14TH DECEMBER, 2021

VOLUME 55

Weekly Taxation Newsletter

Period: 07.12.2021 to 13.12.2021

Author's Panel

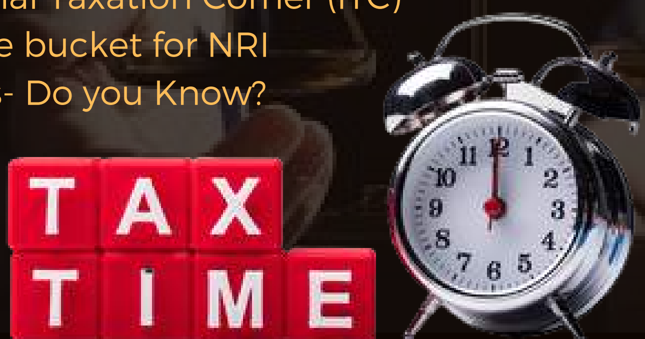
- CS LALIT RAJPUT
- CA HEER GAJJAR
- CS NISCHAL SURANA

Weekly Taxation Newsletter

Let's Build Something Together

Newsletter Contents:

- Upcoming Due Dates
- Weekly Departmental updates
- Important Notifications & Circulars
- Important Case-laws
- International Taxation Corner (ITC)
- Knowledge bucket for NRI
- Brain Bites- Do you Know?



Dear Readers,

*We are delighted to share our **55th E-Newsletter** **"Weekly Taxation Newsletter"** dated **14th December, 2021** from **07th November, 2021 to 13th December, 2021** with you. This **E - Newsletter** is a weekly reference / compilation of interesting and latest news related to tax including upcoming Timelines / Due Dates, Notifications / Press Information, Case Laws, International Taxation etc.*

- Stay updated, Stay connected

❑ Due Dates under IT Act 1961

Sl.	Compliance Particulars	Due Dates
1	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB and 194M in the month of October, 2021	**15.12.2021**
2	Due date of furnishing of Form 24G by an office of the Government where TDS/TCS for the month of November, 2021 has been paid without the production of a challan	**15.12.2021**
3	Due date for payment of 3rd Installement of Advance Tax for FY 2021-22	**15.12.2021**

❑ CBDT extends due dates for filing of Income Tax Returns and various reports of audit for Assessment Year 2021-22

Sl.	Nature of Extension	Original Due Date	Extended Due Date
1	Return of Income for the Assessment Year 2021-22 - section 139 (1) of the Act	31.07.2021	31.12.2021
2	Report of Audit under any provision of the Act for the Previous Year 2020-21	30.09.2021	15.01.2022
3	furnishing Report from an Accountant by persons entering into international transaction or specified domestic transaction under section 92E of the Act for the Previous Year 2020-21	31.10.2021	31.01.2022

4	Return of Income for the Assessment Year 2021-22 - section 139 (1) of the Act	31.10.2021	15.02.2022
5	furnishing of Return of Income for the Assessment Year 2021-22- section 139 (1) of the Act	30.11.2021	28.02.2022
6	Furnishing of belated/revised Return of Income for the Assessment Year 2021-22, - section 139 (4) & 139 (5) of the Act	31.12.2021	31.03.2022

❑ *Clarification:*

It is also clarified that the extension of the dates as referred to in clauses (9), (12) and (13) of Circular No.9/2021 dated 20.05.2021 and in clauses (1), (4) and (5) above shall not apply to Explanation 1 to section 234A of the Act, in cases where the amount of tax on the total income as reduced by the amount as specified in clauses (i) to (vi) of sub-section (1) of that section exceeds rupees one lakh. Further, in case of an individual resident in India referred to in sub-section (2) of section 207 of the Act, the tax paid by him under section 140A of the Act within the due date (without extension under Circular No.9/2021 dated 20.05.2021 and as above) provided in that Act, shall be deemed to be the advance tax.

