

## **Forum hosted discussion with CBIC on ‘Trade Facilitation measures including Faceless Assessment under Customs**

Ministry of Finance, Government of India, introduced the first and second phase of country-wide faceless assessment in June 2020 and August 2020, respectively. Considering the encouraging results, CBIC has decided to roll out the faceless assessment across India, at all ports of import and for all imported goods by 31 October 2020. Introduction of faceless assessment is part of the string of reforms called “Turant Customs”. This includes paperless customs through intelligent e-Sanchit and Machine Release, or end-to-end automated clearance, without officer interface at any stage. In this regards USISPF hosted an Interactive session on Trade Facilitation measures including Faceless Assessment under Customs with Central Board of Indirect taxes & Customs officials and Deloitte India.

## **Forum submitted request with CBIC for addressing industry concerns pertaining to customs clearance of telecom products including duties on networking equipment and system generated valuation queries**

As the industry continued to navigate through new challenges and commences business activity we brought to the attention of CBIC few concerns pertaining to duties levied on telecom products and the delays in clearances on account of the Artificial Intelligence tool being deployed at the ports.

## **CBIC extends time-limit for issuing invoices w.r.t. goods sent on approval for sale or return basis**

Central Board of Indirect Taxes and customs issues notification extending the time limit for compliance u/s 31(7) i.e. issuing invoices in case of goods being sent or taken out of India on approval for sale or return, which falls between March 20, 2020 to October 30, 2020 to October 31, 2020. Click [here](#) for the notification.

## **GST policy wing issues instruction to tax authorities for recovery of interest on net liability effective July 01, 2017**

In a recent instruction issued by Principal Commissioner, dated September 18, 2020, tax authorities have been advised that for the period July 01, 2017 to August 31, 2020 only interest needs to be recovered on the net cash tax liability (i.e. the portion of the tax that has been paid by debiting the electronic cash ledger or is payable through cash ledger. Further it has been clarified that wherever SCN have been issued on gross tax payable, the same may be kept in Call book till the retrospective amendment in section 50 of CGST Act is carried out.

## **Government introduces The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Bill, 2020**

With the commencement of the monsoon session of the Parliament, the Government has introduced The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Bill, 2020 before the Lok Sabha , which seeks to replace the Ordinance. Thus, all the provisions of the Ordinance and subsequent Central Board of Direct Taxes (CBDT) notifications/press releases issued in connection thereto are now proposed to be incorporated/codified in the 2020.

Some additional amendments to the Income Tax Laws include

- Extension of tax exemption/concession in the hands of Category III Alternative Investment Fund located in International Finance Service Centre (IFSC) and its non-resident unitholders.
- Surcharge on dividend income of Foreign Portfolio Investors (FPI) to be capped at 15%.
- Deferment of new procedure of registration and approval of certain non-profit entities introduced through the Finance Act (FA) 2020 till 1 April 2021.
- Incorporation of Faceless Assessment Scheme, 2019 (Faceless Scheme ) in the ITL and also empowering the CG to notify schemes for conducting various proceedings under the ITL. These schemes include transfer pricing proceedings, reassessment proceedings, rectification proceedings, proceedings relating to verification of information, appeal proceedings before Income Tax Appellate Tribunal, revision proceedings, withholding proceedings, proceedings in relation to collection and recovery of tax, proceedings relating to initiation of prosecution etc., in faceless and team-based manner with dynamic jurisdiction to the extent that is technologically feasible.
- Extension of the date for payment without additional amount to 31 December 2020 under the Direct Tax Vivad se Viswas Act, 2020 (VSVA).

### **Forum to submit recommendations on Tax incidence relating to COVID linked Global mobility issues**

As the world deals with disruption caused by the Pandemic and adopt measures to return to normalcy, containment measures ranging from lockdowns to ban on international travel may have resulted in employees of MNCs/U.S based entities to be stranded in non-home office locations/India. Recent announcement by the U.S to suspend H1B and other visas, are seen as an effort to augment employment in the U.S and may have also caused such visa holders to continue working from India for longer than planned/permissible. These can lead to concerns from a tax standpoint, such as creation of a taxable presence of the employer in India due to extended periods of stay by their employees, impact on employees taxation in India due to applicability of domestic residency rules as well as social security implications etc. Immigrations matters in such cases also add to the complications. While the OECD has expressed its views to address potential tax implications arising due to COVID, the Indian Revenue has limited its guidance to tax residency rules for such individuals which currently is applicable for year ended 31 March 2020. We are working on a detailed note with suggestions and scenarios in which these relaxations are needed which we intend to submit to CBDT by next week.

For further details please reach us [here](#)