

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE FOR JAN 2020

(Circulars/Notifications released in January 2020)

30th January 2020

[Income Tax](#)

[GST](#)

[Customs Duty](#)

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I. INCOME TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBDT Circular No.1/2020 dated 03.01.2020	Relaxation of time- Compounding of Offences under Direct Tax Laws	<p>As per CBDT guidelines for compounding of offences under the Direct Tax Laws, application for compounding should be filed within 12 months from filing of complaint in the court. However, cases have been brought to the notice of CBDT where applicant could not avail the benefit of compounding in view of guidelines issued as the application was filed beyond 12 months.</p> <p>Vide Circular No. 25/2019 dated 09.09.2019, the condition of filing of application within 12 months was relaxed till 31.12.2019 as a one- time measure.</p> <p>This condition has been <i>relaxed further till 31.01.2020.</i></p> <p>Circular No. 1</p>
2.	CBDT Circular No.4/2019 dated 16.01.2020	Explanatory note on scheme of Tax deduction at source from Salaries during the FY 2019-20 under section 192 of the Income Tax Act 1961	<p>This circular provides details in respect of rates of deduction of Income tax from the payment of income chargeable under head “Salaries” during the FY 2019-20 and related provisions of the Income Tax Act 1961 and Income tax Rules,1962.</p> <p>Circular No.4</p>
3.	CBDT Notification No.1/2020 dated 03.01.2020	Notification of Form Sahaj (ITR 1) and Sugam (ITR 4) for the AY 2020- 21.	<p>CBDT has notified the following ITR Form for the AY 2020-21:</p> <p>a) Form Sahaj (ITR-1)- For Salaried Individuals being resident having total income upto Rs 50 Lakh (i.e. Salary/Pension/Family Pension, Interest Income & House property Income)</p> <p>b) Form Sugam (ITR-4)- For Individuals, HUFs and Firms (other than LLP) being a resident having total income upto Rs 50 Lakh who have opted for the presumptive income scheme as per Section 44AD, Section 44ADA and Section 44AE</p> <p><u>Gist of major changes in the ITR Forms :</u></p> <p>i) As per notification, An individual taxpayer was not allowed to file ITR 1 & ITR 4 who owns a property in a Joint- ownership. After that the Board received various concern from stakeholders and grants</p>

