

## MONTHLY UPDATE

# CIRCULARS/NOTIFICATIONS ISSUED BY INCOME TAX, SERVICE TAX AND CUSTOMS

28<sup>th</sup> DECEMBER, 2016

### I. INCOME TAX

S.NO.	DATE	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY	ATTACHMENT/ LINK
1.	02.12.2016	CBDT (DIT- Systems) Notification No. 11/2016	Procedure for E- filing of Form 26A	CBDT has prescribed procedure for <b>e-filing/ furnishing and verification</b> of CA Certificate in Form 26A for removing of default/ rectification of Short Deduction/ Non Deduction of Tax at Source (TDS) defining the role of Deductor, Accountant and that of Traces.  (effective 15-01-2017)	<a href="#">Notification No. 11/2016</a>
2.	08.12.2016	CBDT (DIT- Systems) Notification No. 12/2016	Procedure for E- filing of Form 27BA	CBDT has prescribed procedure for <b>e-filing/ furnishing and verification</b> of CA Certificate in Form 27BA for removing of default/ rectification of short Collection/ non collection of Tax at Source (TCS) defining the role of Collector, Accountant and that of Traces.  (effective 15-01-2017)	<a href="#">Notification No. 12/2016</a>
3.	09.12.2016	CBDT Circular No. 40/2016	Directions under section 119 of the Income Tax Act, 1961	CBDT has issued directions/clarifications to Assessing officers regarding reopening of cases of previous years u/s 147 of the Act, where the current year turnover is higher because of use of digital means of payment or otherwise (due to demonetisation).	<a href="#">Circular No. 40/2016</a>

4.	14.12.2016	Notification No. 114/2016	Rescission of Notification No. 86/2013 dated 1 <sup>st</sup> November 2013	In order to remove Cyprus from the list of 'Notified Jurisdictional Area', Central Government has rescinded Notification No. 86/2013.	<a href="#">Notification No. 114/2016</a>
5.	16.12.2016	Notification No. [F.No.3(1)-W&M/2016]	Ministry of Finance (Dept. of Economic Affairs) Pradhan Mantri Garib Kalyan Deposit Scheme, 2016	Central Government notifies the <b>Pradhan Mantri Garib Kalyan Yojana</b> Form I to IV ( <i>to be used by declarant</i> ) and Form V ( <i>to be used by the Reporting Bank</i> ) have been notified.	<a href="#">Notification No. [F.No.3(1)-W&amp;M/2016]</a>
6.	16.12.2016	CBDT Notification No.115/2016	Pradhan Mantri Garib Kalyan Yojana, 2016	CBDT notifies December 17, 2016 to March 31, 2017 as the period during which the Pradhan Mantri Garib Kalyan Yojana, 2016 will remain in force, in terms of Sec 199 C of the Finance Act 2016.	<a href="#">Notification No. 115/2016</a>
7.	16.12.2016	CBDT Notification No.116/2016	The Taxation And Investment Regime For Pradhan Mantri Garib Kalyan Yojana Rules, 2016	CBDT notifies " <b>The Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana Rules, 2016</b> ". Form No. 1 ( <i>Declaration of Income</i> ) & Form No. 3 ( <i>Certificate of Declaration</i> ) notified.	<a href="#">Notification No. 116/2016</a>
8.	21.12.2016	CBDT Circular No. 41/2016	Clarification on Indirect transfer provision under the Income Tax Act, 2016	CBDT issues clarification on the scope of Indirect transfer provisions contained in Sec 9(1)(i) of the Act in respect of income that shall be deemed to accrue or arise in India.	<a href="#">Circular No. 41/2016</a>
9.	1.12.2016	CBDT Press Release	Taxation Laws (Second Amendment) Bill, 2016 regarding chargeability of tax of jewellery.	CBDT issues clarification that vide the Taxation Laws (Second Amendment) Bill, 2016 the tax rate u/s 115BBE has been increased from 30% to 60% plus surcharge of 25% <i>only in case of</i>	<a href="#">Press Release</a>

