



LATEST NEWS AND HIGHLIGHTS

USISPF along with key members participated in an intensive in-person consultation with the office of the Pr. Commissioner, Directorate of International Customs to discuss long-standing challenges in implementation of CAROTAR provisions on the ground and its impact on ease of doing business.

Following this round of consultations, the Forum shall shortly be making a submission detailing the challenges faced by industry.

GST Council issues Memo addressing arbitrary practices followed by field offices in issuing show cause notices

G20 Finance Ministers and Central Bank Governors reaffirm commitment to Two Pillar Framework at Meeting in Washington D.C.

Forum participates in closed-door consultations organized by Ministry of Finance to discuss Transfer Pricing laws

Forum submits industry feedback on Draft Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2022

Forum makes submission to All India Customs Consultative Group, DGEF

US-INDIA TAX FORUM'S ADVOCACY EFFORTS

GST

- Advocacy on legislative and procedural issues
- Advocacy with Goods and Services Tax Network (GSTN) around technical issues
- Engagement with Group of Ministers on GST Rate Rationalisation
- Practical challenges faced during GST audits requiring state wise/ GSTIN wise financial statements
- Clarification on reimbursement of ESOP provided by parent company being classified as import of service

CUSTOMS AND EXCISE

- Advocacy efforts for release of outstanding SEIS refunds
- Amendment in custom duty benefits for Oil & Gas sector
- Issues and challenges under CAROTAR rules and Faceless Assessments
- Determination of RoDTEP rates for exports from designated areas
- Duty rationalisation requests
- Challenges in implementation of Advanced Analytics in Indirect Taxation (ADVAIT) Module under Customs

CORPORATE TAX

- Recommendations for policy and procedural changes in Indian Transfer Pricing regime
- Challenges emerging from implementation of TDS under Section 194-O of the Income Tax Act
- Parity in corporate income tax rate for domestic and foreign companies in oil & gas sector

OTHER ADVOCACY EFFORTS

Recommendations/ comments on tax proposals under draft Development of Enterprise and Service Hubs (DESH) Bill, 2022

UPCOMING EVENTS

- Consultation with GST Network to discuss technical issues
- Pre-Budget roundtable with Ministry of Finance
- Consultation with Tax Research Unit, CBIC for oil and gas sector

PAST EVENTS

- Consultation with Ministry of Finance on Customs laws and policies
- Virtual Briefing on additional guidelines issued by CBDT on TDS under Section 194R of Income Tax Act
- Consultation with officials at GST Policy Wing to discuss industry concerns

US-INDIA TAX FORUM SOLICITS INPUTS ON

- Key issues in the current Transfer Pricing policy and regulatory regime in India
- Practical challenges faced during GST audits requiring state wise/ GSTIN wise financial statements

RECENT TAX RULINGS

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On the Transfer Pricing front, [Delhi HC](#) upheld deletion of TP-adjustment for royalty payment and held that consideration of certain comparables would make payment of royalty at 'arm's length', thereby not necessitating any adjustment. In another case, [Delhi ITAT](#) called out the failure on tax authorities' part to consider being informed about merger despite relevant details being filed by assessee and held assessment order passed in the name of a non-existent merged entity as non-est/ invalid. [Pune ITAT](#) dismissed assessee's plea challenging validity of final assessment order due to non-service of DRP's direction by holding that such non-service would not vitiate the final assessment order itself since " (such service) is only a procedural requirement put in place by delegated legislation, without any corresponding provision in the enactment" .

In the context of India-US DTAA, Delhi ITAT held that [Ariba Inc.'s](#) online auction income from Indian subsidiary is not taxable as royalty in India and marketing support services provided by an Indian company's US subsidiary [Anand NVH Inc.](#), to be not taxable as FIS. Likewise, [Bangalore ITAT](#) held that sales & marketing services rendered to Indian-entity by US-subsidiary in American markets are not taxable as FIS. In another ruling, [Delhi ITAT](#) upheld invocation of MFN Clause in India-France DTAA for extending the benefit of 'make available' clause under India-UK DTAA; [Jaipur ITAT](#) held that Equalisation Levy is not chargeable on Google Ads payment where advertisers and target audience are located overseas. [Bangalore ITAT](#) held that payments made by Google India to Google Ireland under AdWords Programme are not taxable as royalty under India-Ireland DTAA. [Ahmedabad ITAT](#) deleted penalty imposed on Shell Global by holding that 'base-erosion' is a debatable issue and a different approach in profit-attribution is not a sufficient basis for imposition of penalty. [Delhi ITAT](#) extended the benefit of India-UK DTAA to a fiscally transparent UK-based law firm for the period prior to the amendment of Protocol to the DTAA by following [Mumbai ITAT](#) ruling in Linklaters LLP.

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OTHER TAX NEWS

GST

- Extension of due date of filing Form GSTR-3B
- Reconstitution of Group of Ministers on GST System Reforms notified

CUSTOMS AND EXCISE

- CBIC amends Project Imports Regulations to exclude solar power plants from the category of Power Projects

Corporate & International Tax

- Due date for tax return filing for AY 2022-23 extended by a week
- Ministry of Finance sets up panel to address issues faced by venture capital and private equity firms
- OCED invites public comments on its Progress Report under Pillar One of BEPS
- OECD releases new global tax transparency framework on crypto-assets

To contribute to our ongoing discussions on these matters, please write to [@Shweta Kathuria](#) and [@Anikha Ashraf](#)

US-India Strategic Partnership Forum [www.usispf.org](#) US-India Tax Forum [www.usindiataxforum.org](#)