❑ *Under the GST, 2017*

Filing of GSTR –3B

A. Taxpayers having aggregate turnover > Rs. 5 Cr. in preceding FY

Tax period	Due Date	No interest payable till	Particulars
November, 2021	20th December, 2021	-	Due Date for filling GSTR - 3B return for the month of June, 2021 for the taxpayer with Aggregate turnover exceeding INR 5 crores during previous year

B. Taxpayers having aggregate turnover upto Rs. 5 crores in preceding FY (Group A)

Tax period	Due Date	No interest payable till	Particulars
November, 2021	22nd December, 2021		Due Date for filling GSTR - 3B return for the month of June, 2021 for the taxpayer with Aggregate turnover upto INR 5 crores during previous year and who has opted for Quarterly filing of GSTR-3B
Group A States: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep			

C. Taxpayers having aggregate turnover upto Rs. 5 crores in preceding FY (Group B)

Tax period	Due Date	No interest payable till	Particulars
November, 2021	24th December, 2021		
Group B States: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi			

D. Non Resident Tax Payers, ISD, TDS & TCS Taxpayers

Form No.	Compliance Particulars	Timeline	Due Date
GSTR-5 & 5A	Non-resident ODIAR services provider file Monthly GST Return	20th of succeeding month	20.12.2021
GSTR -6	Every Input Service Distributor (ISD)	13th of succeeding month	13.12.2021

F. GSTR - 1 QRMP monthly return

Form No.	Compliance Particulars	Timeline	Due Date
Details of outward supply-IFF	GST QRMP monthly return due date for the month of November, 2021 (IFF). Applicable for taxpayers with Annual aggregate turnover up to Rs. 1.50 Crore.	13th of succeeding month	13.12.2021

G. GST Refund:

Form No.	Compliance Particulars	Due Date
RFD -10	Refund of Tax to Certain Persons	18 Months after the end of quarter for which refund is to be claimed

❖ Major Update:

- The taxpayers, who have registered at GST portal but have not yet furnished their Bank Account details, are required to update it at GST Portal through non-core amendment, within 45 days of first login henceforth.
- Taxpayers can now withdraw their application for cancellation of registration (filed in Form REG-16) unless the tax officer has initiated action on it.

❑ Weekly Departmental updates: Income Tax

1. CBDT issues refunds of over Rs 1,32,381 cr to more than one cr taxpayers

Central Board of Direct Taxes on Thursday issued a refund of over Rs 1,32,381 crore to more than 1.19 crore taxpayers from April 1, 2021, to December 6, 2021, said the Income Tax department.

Income tax refunds of Rs 44,207 crore have been issued in 1,17,32,079 cases while corporate tax refunds of Rs 88,174 crore have been issued in 1,99,481 cases, added the IT department. This included 83.28 lakh refunds of Assessment Year 2021-22 amounting to Rs 17,266.48 crore, it further added. **Click Here**

2. I-T dept detects suspicious transactions of Rs 650 crore after raids on Surat-based group

The Income Tax Department has detected suspicious transactions of more than Rs 650 crore following recent raids on a Surat-based group engaged in real estate construction and financing, the CBDT said on Friday. The searches were conducted on December 3 and about 40 premises of the unidentified group in Surat and Mumbai were covered.

The CBDT said documents related to "unaccounted cash infusion by partners, bogus accommodation entry loans by payment of cash and unexplained cash expenses etc.," were also found. It also claimed to have found "unexplained investments of more than Rs 200 crore in real estate and more than Rs 100 crore by way of loan financing".

The CBDT said Rs 4 crore cash and jewellery worth Rs 3 crore were seized during the raids. "The search action has led to the detection of estimated undisclosed receipts and suspicious nature of entries aggregating to more than Rs 650 crore." **To read more Click Here**

3. Check refund status if funds not issued after 10 days of filing Income Tax Return; here's how

Income tax refunds of Rs 44,207 crore have been issued in 1.17 crore cases and corporate tax refunds worth Rs 88,174 crore have been issued in 1,99,481 cases so far.

Usually, delays in refunds occur if there are errors in ITR or a mismatch in details on ITR and those available with the tax department. Taxpayers need to respond promptly if IT Department raises a query. Tax refunds may also be witheld if ITR is rejected due to mistakes like incorrect bank account details in the ITR form.

- ❖ **On the NSDL website**

- ✓ Go to the NSDL website to track refund.
- ✓ The following web page will appear. Fill in the details, including PAN and AY and click 'Proceed'.
- ✓ Your income tax refund status will be displayed, as depicted in the following image.

❖ **On e-filing portal:**

- ✓ Log into the e-filing portal of Income Tax department by clicking here.
- ✓ Select View Returns/ Forms.
- ✓ Go to 'My Account' tab and select 'Income Tax Returns'. Click submit.
- ✓ Click on the acknowledgement number.
- ✓ A page showing your return details along with income tax refund status will appear.

