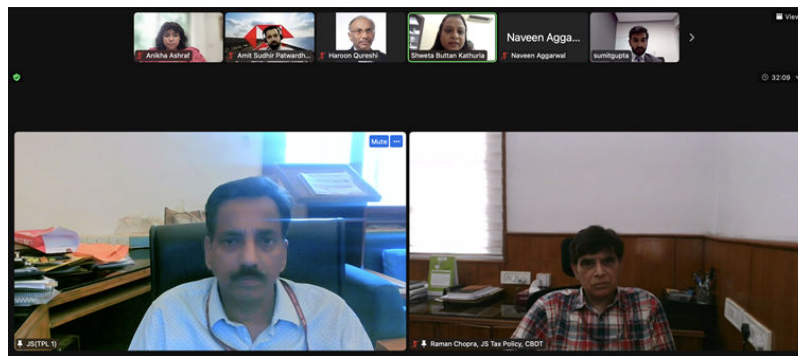
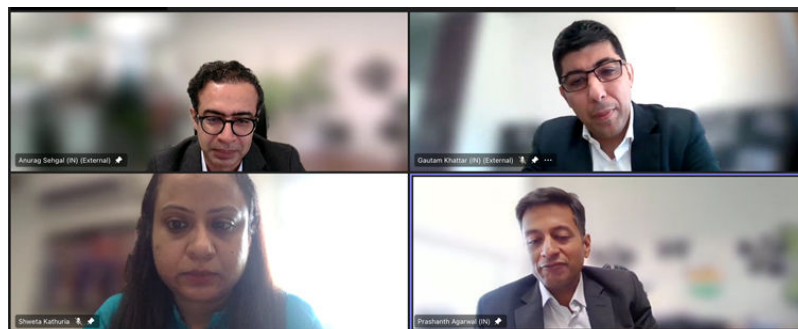




LATEST NEWS AND HIGHLIGHTS



Virtual consultation with Tax Planning & Legislation Unit, Ministry of Finance to discuss implications of Tax Collection at Source (TCS) on employee contribution toward employee stock compensation schemes



Virtual briefing session on 'Business Imperatives of Free Trade Agreements' led by knowledge partners Price Waterhouse Cooper LLC India

Meeting with GST Council Secretariate to discuss industry observations on the recently introduced guidelines on taxability of online gaming

Submission to Ministry of Finance detailing industry feedback on implications of non-disclosure of foreign assets in Income Tax Return

RECENT ADVOCACY OUTCOMES

- CBDT issues [guidelines](#) and [notifies Rule 11UACA](#) to clarify the taxation of sum received under a life insurance policy (other than Unit Linked Insurance Policy)
- Applicability of Safe Harbour Rules [extended to Assessment Year 2023-24](#). Forum had undertaken extensive engagement with Ministry of Finance over the course of last year and continues to provide recommendations on behalf of industry for improvement of Transfer Pricing laws.

OTHER TAX NEWS



Direct Tax

- CBDT releases [Handbook on Board for Advance Rulings](#)
- CBDT [notifies](#) selection procedure and appointment terms for Dispute Resolution Committee
- CBDT issues [guidelines](#) and [notifies Rule 11UACA](#) to clarify the taxation of sum received under a life insurance policy (other than Unit Linked Insurance Policy)

- Applicability of Safe Harbour Rules [extended to Assessment Year 2023-24](#)



GST

- Ministry of Finance issues [notifications](#) pursuant to enforcement of Finance Act 2023 and decisions taken in 50th GST Council Meeting. [Read More](#)
- Parliament approves amendments to GST laws pertaining to online gaming, racing, and casinos pursuant to recommendations of 51st GST Council Meeting. [Read More.](#)

OTHER ONGOING ENGAGEMENTS



CUSTOMS

- Recommendations for supply chain optimisation through negotiation of key elements in Free Trade Agreements (FTAs)
- Joint advocacy with CBIC and MeitY to discuss impact of amendments to MOOWR Scheme
- Rationalisation of customs duty on import of Rare Disease drugs
- Customs Duty exemption on capital assets used in developing projects for renewable business
- Continuation of customs duty exemptions provided to Oil & Gas companies



DIRECT TAXES

- Applicability of TCS provisions on employee contribution toward employee stock compensation schemes
- Clarity on taxation of sum received under a life insurance policy (other than Unit Linked Insurance Policy)
- Implications of non-disclosure of foreign assets in Income Tax Return
- Implications of TDS on winnings from online gaming
- Advocacy with CBDT to discuss issues in mandatory e-filing of Form IOF for non-residents



GST

- Continued advocacy to seek clarity on the recently introduced guidelines on taxability of online gaming
- Cross-sectoral policy and procedural issues under GST laws including:
 - Reimbursement of ESOP provided by parent company classified as import of service
 - Clarification regarding place of supply for transportation of goods (including mail and courier) when either supplier or recipient of service is located outside India
 - Demand on notional fee for loans from group companies
 - GST on use of common logo, trademark, or brand name
 - Clarification on Lost-in-hole equipment and GST
 - Reverse charge liability under GST on payment to Expatriate employees
 - Rationalisation of GST on capital goods/ spares used to setup advanced biofuel projects
 - Rationalization of GST rate on carbonated fruit-based drinks



EXPORT INCENTIVES SCHEMES

- Issues in implementation of RoDTEP Scheme
- Advocacy with Directorate General of Foreign Trade (DGFT) in claiming of refunds under Service Exports from India Scheme (SEIS)

THOUGHT LEADERSHIP



USISPF Whitepaper on Multilateral Framework for International Tax Co-Operation

RECENT TAX RULINGS

In association with



In the International Tax arena, Delhi ITAT held that cloud computing services provided by [Amazon Web Services, Inc.](#) is not taxable as Fee for Included Services (FIS) under Article 12(4)(b) of India-US DTAA as the 'make available clause' was not satisfied. ITAT also denied the taxability of cloud computing services as royalty under Article 12(3) of the India-US DTAA. In another ruling, [Mumbai ITAT](#) held that if the activity carried out by a foreign company's Permanent Establishment in India is held to be at arm's length price (ALP), then nothing further survives to be taxed in India.

In Transfer Pricing, [Delhi High Court](#) upheld deletion of Bright Line Test (BLT) based adjustment of advertising, marketing and promotion (AMP) by relying on assessee's own case for an earlier year and the case PepsiCo India wherein BLT based AMP adjustment was deleted due to absence of an international transaction. Lastly, [Delhi ITAT](#) held that deferred shares held in AE were akin to ordinary shares and confirmed the transfer pricing adjustment on redemption of such deferred shares based on ordinary share valuation.

[Read More at Taxsutra.com](#)

UPCOMING EVENTS

- Joint consultation with CBIC and Department of Telecommunications to discuss interpretational issues emerging from Circular on classification of telecom products and equipment – August 24
- Consultation with GST Policy Wing, CBIC to discuss GST policy & procedural issues impacting ease of doing business – September 6
- Consultation with CBIC on Customs Circular requiring additional qualifiers for import/export of specified chemicals – September 5
- Briefing session on Compliance & Regulatory Framework for Indian Corporates

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

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