

**Just 5 Minutes**

TAXCON<sup>TM</sup> INDIA PRIVATE LIMITED

# INCOME TAX ACT

## 1. *UAE new law for corporate tax matters*

The United Arab Emirates (UAE) Ministry of Finance has published Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law). It provides the legislative framework for corporate tax in the UAE on business profits. The Decree-law shall apply to Tax Periods commencing on or after June 01, 2023.

## 2. *Manual filing of Form 10F allowed for not having PAN*

To claim relief under a DTAA, an assessee is required to furnish a Tax Residency Certificate along with Form 10F which is to be filed electronically. To address genuine hardship, the CBDT has allowed the manual filing of Form 10F in case of non-residents who are not having PAN and are also not required to obtain PAN under the Income-tax Act. The relaxation is available till March 31, 2023.

# INCOME TAX ACT

### 3. *New SOPs for filing SPL in Supreme Court*

The Central Board of Direct Taxes (CBDT) has issued new standard operating procedures (SOPs) for the filing of appeals and special leave petitions (SLPs) by the Income Tax Department in the Supreme Court of India. These SOPs have been implemented in response to the Supreme Court's directive to adopt information and communication technology in order to streamline, monitor, and facilitate seamless integration of all stages in government revenue litigation.

# GST

## 1. *Key Recommendations of 48th GST Council Meeting*

- a) The Council approved the amendments for allowing unregistered suppliers and composition taxpayers to make intra-state supply of goods through E-Commerce Operators (ECOs), subject to certain conditions. The council has recommended that the scheme may be implemented w.e.f. 01-10-2023.
- b) The Council also clarified that:
  - (i) The higher rate of compensation cess of 22% is applicable to SUVs having engine capacity exceeding 1500 cc, length exceeding 4000 mm and a ground clearance of 170 mm or above.
  - (ii) No GST is payable where the residential dwelling is rented to a registered person if it is rented it in his/her personal capacity for use as his/her own residence and on his own account and not on account of his business

c) Decriminalisation of offences

(i) Obstruction of duties of an officer, the threshold amount of tax for launching criminal offence under GST increased from the current limit of Rs.1 crore to 2 crores, except where fake invoices are involved and to reduce the workload of courts decriminalised the compounding of offence up to a limit.

(ii) The tax threshold for launching prosecution or taking criminal action is increased from Rs.1 crore to Rs.2 crore, except for fake invoices. In other words, offences pertaining to the issuance of invoices without the sale of goods or services or both or dealing with fake invoices continue to be prosecuted if the tax amount is more than Rs.1 crore.

(iii) Reduction in the compounding amount from the current tax range of 50%-150% to the range of 25%-100%

# CASE LAWS - INCOME TAX

## 1. *ACIT v. Sunil B Dalal*

It is held that proviso to section 50C inserted vide Finance Act, 2020 with effect from April 01, 2021 enhancing tolerance band limit for difference between stated sale consideration and stamp duty value from 5% to 10% would be applicable retrospectively with effect from April 01, 2003.

## 2. *ITO v. Vinod Gugnani*

It has been held that where assessee invested entire amount of sale consideration of a residential house towards construction of a new house well within stipulated time period of three years from date of sale in compliance with section 54(1), he could not be denied benefit of exemption under section 54 merely because he deposited said amount in capital gain account with a delay of 31 days.

# CASE LAWS - INCOME TAX

## 3. *CIT (Intl Taxation) v. Westin Hotel Management LP*

It has been held that payments received by assessee, US company from its Indian customers on account of centralized services viz. sales and marketing, loyalty programs, reservation service, technological service, operational services and training programs/human resources being incidental to main service did not constitute 'Fee for Technical Services' as defined under section 9(1)(vii) or 'Fee for included services' as defined under articles 12(4) (a) of Indo-US DTAA.

## 4. *Tumkur Minerals (P.) Ltd. v. JCIT*

It has been held that notice u/s 148 issued for assessee's failure to truly & fully disclose material facts is to be quashed if Assessing Officer's reasons do not specify the material fact/s not so disclosed.

# CASE LAWS - INCOME TAX

## 5. *Natma Securities Ltd. v. ACIT*

It has been held that the date of deposit of cheque with bank to be taken as date of payment. The ITAT waives off interest on late deposit of TDS under section 201(1A)



# CASE LAWS - INDIRECT TAX

## 1. *Curil Tradex (P) Ltd. v Commissioner, Delhi GST*

It has been held that where after physical verification of assessee's premises in absence of authorized representative that too without giving prior notice to assessee, registration was cancelled, matter was to re-adjudicated.

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