To read more Click Here

4. Taxman rejects exemption on interest income of several housing societies

Several co-operative housing societies are seeing a higher tax outgo, after the revenue department sought additional taxes on income they generated during the year.

Housing societies have been claiming exemptions on income earned from other co-operatives, which in most cases is interest income on savings held in fixed deposits with co-operative banks. They have been claiming that the interest income earned from such fixed deposits with other co-operatives cannot be taxed as per the tax law.

“"In respect of any income by way of interest or dividends derived by the co-operative society from its investments with any other co-operative society, the whole of such income shall be exempt as per the income tax law," reads the Income Tax Act. Tax experts said the I-T department seems to have taken the view that only "interest" and "dividends" are exempt. Also, "interest" could be separate from the "interest income" that co-operative societies receive from fixed deposits. ***(Read complete at Click Here)***

5. Which gifts are taxable for the recipient and which ones can increase tax liability of giver

It is the season of festivals and gifting to our near and dear ones is customary. While gifting, one should be aware that there could be tax implications for both gifts given/ received. Keeping this in mind, let us look at what could these implications be for the person gifting, i.e., the giver and the receiver/beneficiary of such gifts.

(i)Non-taxable gifts

Some of the gifts which are not considered as income in the hands of the recipient and have no tax implications in the hands of the person gifting, irrespective of the amount of the gift, are as follows:

- Gifts from a relative - defined under the income-tax laws to include spouse, brothers/ sisters (and their spouses) of the individual/ individual's spouse/ individual's parents, lineal ascendants/ descendants (and their spouses) of the individual/ individual's spouse.
- Gifts on the occasion of marriage of the individual
- Gifts under a will or by inheritance
- Gifts in contemplation of death of the donor (i.e., gifts given by a person in anticipation of his/ her death in the near future)

(ii)Taxable gifts:

Other than the above exempt category, the following kinds of gifts are taxable in the hands of the recipients:

a) Money
b) Immovable property:
c) Moveable property such as gold, shares etc

It is also essential for individuals to evaluate their transactions to check if they fall under any of the taxable scenarios covered. If yes, they should voluntarily disclose the income in their individual income-tax returns as appropriate, to ensure compliance.

- ***(Read complete at Click Here)***

==

Special Corner on Income Tax Return

❖ Quick Steps to filing your income-tax returns smoothly

1) Visit https://www.incometax.gov.in for e-filing the return of income.
2) Create you login Id and Password on Income tax portal. (Register Yourself).
3) Login to e-Filing portal by entering user ID (PAN), Password, Captcha code and click 'Login'.
4) Click on the **'e-File' menu** and then click **'Income Tax Return'** link.
5) Select 'Assessment Year', Select 'ITR Form Number', Select 'Filing Type' as 'Original/Revised Return, 'Select 'Submission Mode' as 'Prepare and Submit Online' and then Continue.
6) Fill all the applicable and mandatory fields of the online ITR form.
7) Choose the appropriate Verification option in the 'Taxes Paid and Verification' tab.
8) Click on 'Preview and Submit' button, Verify all the data entered in the ITR.
9) Individuals should ensure that correct PAN, Aadhaar and TAN numbers are filed, and that the residential status is correctly determined and mentioned. They should also verify all the details filed in the ITR Form before final submission of the tax return.
10) 'Submit' the ITR after complete check.
11) The ITR filing process gets completed only on e-verification of ITR filed. There are various options available to e-verify tax return i.e. using Aadhaar OTP, using Net banking, using Demat account, using bank ATM, or by simply sending the signed physical copy of Form ITR-V to CPC Bangalore. The taxpayer must ensure that PAN and Aadhaar are linked (date for linking is currently extended to March 31, 2022) and the Indian mobile number is active to ensure smooth e-verification of returns filed. Once the e-verification is complete, tax authorities consider the return to have been

filed.se one discovers any error after filing tax return, then there is the option to file a revised India tax return within a prescribed timeline.

❑ Key Point – Must remember:

- Provide your valid Email ID and mobile number while Registration.
- On Income Tax Return Page: PAN will be auto-populated.
- Read the instructions carefully
- Use your Form 26AS to summarise your TDS payment for all the 4 quarters of the assessment year.