			<p>relaxation in the aforesaid condition that an individual taxpayer is now allowed to file the ITR 1 & ITR 4 who jointly owns a single house property. Press release</p> <p>ii) ITR 1 is not valid for such individuals who have deposited more than ₹1 crore in the bank account or have incurred ₹2 lakh or ₹1 lakh on foreign travel or electricity respectively.</p> <p>iii) If taxpayer is having a Passport, its number is to be given in the ITR.</p> <p>Notification No. 1</p>
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II. GOODS AND SERVICE TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY														
1.	CBIC Notification No. 1/2020 of Central Tax and 1/2020 of Integrated Tax – dated 01.01.2020	Enforcement of certain provisions of CGST Act 2017 prescribed in the Finance (No. 2) Act, 2019	<p>CBIC has notified provisions of section 92 to 112 & section 114 except section 92, section 97, section 100 and sections 103 to 110 of the Finance (No. 2) Act, 2019 which amending the CGST Act 2017 <i>which shall be effective from 01.01.2020.</i></p> <p><u>Highlights of these changes are as under</u></p> <table><tr><th>Section of Finance (No.2) Act, 2019</th><th>Description</th></tr><tr><td>93 <i>Section 10 of CGST Act</i></td><td>Amount of Interest or discount being consideration in respect of extending deposit, loans or advances shall not be considered for determination of value of turnover in a State or U.T</td></tr><tr><td>94 <i>Section 22 of CGST Act</i></td><td>Power of enhancement of the aggregate turnover from Rs 20 Lakh to such amount not exceeding Rs 40 Lakh in case of exclusively supply of the goods.</td></tr><tr><td>95 <i>Section 25 of CGST Act</i></td><td>Every registered person shall undergo authentication or furnish proof of possession of Aadhar Number in a manner or time as may be prescribed.</td></tr><tr><td>96 <i>Insertion New section 31A of CGST Act</i></td><td>Power to prescribe a class of registered persons who shall provide the prescribed modes of electronic payment to the recipient of supply of goods or services.</td></tr><tr><td>98 <i>Section 44 of CGST Act</i></td><td>Power to commissioner to extend the time limit for furnishing annual return.</td></tr><tr><td>99 <i>Section 49 of CGST Act</i></td><td>A registered person may transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger to the electronic cash ledger for integrated tax, central tax, State tax,</td></tr></table>	Section of Finance (No.2) Act, 2019	Description	93 <i>Section 10 of CGST Act</i>	Amount of Interest or discount being consideration in respect of extending deposit, loans or advances shall not be considered for determination of value of turnover in a State or U.T	94 <i>Section 22 of CGST Act</i>	Power of enhancement of the aggregate turnover from Rs 20 Lakh to such amount not exceeding Rs 40 Lakh in case of exclusively supply of the goods.	95 <i>Section 25 of CGST Act</i>	Every registered person shall undergo authentication or furnish proof of possession of Aadhar Number in a manner or time as may be prescribed.	96 <i>Insertion New section 31A of CGST Act</i>	Power to prescribe a class of registered persons who shall provide the prescribed modes of electronic payment to the recipient of supply of goods or services.	98 <i>Section 44 of CGST Act</i>	Power to commissioner to extend the time limit for furnishing annual return.	99 <i>Section 49 of CGST Act</i>	A registered person may transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger to the electronic cash ledger for integrated tax, central tax, State tax,
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			<p>Union territory tax or cess, in such form and manner as may be prescribed and such transfer shall be deemed to be a refund from the electronic cash ledger.</p> <p>101 <i>Section 52 of CGST Act</i></p> <p>A new proviso inserted which stipulate that commissioner may extend the time limit for furnishing the statement.</p> <p>102 <i>Insertion of new section 53A of CGST Act</i></p> <p>If any amount has been transferred from electronic cash ledger under CGST to electronic cash ledger under SGST or UTGST</p> <p>112 <i>Section 171 of CGST Act</i></p> <p>If the Authority concludes after holding examination, that any registered person has profiteered u/s 117(1) of the CGST Act 2017, such person will be liable to pay penalty equivalent to 10% of the amount so profiteered. No penalty shall be levied when profiteered amount is deposited within 30 days of date of passing the order by the Authority.</p> <p>114 <i>Insertion of new section 17A of CGST Act</i></p> <p>New section 17A inserted related to transfer of amount from Electronic Cash ledger under CGST to the electronic cash ledger under SGST or the UTGST. The Central Government shall transfer to the State tax account or the Union territory tax account, an amount equal to the amount transferred from the electronic cash ledger, in such manner and within such time, as may be prescribed.</p> <p>Notification No. 1/Central Tax</p> <p>Notification No. 1/Integrated Tax</p>
2.	CBIC Notification No. 2/2020 of Central Tax – dated 01.01.2020	Central Goods and Services Tax (Amendment) Rules, 2020	<p>CBIC has made certain amendments in the CGST Rules 2017, effective from 01.01.2020.</p> <p>Gist of major amendment are as under:</p> <p>A] Rule 117(1A):- Extension of the date for submitting the declaration electronically in FORM GST TRAN-1 by a further period not beyond 31st March, 2020, in respect</p>

