

NEWSLETTER

TAX

AUG 2020

- Income Tax
- Goods and Services Tax
- Important Rulings



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Income Tax

1. Amendment in the Rule 37BC and Section 139A of the Income Tax

CBDT

Notification No.58/2020 dated 10.08.2020

[1] Rule 37BC (3) [Relaxation from deduction of tax at higher rate under section 206AA]

CBDT has provided relaxation to the below transaction from the deduction of TDS at enhanced rate when PAN not being available.

- Payment made to a non-resident who has made investment in a specified fund (being Category I or Category II Alternative Investment Fund) subject to the fulfillment of condition specified in Rule 114AAB.

[2] New Rule 114AAB [Class of person to whom provisions of section 139A shall not apply i.e. apply for PAN]

- Section 139A shall not be applicable to a non-resident who has made investment in a specified fund (being Category I or Category II Alternative Investment Fund) during the previous year if the following conditions are fulfilled, namely:-
 - the non-resident does not earn any income in India, other than income from investment in the specified fund during the previous year;
 - any income-tax due on income of non-resident has been deducted at source and remitted to the Central Government by the specified fund at the rates specified in section 194LBB of the Act; and
 - the non-resident has furnished following details and documents to the specified fund, namely:-
 - (i) name, e-mail id, contact number;
 - (ii) address in the country or specified territory outside India of which he is a resident
 - (iii) a declaration that he is a resident of a country or specified territory outside India
 - (iv) Tax Identification Number in the country or specified territory of his residence

The specified fund shall furnish a quarterly statement in which the details and documents are received by it in **Form No.49BA** electronically and upload the declaration within **15 days** from the end of the quarter of the financial year to which such statement relates.

[Notification No.58](#)

2. Insertion of New Rule 2DB [Other conditions to be satisfied by the Pension Fund]

CBDT

Notification No.67/2020 dated 17.08.2020

CBDT has specified conditions (as below) which the pension fund shall be required to fulfilled for exemption under Section 10(23FE) of the Act:-

- It is regulated under the law of a foreign country including the laws made by any of its political constituents being a province, state or local body, by whatever name called, under which it is created or established;
- It is responsible for administering or investing the assets for meeting the statutory obligations and defined contributions of one or more funds or plans established for providing retirement, social security, employment, disability, death benefits or any similar compensation to the participants or beneficiaries of such funds or plans;
- The earnings and assets of the pension fund are used only for meeting statutory obligations and defined contributions for participants or beneficiaries of funds or plans and no portion of the earnings or assets of the pension fund inures any benefit to any other private person;
- It does not undertake any commercial activity whether within or outside India;
- It shall intimate the details in respect of each investment made by it in India during the quarter within one month from the end of the quarter in **Form No. 10BBB**.
- It shall file return of income on or before the due date and furnish along with such return a certificate in **Form No. 10BBC** in respect of compliance to the provisions of clause (23FE) of section 10, during the financial year.

[Notification No.67](#)

3. Amendment in the E-assessment Scheme, 2019 [*Faceless Assessment*]

CBDT

Notification No.60/2020 **dated 13.08.2020**

The Central Government has amended the E-assessment Scheme, 2019 introduced on 12th September, 2019.

The **E-assessment** scheme of 2019 will now be known as ***Faceless assessment scheme***. The procedure laid down in the previous E-assessment scheme, has been modified as specified in the Notifications.

The new scheme shall also cover the **“Best Judgement Assessment” u/s 144** of the Act {Earlier the scheme was applicable to assessment under Section 143(3)} .