❑ Income tax Return: Documents needed to file ITR

- ✓ You need to select appropriate ITR form.
- ✓ Primarily you need PAN, Aadhaar card and bank statements for the financial year.
- ✓ You also need the Form 16 issued by the employer and Form 16 issued by any other entity.
- ✓ You need Form 26AS (downloadable from the income tax portal) to check how much TDS was deducted and by who.
- ✓ Details of income from other sources.
- ✓ You also need capital gains and share trading statement.
- ✓ You may also need investment documents such as PPF (Public Provident Fund), NSC (National Savings Certificate), life insurance, medical insurance, NPS (National Pension System), investment in other tax-saving instruments.
- ✓ Interest and principal repayment certificates of housing loan and donation receipt is also needed while filing ITR.

For any query or filing related assistance, please connect with CA Heer Gajjar, Expert Professional at: E- mail us caheergajjar@gmail.com & Contact number: +918320203823

❑ *Important Circulars and Notifications:*

Sl.	Particulars of the Notification(s)	File No. / Circular No.	Notification Link(s)
1.	The Central Government hereby specifies the Jeevan Akshay-VII Plan of the LIC	**Notification No. 134/2021**	Click Here
2.	Protocol amending the Agreement between the Government of the Republic of India and the Government of the Kyrgyz Republic for the Avoidance of Double Taxation and for the Prevention of Fiscal Evasion with respect to taxes on income signed at New Delhi on 13th April, 1999.	**Notification No. 135/2021/**	Click Here

3.	Income Tax Department conducts search operations in West Bengal	**Press Release ID 1780051**	Click Here
4	More than 3 crore Income Tax Returns filed on new e-Filing portal of Income Tax Department; Taxpayers who are yet to file their ITRs for AY 2021-22 advised to file at the earliest	**Press Release ID 1778222**	Click Here

❖ *Weekly Departmental updates:*

❑ *GST Updates*

1. Taxpayers can now withdraw their application for cancellation of registration (filed in Form REG-16) unless the tax officer has initiated action on it.

2. Centre clears over half of pending GST dues to states

GST collections, which have been steady in recent months, came in at Rs 1,31,526 crore in November (October sales) 2021, the second-highest mop-up in the history of the comprehensive indirect tax that was launched in July 2017.

Aided by the robust goods and service tax (GST) receipts over the last few months, the Centre has recently transferred about Rs 44,000 crore to states towards their pending GST compensation dues for FY21, sources told FE.

While the amount borrowed under the RBI-enabled mechanism last year was Rs 1.1 lakh crore, the Centre acknowledged in Parliament in September that an amount of Rs 81,179 crore was yet to be released to the states then, towards fully compensating them for their GST revenue shortfall for FY21.

The finance ministry told Parliament on Wednesday that the unpaid GST compensation to states for the year 2020-21 stood at Rs 37,134 crore, 54% lower than what was reported in September 2021. The GST cess proceeds fell short of the states' compensation requirement for the first time in FY21, thanks largely to the pandemic but also because of the series of rate cuts that brought down the weighted average GST rate to around 11%, as against a revenue-neutral rate of around 15% seen before the July 2017 launch of the destination-based consumption tax.

- ***To read more Click Here***

3. Textile industry goes on strike over GST

More than 4,000 textiles wholesale, retail shops and textile producers and merchants dealing with yarn in the district closed shutters on Friday as part of a one-day strike called for by the Erode Textile Merchants Association.

The strike was to protest against the increase in GST (goods and services tax) from 5 per cent to 12 per cent. President of Erode Cloth Merchants Association Kalaiselvan said the textile industry and its allied industries into weaving, dyeing, printing and textile trading are already facing problems of yarn price hike and pollution. ***To read more*** ***Click Here***

4. Auditors should examine GST from time to time: Shetty

The Bangalore branch of the South India Regional Council Chartered Accountants of India hosted a two-day National Convention on Goods and Services Tax (GST) on Friday at the FKCCI auditorium on Kempegowda road

The Bangalore branch of the South India Regional Council Chartered Accountants of India hosted a two-day National Convention on Goods and Services Tax (GST) on Friday at the FKCCI auditorium on Kempegowda road. The convention covered the latest amendments and practical issues related to GST.

Former President of Indian Accounting Auditor's Association (ICAI) K Raghu said, "The central government introduced a tax system on July 1, 2017. Earlier different tax regimes were in place. The auditors should now come together and suggest further changes," he said.

