

## MONTHLY UPDATE


### CIRCULARS/NOTIFICATIONS ISSUED BY INCOME TAX, SERVICE TAX AND CUSTOMS

30<sup>th</sup> JULY, 2016

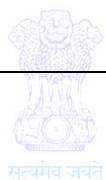
#### I. INCOME TAX

| S.NO. | DATE       | CIRCULAR/<br>NOTIFICATION<br>NO. | PARTICULARS  | SHORT SUMMARY   | ATTACHMENT/<br>LINK                          |
|-------|------------|----------------------------------|--|---|--|
| 1.    | 28.06.2016 | Notification<br>No. 55/2016      | Income-tax (19th<br>Amendment),<br>Rules,<br>2016.                                   | CBDT notifies rules for<br>computation of Fair Market<br>Value of assets held by a<br>foreign company.  | <a href="#">Notification No.<br/>55/2016</a> |
| 2.    | 06.07.2016 | Notification<br>No. 57/2016      | Arm's length<br>price determined<br>under section<br>92C of Income-<br>tax Act, 1961 | Central Government hereby<br>notifies that where the<br>variation between the arm's<br>length price determined<br>under section 92C and the<br>price at which the<br>international transaction or<br>specified domestic<br>transaction has actually been<br>undertaken does not exceed<br>one percent of the latter in<br>respect of wholesale trading<br>and three percent of the<br>latter in all other cases, the<br>price at which the<br>international transaction or<br>specified domestic<br>transaction has actually been<br>undertaken shall be deemed<br>to be the arm's length price<br>for Assessment Year 2016-<br>2017. | <a href="#">Notification No.<br/>57/2016</a> |

|    |            |                         |  |  |   |
|----|------------|-------------------------|--|--|---|
| 3. | 06.07.2016 | Press Release           | Applicability of Income Computation and Disclosure Standards (ICDS) notified under section 145 (2) of the Income - tax Act, 1961 | CBDT has decided that ICDS shall be applicable from 01.04.2016 i.e previous year 2016-17 (Assessment Year 2017-18).  | <a href="#">Press Release</a>           |
| 4. | 14.07.2016 | Circular No 27/ 2016    | Clarification on the Income Declaration Scheme, 2016   | In order to address queries received from public relating to the Income Declaration scheme, CBDT has issued circular in question and answer form.  | <a href="#">Circular No 27/ 2016</a>    |
| 5. | 20.07.2016 | Notification No.59/2016 | Amendment in Notification No. S.O.1830 (E) dated 19 <sup>th</sup> May 2016.  | <p>Time limits for payment of tax under the Income Declaration Scheme 2016 modified.</p> <p>Tax and surcharge payable under section 184, and penalty payable under section 185 in respect of undisclosed income shall be as follows;</p> <ul style="list-style-type: none"> <li>• On or before 30.11.2016 – not less than 25% of such tax, surcharge and penalty.</li> <li>• On or before</li> </ul> | <a href="#">Notification No.59/2016</a> |

|    |   |                          |   |   |  |
|----|---|--------------------------|---|---|--|
|    |   |                          |   | <p>31.03.2017 - not less than 50% of such tax, surcharge and penalty.</p> <ul style="list-style-type: none"> <li>On or before 30.09.2017 - whole amount as reduced by amount already paid.</li> </ul>   |  |
| 6. | 20.07.2016  | Notification No. 60/2016 | Income Declaration Scheme, (Amendment) Rules, 2016.   | Form-1 of Income Declaration Scheme, Rules, 2016 has been modified  | <a href="#">Notification No. 60/2016</a> |
| 7. | <br>22.07.216 | Press Release            | Paperless PAN & TAN application process   | <p>CBDT has introduced a Digital Signature Certificate (DSC) based application procedure for allotment of PAN /TAN to company applicants and Aadhaar e-Signature based application process for allotment of PAN to individual applicants</p>  | <a href="#">Press Release</a>            |
| 8. | 25.07.2016  | Press Release            | Draft Rules for determination of amount received by Company in respect of shares under section 115QA of Income-tax Act, 1961. | Definition of "distributed income" has been amended with effect from 01.06.2016, to mean the consideration paid by the company on buy back of shares as reduced by the amount, which was received by the company for issue of such shares, determined in the manner as may be prescribed. | <a href="#">Press Release</a>            |

|    |            |                      |   |  |                                      |
|----|------------|----------------------|---|--|--------------------------------------|
|    |            |                      |   | CBDT has formulated draft rules for determination of amount received by a Company in respect of use of shares under different circumstances.   |                                      |
| 9. | 27.07.2016 | Circular No. 28/2016 | Clarification regarding attaining prescribed age of 60/80 years in case of Senior/Very Senior Citizens. | CBDT has clarified that a person born on 1 <sup>st</sup> April would be considered to have attained the prescribed age of 60/80 years on 31 <sup>st</sup> March, the day preceding the anniversary of his birthday and would be considered as Senior/Very Senior Citizens on such basis. | <a href="#">Circular No. 28/2016</a> |



