

# IMC

## Chamber of Commerce and Industry

Dear Sir/Madam,

The following important announcements has been compiled by IMC's Direct Taxation Committee for your information.

As an endeavour, to keep our members updated on latest announcements being made by Income-tax Department and regarding upcoming important dates from direct-tax compliances perspective, we have compiled the information, for your ready reference:

**Part A - Important dates for October 2020:**

Due date	Purpose	Period	Description
7th Oct	TDS /TCS Liability Deposit	Jul – Sept '20	Depositing TDS/ TCS liability, when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
	TDS /TCS Liability Deposit	Sept '20	Depositing TDS/TCS liability
15th Oct	Form 24G	Sept '20	Due date for furnishing Form 24G where TDS/TCS has been paid without the production of a challan
	TDS Certificate (Form 16B)	Aug '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)	Aug '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)	Aug '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
	Quarterly statement (form 15CC)	Jul – Sept '20	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers)
	TCS Deposit (Form 27EQ)	Jul – Sept '20	Quarterly statement of TCS deposited
	Declaration (Form 15G/15H)	Jul – Sept '20	Declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2020
	Statement by stock exchanges. (Form 3BB)	Sept '20	Statement by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of September, 2020
30th Oct	TDS Challan cum Statement in	Sept'20	Furnishing of challan-cum-statement under Section 194IA, 194IBand 194-M

	case of Section 194IA, 194IB and 194-M		
	Quarterly TCS statement	Jul – Sept '20	Quarterly TCS certificate (in respect of tax collected by any person)
31st Oct	Form 3CEAB	Accounting Year 19-20	Intimation by a designated constituent entity, resident of India, of an international group for the accounting year 2019-20
	TDS Quarterly Statement	Jul – Sept '20	Quarterly statement of TDS deposited
	Form 3CG		Due date for furnishing of Annual audited accounts for each approved programmes under section 35(2AA)
	Form 60	Apr- Sept' 20	Copies of declaration received in Form No. 60 during April 1, 2020 to September 30, to the concerned Director/Joint Director
	Audit Report under section 44AB	AY 2020-21	Due date for filing Audit report under section 44AB for the assessment year 2020-21
	Form 3CEB	AY 2020-21	Report to be furnished in respect of international transaction and specified domestic transaction

**Part B - Key proposals notified by The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Bill, 2020 ('RACP') in Income-tax Act, 1961 ('ITL') and Direct Tax Vivad se Viswas Act, 2020 ('VSV') are as under:**

- ▶ No extension in due-dates for filing of revised/ belated Return of Income ('ROI') for AY 2019-20 (30 September 2020) and Original ROI for AY 2020-21 (30 November 2020) as well as for Tax Audits u/s 44AB (31st October 2020)
  - RACP Bill codifies the announcement made by Government as part of Covid-19 stimulus package, on 13 May 2020, providing for reduction in withholding and tax collection rates by 25% for the payments made (other than salary) to or received from residents for the period from 14 May 2020 to 31 March 2021.
- ▶ Deferment of new procedure of registration and approval of certain Charitable Trust and non-profit entities introduced through the Finance Act (FA) 2020 till 1 April 2021
- ▶ Incorporation of Faceless Assessment Scheme, 2019 (Faceless Scheme) in the ITL and also empowering the CG to notify schemes for conducting various proceedings under the ITL. These schemes include transfer pricing proceedings, reassessment proceedings, rectification proceedings, proceedings relating to verification of information, appeal proceedings before Income Tax Appellate Tribunal, revision proceedings, withholding proceedings, proceedings in relation to collection and recovery of tax, proceedings relating to initiation of prosecution etc., in faceless and team-based manner with dynamic jurisdiction to the extent that is technologically feasible.
- ▶ Power to under-take Survey under section 133A is restricted to Investigation and TDS wing only
- ▶ Extension of the date for payment without additional amount to 31 December 2020 under VSV
- ▶ Removal of certain anomalies in residency-related amendments made by the FA 2020.
- ▶ Extension of tax exemption/concession in the hands of Category III Alternative

Investment Fund located in International Finance Service Centre (IFSC) and its non-resident unitholders.

- Surcharge on dividend income of Foreign Portfolio Investors (FPI) to be capped at 15%.

Part C – Key proposals under Faceless Appeal scheme announced on 25th September 2020 (PRESS RELEASE, DATED 25-9-2020 and NOTIFICATION NO. 76 & 77, DATED 25-9-2020 : CBDT notified the Faceless Appeal Scheme, 2020. The CBDT has notified the Faceless Appeal Scheme 2020 (Applicability , procedures , faceless centres ,penalties)

- Under Faceless Appeals, all Income Tax appeals will be finalised in a faceless manner under the faceless ecosystem. Following appeals will not be covered under the scheme:

- Ø Appeals relating to serious frauds,
- Ø Appeals relating major tax evasion; and
- Ø Appeals relating to sensitive & search matters,
- Ø Appeals relating to International tax and
- Ø Appeals under Black Money Act.