The Chairman of the SIRC of Chartered Accountant of India, Bhojaraj T Shetty said several changes are made to GST every year and these conferences are useful for auditors to know about these changes made from time to time. ***To read more*** ***Click Here***

5. Fuels to remain outside GST regime: CBIC

Decision in view of high revenue implications, it tells HC

A GST Council meeting had decided against the inclusion of petrol and diesel under the GST in view of high revenue implications of such decision and fiscal constraints induced by the COVID pandemic, according to a statement filed before Kerala the High Court by the Central Board of Indirect Taxes and Customs (CBIC).

The court had last time directed the CBIC to state the genuine reason why petroleum products could not be brought under the GST regime when public interest litigation seeking to include them under the GST came up for hearing.

Besides, at the time of fiscal constraints induced by the pandemic, it would be difficult to bring petroleum products under the GST regime.

It also pointed out that the Council had been empowered by the Constitution of India under Article 279A to recommend the date on which the GST could be levied on petroleum products.

Thus, the recommendation to bring the petroleum products under the GST was left to the discretion of the GST Council which was represented by the Centre, States and Union Territories. In fact, the recommendations of the Council were based on decisions taken after following the procedure under 279A of the Constitution, it said.

- ***To read more*** ***Click Here***

❑ *Important Notifications under Excise / Custom/ GST:*

GST UPDATES

Sl. No.	Particulars of the Notification(s)	File No. / Circular No.	Notification Link(s)
1	Payment of GST compensation to States in times of COVID-19 pandemic	Press Release ID: 1778931	Click Here

CUSTOM / EXCISE UPDATES

Notification No. & date of Issue	Links	Notification Particulars
68/2021-Customs (ADD), dt. 06.12.2021 (Customs)	**Click Here**	Seeks to impose ADD on "Certain Flat rolled Products of Aluminium" originating in or exported from China PR for a period of 5 years.
F.No. 401/93/2021-CUS-III (Customs)	**Click Here**	Instruction regarding Testing of coumarin in imported Cinnamon-reg

❑ *Important Case-laws*

➢ *Income Tax*

1. Reassessment – Time limit under section 150 (1)

Kalyan Ala Barot v. M.H. Rathod [2010] [328 ITR 521, Gujarat

In the instant case, the Gujarat High Court held that section 150(1) read with Explanation 2 under section 153(3) would reckon the time limit for initiation of proceedings under section 148 with reference to a finding or a direction in an order. In an appeal for the assessment year 1984-85, the finding was that the liability related to an earlier assessment for the assessment year 1983-84. This finding for the relief in the appeal for the assessment year 1984-85 constituted a finding to enable the Income-tax Department to avail the extended time limit.

In such cases, it is the language of the order on which a finding or a direction is presumed will be relevant. Even a specific direction in a different year may not fall under section 150, if such a finding or direction is not necessary for disposal of the appeal, but not whereas in this case, relief itself depended upon the finding of assessability in a different year.

Reference may also be made to the Judgment of the A.P. High Court in *C.I.T. v. G. Viswanatham*25 on the issue whether the provisions of section 150(2) of the Income-tax Act, 1961 would come to the aid of the assessee.

Held that the intention of reassessment proceedings would be bad, even when they are initiated in sequence of or to give effect to any finding or direction contained in the Appellate order, if such intention of reassessment proceedings is barred by any provision of the Act on the date of the order which was the subject matter of the Appeal.

In view of the above decisions, even if an assessment is reopened keeping in view the provisions of section 150(1), the applicability of section 150(2) of the Act is to be examined.

2. SC raps Centre over transfer of tax cases from high courts

Singh maintained that the high courts have stayed the revenue department's notices in all these cases and that an authoritative ruling by the top court could help the situation since different high courts may end up laying down different judgments.

The Supreme Court turned down the Union government's plea to transfer a clutch of cases relating to reassessment notices sent under the Income Tax Act from various high courts to the top court, observing that the Centre must stop this "practice of convenience".

"Is it a matter of convenience for the Union government to bring all matters to the Supreme Court? You want all the cases to come here and, in the process, you ensure no other court can proceed. Aren't the high courts also constitutional courts? Why can't they hear and decide a case?" a bench, headed by Chief Justice of India (CJI) NV Ramana asked additional solicitor general (ASG) Balbir Singh.

