

Weekly Insight

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In this issue,

WHAT's been NEW in:

Income Tax,

CBEC Updates,

GST News.

Regulatory Updates

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CBDT clarifies unconfirmed reports on IDS 2016! ([vide CBDT Press Release dated 15.09.2016](#))

Certain sections of the press have been speculating on the taxpayer response to the currently on-going Income Disclosure Scheme 2016 over the last couple of days. The CBDT would like to clarify that these are not based on any statements issued by the Department.

The Income Declaration Scheme 2016! ([vide CBDT Press Release dated 15.09.2016](#))

The Income Declaration Scheme, 2016 (the Scheme) provides an opportunity to persons who have not paid full taxes in the past to come forward and declare their undisclosed income and assets. The Scheme is open for declarations up to 30.9.2016.

The Direct Tax Dispute Resolution Scheme, 2016! ([vide CBDT Press Release dated 15.09.2016](#))

Litigation is a scourge for a tax friendly regime. In order to reduce the pending litigation, the Direct Tax Dispute Resolution Scheme, 2016 (the Scheme) has come into force from 1st June, 2016 and can be availed upto 31st December, 2016. The Scheme is available to the cases pending with the first appellate authority [i.e. CIT (A)] as on 29th February, 2016, subject to certain conditions.

Clarifications on the Direct Tax Dispute Resolution Scheme, 2016! ([vide CBDT Circular dated 12.09.2016](#))

In regard to the Direct Tax Dispute Resolution Scheme, 2016 queries have been received from the stakeholders seeking further clarity on certain provisions of the Scheme. The Central Government has considered the queries and decided to clarify the same in the form of questions and answers.

Direct Tax Collections up to August, 2016 show an Increase of 15.03%! ([vide CBDT Press Release dated 12.09.2016](#))

The figures for direct tax collections up to August, 2016 show that net revenue collections are at Rs. 1.89 lakh crore which is 15.03% more than the net collections for the corresponding period last year. Till August 2016, 22.30% of the Budget Estimates of direct taxes for Financial Year 2016-17 has been achieved.

RBI asks banks to accept Income Declaration Scheme tax payments in cash!

The Reserve Bank of India has issued a circular asking banks to accept in cash tax payment under the Income Declaration Scheme (IDS) that closes on September 30. ([Click here to read the news](#))

Builders, manufacturers, traders to puncture Modi's black money scheme!

Despite implementing the 'carrot and stick' policy on the ground, the Income Tax department is struggling to get a positive response for its Income Declaration Scheme (IDS). The scheme, launched by the Central Government on June 1 to uncover black money, closes on September 30. ([Click here to read the news](#))

I-T Offices to be open till midnight on Sep 30!

The taxman will undertake a midnight vigil on September 30 as CBDT has directed the Income Tax department to keep their offices country-wide open in order to receive declarations under the domestic black money window – the Income Declaration Scheme (IDS). The last date for making declaration under IDS, 2016 is 30th September, 2016. ([Click here to read the news](#))



Central Board of Excise and Customs

Department of Revenue, Ministry of Finance, Government of India

Rate of exchange of conversion of the foreign currency with effect from 16th September, 2016! ([vide Customs Notification dated 15.09.2016](#))

CBEC has determined that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed in the notification, into Indian currency or vice versa, shall, with effect from 16th September, 2016, be the rate mentioned against it in the corresponding entry in column (3) thereof, relating to imported and export goods.

Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver! ([vide Customs Notification dated 15.09.2016](#))

CBEC has made amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India. In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the Tables given in the official notification shall be substituted.

India, Russia to put in place a 'Green Corridor' to enhance bilateral trade!

India and Russia are trying to put in place a 'Green Corridor' between the two countries for smooth facilitation of goods to enhance bilateral trade that has performed far below potential despite the strong political ties. ([Click here to read the news](#))

Indirect Tax Collections upto August, 2016 show an increase of 27.5%! (vide CBEC Press Release dated 12.09.2016)

The figures for indirect tax collections (Central Excise, Service Tax and Customs) upto August 2016 show that net revenue collections are at Rs 3.36 lakh crore which is 27.5% more than the net collections for the corresponding period last year. Till August 2016, 43.2% of the Budget Estimates of indirect taxes for Financial Year 2016-17 has been achieved.

Post GST, Modi government to cushion impact of hike in service tax!

The government currently imposes a service tax of 14.5% but the GST rate is expected to be higher with states such as Kerala seeking a rate of over 20% to ensure that they do not lose revenue in the new tax regime. A committee under chief economic adviser Arvind Subramanian had recommended a rate of around 18%. ([Click here to read the news](#))

Service tax collection from Mumbai zone up 21.3 per cent till August!

