: 20-05-2020 – Clarification in respect of prescribed electronic modes u/s 269SU of the Act** – CBDT has clarified provisions of section 269SU of the Act shall not be applicable to a specified person having only B2B transactions (i.e. no transaction with retail customer/consumer) if at least 95% of aggregate of all amounts received during the previous year, including amount received for sales, turnover or gross receipts, are by mode other than cash.
7. **CIRCULAR NO. 13/2020, DATED: 13-07-2020 - Relaxation in verification of Tax Returns for AY 2015-16 to AY 2019-20** - CBDT has provided one-time relaxation for Verification of tax-returns for the Assessment years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 which are pending due to non-filing of ITR- V form permitting taxpayers to send duly signed physical copy of ITR-V to CPC, Bengaluru through speed post or through EVC/OTP modes by 30.09.2020.
8. **CIRCULAR F. NO. 370142/35/2019-TPL-PT, DATED 30-8-2020:** Banks are advised to refund all the charges including MDR(Merchant Discount Rate) collected, if any on or after 1 January 2020 on transactions carried out using the electronic modes prescribed under Section 269SU of the Act and not to impose future charges on any future transactions carried through prescribed modes.

Notification:

1. **Notification No. 29/2020, Dated: 27-05-2020** - CBDT notified the rules prescribing the minimum remuneration to be paid to Indian fund managers under the safe harbour regime for onshore management of offshore funds (section 9A)
2. **Notification No. 31/2020, dated 29 May 2020** - CBDT has notified income tax return forms for the Assessment Year 2020-21
3. **Notification No. 32/2020, Dated: 12-06-2020** – CBDT has notified the cost inflation index for FY 2020-21 at 301 with effect from 1- 4 -2021 and shall accordingly apply to the AY 2021-22 and subsequent years
4. **Notification No. 35/2020, Dated: 24-06-2020** – In view of pandemic, CBDT has extended various time-limits for filing of returns and statements due under the Act. (the same has been outlined in Article published in Tax Corner of Monthly newsletter).
5. **NOTIFICATION NO. 40/2020, DATED: 29-06-2020 and Notification No 42/2020 dated 30-06-2020**

CBDT has notified the Section 56(2)(x) and 50CA of the Act will not apply to following categories by amending Rule 11UAC:

- a. any immovable property, being land or building or both, received by a resident of an unauthorised colony in the National Capital Territory of Delhi, where the Central Government by notification in the Official Gazettee, regularised the transactions of such immovable property based on the latest Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration for conferring or recognising right of ownership or transfer or mortgage in regard to such immovable property in favour of such resident.
- b. any movable property, being unquoted shares, of a company and its subsidiary and the subsidiary of such subsidiary received by a shareholder, where
 - i. NCLT on application of Central government under section 241 of the Companies Act, 2013, has suspended the Board of Directors of such company and has appointed new directors nominated by the Central Government under section 242 of the said Act; and
 - ii. share of company and its subsidiary and the subsidiary of such subsidiary has been received pursuant to a resolution plan approved by the Tribunal under section 242 of the Companies Act, 2013 after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner

Further, Section 56(2)(x) shall not apply any moveable property being equity shares of the reconstructed bank received by an investor or investor bank, where such shares have been allotted by reconstructed bank under scheme at a price specified in the scheme

6. **Notification No 43/2020 dated 03-07-2020** – CBDT has amended TDS rules in line with amendments made in Finance Act 2020, related to TDS provisions u/s 194A, 194J, 194K, 194LBA, 194N, 194-O, 197A and 200.
7. **Notification No 54/2020 dated 24-07-2020** – CBDT has notified rule for furnishing party wise break up of TCS for with effect from the 1st day of October, 2020 u/s 206C of the Act.
8. **Notification No. 58/2020 dated 10 August 2020**: Notified Rule 114AAB- Class or classes of person to whom provisions of section 139A shall not apply and Form No. 49BA - Quarterly statement to be furnished by specified fund in respect of a non-resident referred to in rule 114AAB.
9. **Notification No. 60/2020 dated 13 August 2020, Notification 61/2020 and Notification No. 68/2020 dated 27 August 2020 (Corrigendum)**: Central Government has launched the faceless assessment scheme. IMC held a webinar on 27th August,2020 where department experts explained the scheme and clarified the doubts and the practical aspects. Link to the webinar is - <https://www.youtube.com/watch?v=fxgXbi3MEaw>

Regards

Ajit Mangrulkar
Director General



" Reboot- Reform- Resurge "

IMC Chamber of Commerce and Industry

IMC Bldg., IMC Marg, Churchgate, Mumbai - 400 020 India

Tel : 91-22-22046633 / 71226633

Fax : 91-22-22048508 / 22838281