Singh, appearing for the central board of direct taxes (CBDT), had requested the Supreme Court to transfer to itself several hundreds of petitions pending before the high courts of Bombay and Calcutta on the validity of notices issued to several entities under the old provisions of Section 148 of the Income Tax Act, 1961. The ASG emphasised there are more than one lakh notices issued under Section 148 of the old Act.

"Why do you do this in every case? This has become a forum of convenience for the central government, we think. You also force all the litigants to come to the Supreme Court who want high courts to decide. We will have to stop this practice," the bench told Singh.

The Centre earlier this year moved the Supreme Court seeking transfer of several batch of cases relating to separate aspects of the 2021 Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules from various high courts to the top court.

In March, the government sought transfer of cases relating to regulating content of releases on over-the-top platforms such as Amazon Prime, Netflix, Hotstar, and Zee5.

- ***Read more at: Click Here***

❑ Important Case-laws

➢ GST Law:

1. Unbound kids' picture books to face 5% GST

Do not judge a book by its cover — this adage has obtained a whole new meaning. Given the Covid pandemic, home learning is the norm and picture books have become very popular in households with young kids. The Madhya Pradesh bench of the GST-Authority for Advance Rulings (AAR) had to decide whether a home-learning kit box's books — largely meant for pre-schoolers to develop their linguistic, logical, sensory, cognitive, creativity and other skills — would attract a nil rate of GST. Children's picture books under tariff heading 4903 are subject to a nil rate of GST. The kit box, called the 'Class Monitor Home Learning Kit' and manufactured & marketed by private company Riseom Solutions, consisted of cards, pamphlets and sheets containing images and pictures.

After going through the learning kit, the AAR observed that it is not in a book or bound form. Thus, the learning kit would be classified under tariff heading 4901, which covers 'pamphlets, booklets, brochures, leaflets and similar printed matter'. This would attract a GST rate of 5%.

However, it all boiled down to the fact that the sheets were unbound and thus the kit box's books were not eligible for a nil GST rate. It should be noted that GST rulings do not set a judicial precedent. However, they have a persuasive impact during assessment of similar cases.

- **Source: Click Here**

2. Will the order to pay GST on full amount if society maintenance exceeds Rs 7,500 a month open a Pandora's box?

If implemented, societies may find it difficult to recover GST arrears from owners or tenants who may have moved out over the years. With collections taking a hit after the coronavirus outbreak, this may lead to an additional burden on members, say experts

The GST Authority for Advance Ruling (GST-AAR), Maharashtra bench, has said that if monthly charges collected from the members of a housing society exceed Rs 7,500 a month, goods and services tax (GST) will be levied on the total amount and not on the differential value. This, say tax experts, can open a Pandora's box as societies may find it difficult to recover GST arrears from owners or tenants who may have moved out over the years. With society collections taking a hit after the coronavirus outbreak, this may lead to an additional burden for members.

In July, the Madras High Court had ruled that only an amount in excess of Rs 7,500 a month per member collected by the residents welfare associations (RWAs) is taxable under the GST.

The Maharashtra AAR also said that charges collected by the cooperative housing society on property tax, electricity charges and other statutory levies that form part of monthly maintenance bills would be excluded while calculating the limit of Rs 7,500 per month.

GST would be applicable on amount collected from members towards sinking fund, building repair fund and election and education fund as these are not deposits.

The South Mumbai society that had filed an appeal with the GST AAAR, Maharashtra bench, had like other societies collected maintenance charges from its members such as water charges, electricity charges, property taxes, contribution to repair and maintenance fund, contribution to the sinking fund, car parking charges, interest on default charges as also property taxes.

Source: Click Here

International Taxation Corner (ITC)

1. "Crypto Should Be Considered As 'Capital Asset' For Income Tax Purposes": CII

Crypto/digital tokens can be considered as capital assets'' for income tax purposes unless specifically treated as stock in trade'' by a participant/ assessee, said industry body CII

Crypto or digital tokens should be treated as securities of a special class to which the provisions of existing securities regulations will not apply, and a new set of regulations appropriate to the context should be evolved and applied, CII said in a statement.

This would mean regulatory focus principally on dealings and custody, rather than on issuance (except where issuance entails an Initial Coin Offering (ICO) to the public by an issuer established in India), it said.

Centralised exchanges and custody providers that may be established in India, must be required to register with Sebi and to adhere to KYC and AML compliance requirements that apply to financial markets intermediaries, it said, adding they should be held legally accountable and liable for the safekeeping of the crypto/digital tokens held by participants in digital wallets offered by them.