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			<p>of registered persons who could not submit the said declaration by the due date on account of technical difficulties on the common portal.</p> <p>B] Rule 117(4)(b)(iii):- Registered persons may submit the statement in FORM GST TRAN-2 by 30th April, 2020.</p> <p>Notification No. 2</p>
3.	CBIC Notification No. 3/2020 of Central Tax - dated 01.01.2020	Amendment in the transition plan for the UTs of J&K and Ladakh	<p>CBIC has further amended (as below) the transition plan for UTs of J&K and Ladakh.</p> <p>Taxpayer has an option to transfer the input tax credit (ITC) from the registered GSTIN, till the 31st December, 2019 (Earlier 30th October, 2019) in the State of Jammu and Kashmir, to the new GSTIN in the Union territory of Jammu and Kashmir or in the Union territory of Ladakh from 1st January, 2020 (Earlier 31st October, 2019).</p> <p>The balance of State taxes in electronic credit ledger of registered persons whose principal place of business lies in the Union territory of Ladakh from 1st January, 2020 (Earlier 31st October, 2019), shall be transferred as balance of Union territory tax in the electronic credit ledger.</p> <p>Notification No. 3</p>
4.	CBIC Notification No. 4/2020 of Central Tax - dated 10.01.2020	Waiver of late fees for non- filing of FORM GSTR-1 from July, 2017 to November, 2019.	<p>Central Government has waived the late fee for all taxpayers who failed to furnish the details of outward supplies in FORM GSTR-1 for the month/quarters from July 2017 to November 2019, if the same are filed by 17.01.2020 (Earlier 10.01.2020).</p> <p>Notification No.4</p>
5.	CBIC Circular No. 131/1/2020 - GST dated 23.01.2020	Standard Operating Procedure (SOP) for Exporters	<p>CBIC has observed several cases where Input Tax Credit (ITC) was taken by the exporters on the basis of fake invoices and IGST on exports was paid using such ITC.</p> <p>To mitigate such risk, CBIC has issued standard Operating Procedures to be followed for verification of Input claimed & GST paid by the exporters.</p> <p>Circular No. 131/1/2020</p>
6.	Press Release- Finance Ministry dated 22.01.2020	Recommendation for changes in due date of filing the GSTR-3B	<p>Considering the difficulties faced by trade and industry in filing of returns, Finance Ministry has recommended changes in the due date for filing GSTR-3B in a staggered manner.</p>

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			<p>The following due date for filing GSTR-3B is recommended:</p> <table><tr><th>Particulars</th><th>Due Date</th></tr><tr><td>Annual Turnover of Rs 5 crore and above in the previous financial</td><td>20th of every month without late fees</td></tr><tr><td>Annual Turnover below Rs 5 crore- <u>22 States/UTs</u> of Jammu and Kashmir, Laddakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha having annual turnover below Rs 5 crore in previous financial year will now be having last date of filing the GSTR-3B as 24th of the month without late fees.</td><td>24th of every month without late fees</td></tr><tr><td><u>15 States/ UTs</u>, i.e., Chhattisgarh, Madhya Pradesh, Gujarat, Daman and Diu, Dadra and Nagar Haveli, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Telangana and Andhra Pradesh</td><td>22nd of every month without late fees</td></tr></table> <p>The necessary notification in this regard would be issued by the competent authority.</p> <p>Press Release</p>	Particulars	Due Date	Annual Turnover of Rs 5 crore and above in the previous financial	20 th of every month without late fees	Annual Turnover below Rs 5 crore- <u>22 States/UTs</u> of Jammu and Kashmir, Laddakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha having annual turnover below Rs 5 crore in previous financial year will now be having last date of filing the GSTR-3B as 24 th of the month without late fees.	24 th of every month without late fees	<u>15 States/ UTs</u> , i.e., Chhattisgarh, Madhya Pradesh, Gujarat, Daman and Diu, Dadra and Nagar Haveli, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Telangana and Andhra Pradesh	22 nd of every month without late fees
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III. CUSTOMS DUTY

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBIC Notification No. 05/2020-Cus (NT) dated 16.01.2020	Rate of Exchange	CBIC 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 17-01-2020. Notification No. 5

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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