Income Tax Department

Department of Revenue, Ministry of Finance, Government of India

## II. SERVICE TAX

| S.NO. | DATE       | CIRCULAR/<br>NOTIFICATION<br>NO. | PARTICULARS   | SHORT SUMMARY   | ATTACHMENT/<br>LINK                              |
|-------|------------|----------------------------------|---|---|--|
| 1.    | 22.07.2016 | Instruction                      | Permission to pay Service Tax through non electronic modes  | Jurisdictional Deputy or Assistant Commissioner may allow the assessee to deposit Service Tax by non-electronic mode provided that the reason for the same to be recorded in writing.                 | <a href="#">Instruction</a>                      |
| 2.    | 27.07.2016 | Circular<br>No.196/06/2<br>016   | Instructions regarding provisional attachment of property under section 73C of Finance Act, 1994. | CBEC has instructed the authorities giving orders of provisional attachments of property that it is mandatory to issue notice giving 15 days time to assessee to reply before attaching the property. | <a href="#">Circular<br/>No.196/06/201<br/>6</a> |





## Central Board of Excise and Customs

Department of Revenue, Ministry of Finance, Government of India

Lovi Mehrotra & Associates, Chartered Accountants  
21-22, II Floor, Krishna Nagar, Safdarjung Enclave, New Delhi - 110029  
Ph. +919718355727 , Email ID: a.tyagi@lma.co.in

### III. CUSTOMS

| S.NO. | DATE       | CIRCULAR/<br>NOTIFICATION<br>NO.    | PARTICULARS  | SHORT SUMMARY   | ATTACHMEN<br>T/<br>LINK                  |
|-------|------------|-------------------------------------|--|---|--|
| 1.    | 06.07.2016 | Circular<br>No.<br>31/2016          | Sale of goods at<br>Duty Free Shops<br>(DFSs) in Indian<br>Currency  | CBEC has permitted passengers to purchase goods at DFSs in Indian rupees not exceeding Rs.25000/- .<br><br>CBEC has also instructed the DFSs to display the prices in Indian rupees and the rate of exchange as published by commercial banks for conversion or the rate as notified by the CBEC on a fortnightly basis for import and export of goods. | <a href="#">Circular No. 31/2016</a>     |
| 2.    | 06.07.2016 | Notificatio<br>n No.<br>96/2016     | Rate of Exchange   | CBEC has notified the rate of exchange of conversion of foreign currency for import and export of goods for 20 currencies effective from 7th July'2016.   | <a href="#">Notification No. 96/2016</a> |
| 4.    | 14.07.2016 | Notificatio<br>n No<br>100/2016     | Customs (Import<br>of Goods at<br>Concessional<br>Rate of Duty For<br>Manufacture of<br>Exercisable<br>Goods) second<br>Amendment<br>Rules, 2016 | Rule 2 sub-rule(4) is inserted to provide that these rules shall also apply to a service provider and the words manufacture, manufacturer, excise duty & factory shall be construed as service, service provider, service tax and registered premises.  | <a href="#">Notification No 100/2016</a> |
| 5.    | 25.07.2016 | Notificatio<br>n<br>No.103/20<br>16 | Addition in other<br>classes of goods<br>under section<br>123 of Customs<br>Act, 1962  | Silver bullion and Cigarettes have been included in category of other classes of goods under section 123 of Customs Act, 1962   | <a href="#">Notification No.103/2016</a> |

|    |            |                          |  |  |  |
|----|------------|--------------------------|--|--|--|
| 6. | 29.07.2016 | Notification No. 44/2016 | Amendment in Notification No. 52/2003 dated 31.03.2003 | Amendment made in Notification No.52/2003 in respect of omission and substitution of certain words (bonded premises/bonding/de-bonding).   | <a href="#">Notification No. 44/2016</a> |
| 7. | 29.07.2016 | Circular No.35/2016      | Amendment to Notification 52/2003 dated 31.03.2003.    | <p>As a measure of improving the ease of doing business it has been decided that EOUs, STPIs, EHTPs and Bio-Technology Park Units are no longer required to comply with warehousing provisions of Section 58 and 65 of Customs Act, 1962.</p> <p>However, in order to maintain records of receipts, storage, processing and removal of goods, imported the units shall maintain records of imported goods, in digital form,</p> <p>(Effective date 13-08-2016)</p> | <a href="#">Circular No.35/2016</a>      |

**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.