It is to be noted that the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021, has been included in the Lok Sabha Bulletin-Part II for the introduction in the ongoing winter session. The bill proposes to create a facilitative framework for the creation of the official digital currency to be issued by the Reserve Bank of India (RBI), the Bulletin said.

- **(Read more at: Click Here)**

2. CBDT Chairman says dispute resolution a 'great challenge' under global tax reform

While opportunities will rise for multinationals, the tax officials, too, will also get additional revenues in the due course, J B Mohapatra said.

Central Board of Direct Taxes (CBDT) Chairman J B Mohapatra on Friday said tackling disputes will be a great challenge in the new global tax regime which the world including India signed on to in resolution mechanism.

"The challenge, of course, will remain with regard to dispute resolution, the binding dispute resolution through the officials working multilaterally, and on a one-to-one basis, that will be a great challenge and the future will tell how strong and how conceptually comprehensive and clear are the guidelines and the SOPs that will be drawn that will hold us in a good state," CBDT Chairman JB Mohapatra said. He was speaking at FICCI's International Tax Conference 2021.

On October 8, a grouping of 136 countries including India came together to sign a global tax deal to tax etc. after the current regulations were seen as ineffective to address the taxation challenges of the digital economy.

The deal also imposes a minimum global corporate tax of 15 per cent to eliminate corporate tax arbitrage, this is pillar two solution. The pillar two covers multinationals with a global turnover of over 750 million euros.

- **(Read more at: Click Here)**

3. Swiss federal act on implementation of international tax agreements: ready for January 2022

On 10 November, the Federal Council introduced within the Swiss legal framework a new law, the federal act on the implementation of international tax agreements (ITAIA), as well as a related ordinance. These new rules will apply from 1 January 2022. As the title emphasizes, this legislation aims to update the basis for the execution of international treaties and, moreover, double taxation conventions.

- **ITAIA: new rules**

The new rules reprise some policies already in practice and further define policy in other areas. In particular, the legislation aims to provide clear rules to follow in mutual agreement procedures, particularly where the applicable convention keeps silent. Secondly, it clarifies withholding tax relief based on international agreements. Thirdly, it sets out criminal provisions related to relief from withholding taxes on investment income.

Currently, a federal law dated 22 June 1951 applies to such conventions: the federal act on the implementation of international federal conventions on the avoidance of double taxation. This law is made up of just four articles, which only grant the Federal Council the power to enact all the ordinances required to implement international agreements.

ITAIA is a step forward in adapting Swiss federal legislation to the current international scenario. Tools established through this law will grant tax authorities better instruments to operate and cooperate to prevent double taxation issues. Moreover, the law will allow greater tax certainty to both taxpayers and the administrations involved.

- **(Read more at: Click Here)**

Knowledge Bucket for NRI's

1. Effective FY21 and onwards, any dividend income from shares of an Indian company is taxable in India. If a shareholder qualifies as a 'non-resident' in India under the India income tax law, the dividend income is taxable at 20% plus applicable surcharge and 4% health and education cess on gross basis.
2. Interest income from NRE accounts (savings and fixed deposits) is exempt from tax in India, provided that Assessee qualifies as a "person resident outside India" under the exchange control law.

Do you know?

- ✓ The income of a non-resident Indian (NRI) earned in India is taxable.
- ✓ The last date to save tax for the financial year 2021-22 is March 31, 2022.
- ✓ Self-employed and salaried individuals who do not get HRA as part of their salary but are staying on rent are allowed tax benefit under Section 80GG.
- ✓ Under Section 80TTB of the income tax act, interest income earned from deposits qualifies for a deduction from one's gross total income.
- ✓ If the total value of money received by an individual during a financial year exceeds Rs 50,000, the entire amount of money received by such individual will be taxable as 'income from other sources' for that individual.