Service tax collection from Mumbai zone has surged by over 21 per cent in the first five months of the fiscal year over the year-ago period, surpassing target. Revenue collection from the Mumbai zone rose 21.3 per cent to Rs 29,003 crore as of August 31, or Rs 5,097 crore in absolute terms from collection of Rs 23,906 crore in the corresponding period last year, data from the service tax department showed. ([Click here to read the news](#))

High Court Reprimands Service Tax Department for Indecision on Auction of Mallya's Aircraft!

The Bombay High Court on Wednesday criticised the service tax department for lack of clarity on the re-auction of Vijay Mallya's personal Airbus A319-13 aircraft that went under the hammer for the second time on August 18. Mallya's personal aircraft, which had attracted a paltry Rs 1.09 crore bid in June, registered a bid of approximately Rs 27 crore in the re-auction, but fell well short of the reserve price of Rs 152 crore. ([Click here to read the news](#))

Bombay High Court raps service tax department wanting to recall auction of Vijay Mallya's Jet!

The service tax department on Wednesday received severe flak from the Bombay High Court for moving an application requesting the court to recall its earlier order allowing the auction sale of the corporate jet that once flew the king of good times Vijay Mallya. ([Click here to read the news](#))



CBEC to be renamed as CBIT under GST regime!

Apex indirect tax body CBEC will be renamed as the Central Board of Indirect Tax (CBIT) once the new national tax framework kicks in from April 1 next year, as per the draft dealing in GST organizational structure prepared by the Centre. Headed by a secretary-level officer, CBIT will implement the rules, including exemptions and threshold, to be set by the GST Council, which is chaired by Union Finance Minister and has state finance ministers as its members. [\(Click here to read the news\)](#)

God And Devil Lies In The Detail Of The GST: Congress!

Congress on Wednesday said the "God and the Devil lies in the detail" of the GST and would not like to prejudice the decision of the Council, even as took a dig at the Centre for its "self-congratulatory patting" at beginning of GST journey as nine-tenth of its details are yet to come. [\(Click here to read the news\)](#)

Government to advance winter session to facilitate GST roll out!

To facilitate roll-out of the Goods and Services Tax (GST) by April 1 next year, the winter session of Parliament is likely to be advanced to the second week of November to ensure the government gets adequate time for parliamentary nod to supporting bills. [\(Click here to read the news\)](#)

Flipkart makes first move as ecommerce sector prepares for GST rollout!

The ecommerce sector is preparing to ensure compliance with the goods & services tax system before the new tax regime's targeted rollout date of April 1 next year, even as it continues to negotiate with the government over some provisions in the law. Providing training on the new system to making operational changes, the sector is gradually seeing a move towards the GST era, and Flipkart seems to be among the early movers. The company has listed several to-dos on its agenda over the next few months to prepare for GST. [\(Click here to read the news\)](#)

Australia finds way to get tough on GST!

The Australian government may have found a way to force foreign firms to collect GST on goods that Australians order from overseas online. However, it is not clear the approach would work or be welcome in New Zealand. [\(Click here to read the news\)](#)

Implementation of GST to attract more FDI!

Implementation of Goods & Service Tax (GST) will lead to increased tax compliance and attract more foreign direct investments across sectors due to tax transparency and ease of doing business, says a survey. According to a survey of corporate India by Feedback Business Consulting Services, which covered 67 companies from various sectors, GST rollout will be positive for the economy. [\(Click here to read the news\)](#)

GST Council gets Cabinet nod, first meet on Sept 22!

In its attempt to meet the stiff deadline of April 1, 2017 for the implementation of the most ambitious tax reform of Goods and Services Tax Bill, the Cabinet on Monday approved the setting up of a GST Council which will replace a slew of indirect taxes across the country. The first meeting of the newly constituted GST Council, which will decide on rates, exemption and threshold, will be held on September 22 and 23, said Hasmukh Adhia, Revenue Secretary. [\(Click here to read the news\)](#)

Hasten slowly on GST: Indian politics is a very fractious setting for the pooled sovereignty that GST requires!

Finance minister Arun Jaitley admitted the other day that the target date of April 1, 2017, for operationalizing the goods and services tax (GST) was "very stiff". This is probably the understatement of the year. Even if Prime Minister Narendra Modi were to agree to relax the deadline, it would still remain "stiff". Reason: it is the politics of GST implementation that is daunting. The mechanics of implementation – getting the GST Network up and running, training tax officials to handle the new system, and nudging companies to install the necessary software and hardware at their ends – will be hard enough. But the politics will be a minefield. [\(Click here to read the news\)](#)

IRS Officers Oppose GSTN, GST Council Secretariat, Seek FM's Intervention!

An association representing thousands of IRS officers on Monday strongly opposed Goods & Services Tax Network (GSTN), as private company tasked to create Information Technology infrastructure for GST, and composition of Revenue Secretary - led GST council secretariat. [\(Click here to read the news\)](#)

Feedback/Queries can be sent to info@cac.net.in

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