[Notification No.60](#) [Notification No.61](#)

Goods and Services Tax

1. CGST (Tenth Amendment) Rules, 2020

CBIC Notification No.
62/2020 of Central Tax – **dated 20.08.2020**

CBIC has amended the following rules of the CGST Rules, 2017:

- **Rule 8** : An option for **authentication of Aadhaar number** has been operationalized while submission of application of new registration and the date of submission of the such application shall be the date of authentication of the Aadhaar number, or **fifteen days** from the submission of the application in **Part B of FORM GST REG-01, whichever is earlier. [Effective from 21st August, 2020].**
- **Rule 9(1) & (2)**: Where the applicant fails to undergo or does not opt for authentication of Aadhaar number, the registration shall be granted only after physical verification of the place of business in the presence of the proper officer and the notice in **FORM GST REG-03** may be issued not later than **twenty one days** from the date of submission of the application. **[Effective from 21st August, 2020].**
- **Rule 9(5)**: If the proper officer fails to take any action,;
 - within a period of **3 working days** from the date of submission of the application in cases where a person successfully undergoes authentication of Aadhaar number or;
 - within the time period prescribed under the proviso to sub-rule (2), in cases where a person fails to undergo authentication of Aadhaar number or
 - within a period of **21 days** from the date of submission of the application in cases where a person does not opt for authentication of Aadhaar number; or
 - within a period of **7 working days** from the date of the receipt of the clarification, information or documents furnished by the applicant,**In such cases, the application for grant of registration shall be deemed to have been approved.**

Notification No.62

2. Computation of Interest on delay in payment of GST

CBIC Notification No.
63/2020 of Central Tax – **dated 25.08.2020**

Central government has notified the appointed date **1st September, 2020** to give the effect of below provision as amended by the Finance (No.2) Act, 2019:

“Interest on late payment of GST will be computed on the portion of the tax payable that is paid by debiting the electronic cash ledger (i.e. on the Net tax liability)” {Earlier the interest was computed on Gross liability}

Notification No. 63

3. ITC Statement Form GSTR-2B

CBIC
GSTN News & Updates– **dated 29.08.2020**

A **new Form GSTR-2B** has been made available on the GST portal which is an **auto drafted Input Tax Credit (ITC) Statement** generated for every recipient, on the basis of the information furnished by the suppliers, in their respective Form GSTR-1 (Statement of Outward supplies by regular taxpayer) & 5 (transaction details by registered Non-resident) and Form GSTR-6 filed by ISD.

Taxpayer can now **reconcile ITC generated in Form GSTR-2B**, with books of accounts using this reconciliation. GSTR 2B shall be a static document i.e. the value in GSTR 2B generated will not change once populated.

GSTR 2B shall capture the following data reported by respective supplier:

- ✚ ITC from registered supplier (other than RCM)
- ✚ ITC from input service distributor
- ✚ ITC from registered supplier under RCM
- ✚ ITC on import of Goods
- ✚ Credit notes and amendments in invoices

It shall bifurcate the input credit into credit that can be availed and credit that is to be reversed as on the date of its generation. Currently, this facility is not available in GSTR -2A.

GSTR 2B will be **generated on 12th of every month** which shall capture data reported by respective suppliers during the period 12th of previous month till 11th of current month.

This form is currently on trial basis and going forward may replace GSTR 2A for the purpose of calculation of ITC under the CGST Act.

[GSTN Updates](#)

4. Invoice wise details of Table 8A of Form GSTR-9 (Annual Return)

CBIC

GSTN News & Updates– **dated 17.08.2020**

A facility has been provided to the taxpayers ***to download invoice wise details of Table 8A*** [pertaining to details of ITC auto populated as per GSTR 2A] of Form GSTR-9, from the GST portal in ***excel format*** ***(this facility was not available earlier)***

This excel download will address issues like:

- ✚ Amount of Input Tax Credit (ITC), as pre-populated in table 8A of GSTR-9, not matching with the amount, as appearing in their Form GSTR-2A;
- ✚ To enable view details of documents auto-populated from GSTR-2A, to table 8A of Form GSTR-9.

This file can be downloaded by using **a new option of 'Document wise Details of Table 8A'** given on the GSTR-9 dashboard, from Financial Year 2018-19 onwards. Excel download option will be available once tab for filing of GSTR-9 is enabled.

[GSTN Updated](#)

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.



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