Disclaimer:

*Every effort has been made to avoid errors or omissions in this material. In spite of this, errors may creep in. Any mistake, error or discrepancy noted may be brought to our notice which shall be taken care of in the next edition. In no event the author shall be liable for any direct, indirect, special or incidental damage resulting from or arising out of or in connection with the use of this information. *(We consider various sources including ET, BS, HT, Taxmann etc.)*

Thank You

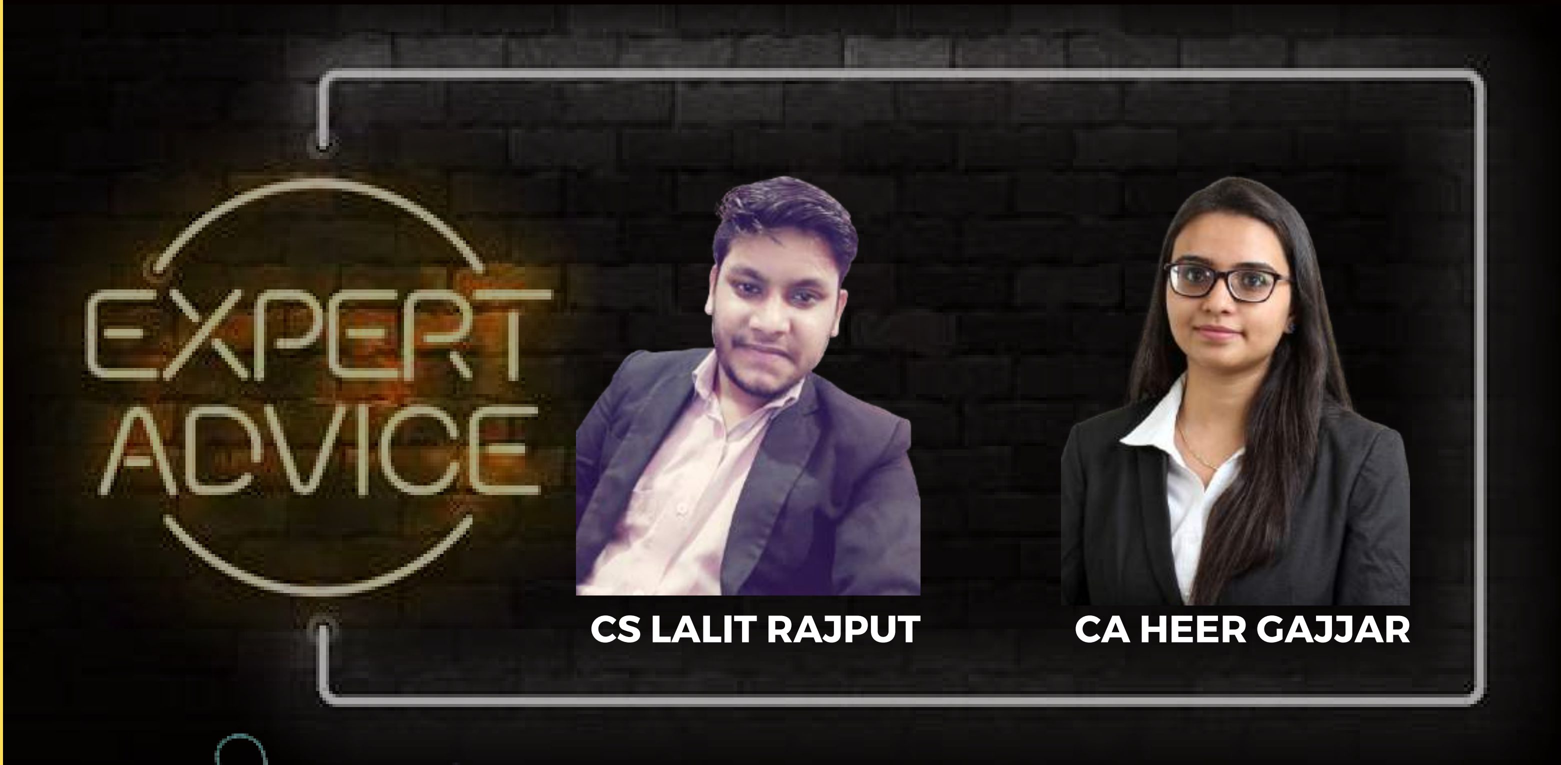
14.12.2021 - Vol. 55*

Weekly Taxation Newsletter

To subscribe us

Email us cslalitrajput@gmail.com & caheergajjar@gmail.com
Contact numbers: +91 8802581290 / +91 8320203823

55th Weekly Taxation Newsletter



We are Happy to release 55th Edition of "Weekly Taxation E-Newsletter". Stay informed on the Latest Tax News, Due Dates, Updates, Circulars, International Tax, NRI Tax News and important Case Laws.

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader." — ***-John Quincy Adams***