- Under the Faceless Appeals scheme, everything from e-allocation of appeal, e-communication of notice/ questionnaire, e-verification/e-enquiry to e-hearing and finally e-communication of the appellate order, the entire process of appeals will be online, dispensing with the need for any physical interface between the appellant and the Department.

- There will be no physical interface between the taxpayers or their counsel/s and the Income Tax Department. The taxpayers can make submissions from the comfort of their home and save their time and resources.

- The Faceless Appeals system will include allocation of cases through Data Analytics and Artificial Intelligence ('AI') under the dynamic jurisdiction with central issuance of notices which would be having Document Identification Number (DIN).

- As part of dynamic jurisdiction, the draft appellate order will be prepared in one city and will be reviewed in some other city resulting in an objective, fair and just order.

**Part D - Other important circulars, notifications and press release issued during the month September 2020:**

**1. PRESS RELEASE, DATED 2-9-2020**

The data on cash withdrawal indicated that huge amount of cash is being withdrawn by the persons who have never filed income-tax returns. To ensure filing of return by these persons and to keep track on cash withdrawals by the non-filers, and to curb black money, the Finance Act, 2020 w.e.f. 1st July, 2020 further amended Income-tax Act, 1961 to lower the threshold of cash withdrawal to Rs. 20 lakh for the applicability of TDS for the non-filers and also mandated TDS at the higher rate of 5% on cash withdrawal exceeding Rs. 1 crore by the non-filers.

Income Tax Department has already provided a functionality "Verification of applicability u/s 194N", through this functionality, Bank/Post Office can get the applicable rate of TDS under section 194N of the Income-tax Act, 1961 by entering the PAN of the person who is withdrawing cash. The Department has now released a new functionality "ITR Filing Compliance Check" which will be available to Scheduled Commercial Banks (SCBs) to check the IT Return filing status of PANs in bulk mode.

2. **CIRCULAR E.NO 225/126/2020- ITA- II , DATED 17-9-2020** - Keeping in view of the Faceless Assessment Scheme, 2020 implemented by the Department and the difficulties being faced amid COVID-19 pandemic, the parameters for compulsory selection of returns for complete scrutiny during Financial Year 2020-21 and conduct of assessment proceedings for the specified cases mentioned in the circular. The exercise of selection of cases for compulsory scrutiny on the basis of the parameters mentioned in the circular shall be completed by 30th September 2020.

3. **PRESS RELEASE, dated 26-9-2020** – CBDT has clarified that there is no requirement of scrip wise reporting for day trading and short term sale of purchase of listed shares in Income Tax Return for AY 2020-21.

4. **CIRCULAR NO. 17 DATED 29-9-2020** – CBDT has provided guidelines with respect to recently inserted provisions of section 194O (TDS by ecommerce operators) and section 206C (TCS on Sale of Goods) of Income Tax Act, 1961.

**Key points referred in the Guidelines:**

- It will **not be applicable on transactions in securities and commodities** which are traded through recognized stock exchanges or cleared and settled by the recognised clearing corporation, including recognised stock exchanges or recognized clearing corporation located in the International Financial Service Centre.
- It will be **applicable in case of transactions in electricity**, renewable energy certificates and energy saving certificates traded through power exchanges.
- The **payment gateway will not be required to deduct tax** on a transaction, if the tax has been deducted by the e-commerce operator
- In the case of **insurance agent or insurance aggregator**, it has been said that after the first year of policy, if the insurance agent or insurance aggregator has no involvement in transactions between insurance company and the buyer of insurance policy, he would not be liable to deduct tax for subsequent years. However, the insurance company will be required to deduct tax on commission payment, if any, made to the insurance agent or insurance aggregator for those subsequent years.
- **Sale of motor vehicle** will be subject to TCS from October 1 (widening TCS applicability on sale of vehicles by company to dealer under section 206(1H) introduced by FA,2020)
- **No adjustment on account of sale return or discount or indirect taxes including GST** is required to be made for collection of tax since the collection here is limited to sale consideration.
- TCS will **not apply on the sale consideration received for fuel supplied to foreign airlines** at airports in India.

**It is to be noted that TCS provisions under section 206(1H) are applicable on transactions undertaken after 1 October 2020. But for purpose of computation of threshold of transaction of sale of Rs.50 lakhs, the transactions undertaken between 1 April 2020 to 30 September 2020 are to be considered. Example: Mr X has undertaken sales of Rs. 1 Crore to Mr Y between 1 April 2020 to 30 September 2020 and received consideration for the same, and he makes further sales of Rs.5 lakhs on 1st October 2020 to Mr Y and receives compensation for same, then Mr.X will have to collect TCS on sale of Rs. 5 lakhs received after 1 October 2020 (Same is clarified by press note dated 30 September 2020).**

5.    **CBDT VIDE ORDER DATED 30 SEPTEMBER 2020 HAS EXTENDED THE LAST DAY FOR FILING OF REVISED RETURN FOR AY 2019-20 FROM 30 SEPTEMBER 2020 TO 30 NOVEMBER 2020 ON ACCOUNT OF COVID PANDEMIC.**

We trust the same will be useful.

With regards,

**Ajit Mangrulkar**  
**Director General**



**" Reboot- Reform- Resurge "**

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