				<p><i>unexplained investment in assets.</i></p> <p>Further clarification provided in respect of holding of Jewellery and ornaments by married lady, / unmarried lady /male member</p>	
10.	14.12.2016	CBDT Press Release	Filing of revised Income Tax returns by the Tax payers post demonitisation of currency	Income Tax Department notifies that any instance coming to its notice which reflects manipulation in the amount of income, cash in hand, profits etc. and fudging of accounts may necessitate scrutiny of such cases so as to ascertain the correct income of the year	<a href="#">Press Release</a>
11.	19.12.2016	CBDT Press Release	Measures for promoting Digital Payments & Creation of Less Cash Economy	<p>Existing rate of deemed profit of 8% u/s 44AD reduced to 6% in respect of the amount of total turnover or gross receipts <b>received through banking channel/ digital means</b> for the financial year 2016-17. For cash transactions, existing rate of deemed profit of 8% shall continue to apply.</p> <p>Legislative amendment in this regard shall be carried out through the Finance Bill, 2017</p>	<a href="#">Press Release</a>
12.	23.12.2016	Circular No. 42/2016	Clarification on the Direct Tax Dispute Resolution Scheme, 2016	CBDT issues clarification on Direct Tax Dispute Resolution provision to address issues raised by field authorities and stakeholders.	<a href="#">Circular No. 42/2016</a>

## II. SERVICE TAX

S.NO	DATE	CIRCULAR/ NOTIFICATIO N NO.	PARTICULARS	SHORT SUMMARY	ATTACHMENT/ LINK
1.	08.12.2016	Notification No. 52/2016- Service Tax	Amendment in Notification No. 25/2012-ST dated 20 <sup>th</sup> June, 2016 (Exempt Services)	Exemption provided in respect of services by an acquiring bank, to any person in relation to settlement of an amount upto Rs 2000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.	<a href="#">Notification No. 52/2016</a>
2.	19.12.2016	Notification No. 53/2016- Service Tax	Amendment in Service Tax Rules, 1994	Service Tax Rules, 1994 has been amended so as to allow a person located in non-taxable territory providing online information and database access or retrieval services to a non-assesse online recipient to issue online invoices not authenticated by means of a digital signature for a period upto 31 <sup>st</sup> January, 2017.	<a href="#">Notification No. 53/2016</a>
3.	9.12.2016	F.No. 137.155.2012- Service Tax	Clarification regarding reopening of Past Assessment/ cases in Indirect taxes	CBEC has clarified that past assessments of Indirect Taxes will not be reopened merely because of increased turnover on account of use of digital means of payment (due to demonetization).	<a href="#">F.No. 137.155.2012- Service Tax</a>

### III. CUSTOMS

S.NO	DATE	CIRCULAR/ NOTIFICATION ON NO.	PARTICULARS	SHORT SUMMARY	ATTACHMENT/ LINK
1.	01.12.2016	CBEC Notification No.59/2016	Amendment in Notification No. 12/2012 - Custom dated 17 <sup>th</sup> March, 2016	Amendment made in notification No. 12/2012- Custom in order to withdraw CVD exemption on gold coins having gold content not below 99.5%, and gold findings other than imports of such goods through post, courier or baggage.	<a href="#">Notification No. 59/2016</a>
2.	01.12.2016	CBEC Notification No. 147/2016	Rate of Exchange	CBEC has notified the rate of exchange of conversion of foreign currency for import and export of goods for 20 currencies specified in Schedule I & Schedule II effective from 16 <sup>th</sup> December, 2016.	<a href="#">Notification No. 147/2016</a>
3.	02.12.2016	CBEC Circular No. 58/2016	Roll out of Express Cargo Clearance System (ECCS) at Courier Terminal, Sahar, Mumbai	To address the increased volumes of import/ export through courier mode, a new system known as Express Cargo Clearance System (ECCS) has been introduced as a Pilot Project with effect from 5 <sup>th</sup> December, 2016 at CSI Airport Mumbai to carry out automated assessment and clearance under the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010.	<a href="#">Circular No. 58/2016</a>

#### **Disclaimer:**

This is not a complete listing of all circulars/notifications issued during the month.

Instead it is only a listing of some of the circulars/notifications that we considered important.