

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE FOR THE MONTH OF AUGUST 2017

(Circulars/ Notifications released during the
month of August 2017)

31st August 2017

[Income Tax](#)

[GST](#)

[Customs Duty](#)

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I. INCOME TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBDT Notification No. 77/2017 dated 03.08.2017	Notification under section 9A(3) of the Income Tax Act, 1961 in respect of Fund Manager Regime	CBDT has notified that conditions specified in section 9A(3) (e), (f) & (g) shall not apply in case of an investment fund set up by a Category-I/ II SEBI registered Foreign portfolio investor. Notification
2.	CBDT Notification No. 79/2017 dated 08.08.2017	Explanation to Section 54EC of Income Tax Act, 1961	CBDT has specified that any bond redeemable after 3 years and issued by Indian Railway Finance Corporation Limited shall be treated as 'long term specified asset' for the purpose of section 54EC. Notification
3.	CBDT Notification No. 80/2017 dated 18.08.2017	Income Tax (22 nd Amendment) Rules, 2017	CBDT has notified rules for modification/ revision in Form 29B relating to MAT Audit Report u/s 115JB on computation of Book Profit of a company and for mandating online filing of Audit Report u/s 115JC of Income Tax Act, 1961. Notification

INCOME TAX DEPARTMENT

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II. GOODS AND SERVICE TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBEC Notification No. 19/2017 - dated 18.08.2017	Reduction in rates of specified parts of tractors	CBEC has reduced GST rate on specified parts of tractors. CGST/ UTGST- from 14% to 9% IGST- from 28% to 18% Notification-CT(R) Notification-IT(R) Notification-UTT(R)
2.	CBEC Notification No. 20/2017 - dated 22.08.2017	Amendment in Notification No. 11/2017- CT(R) to revise GST rate for rent a cab, GTA and Govt Works Contract	CBEC has reduced GST rate on specified supplies of Works Contract Services, job work for textile & textile products, printing service of books, newspapers etc, admission to planetarium, Option provided to GTA & transport of passengers by motorcab service providers to avail full ITC & discharge CGST @6%, IGST @12% & UTGST @6%. Notification-CT(R) Notification-IT(R) Notification-UTT(R)
3.	CBEC Notification No. 21/2017 - dated 22.08.2017	Amendment in Notification No. 12/2017-CT(R) 09/2017-IT(R) - Exemption in supply of services	CBEC has exempted the services provided by Fair Price Shops to Government and those provided by and to FIFA for FIFA U-17. Notification-CT(R) Notification-IT(R) Notification-UTT(R)

4.	CBEC Notification No. 22/2017 - dated 22.08.2017	To amend RCM provision for GTA and to insert explanation for LLP	RCM provision revised to provide that RCM will be applicable in case of goods transport agency which has not paid central tax at the rate of 6% LLP registered under the LLP Act 2008 shall be considered as a partnership firm or a Firm Notification-CT(R) Notification-IT(R) Notification-UTT(R)
5.	CBEC Notification No. 23/2017 - dated 22.08.2017	Amendment in Notification No. 17/2017-CT(R) 14/2017-IT(R)	CBEC has notified that economic commerce operator shall be liable for payment of GST on services by way of housekeeping such as plumbing, carpentering etc. except where the person supplying such services is liable for registration. Notification-CT(R) Notification-IT(R) Notification-UTT(R)
6.	CBEC Circular No. 5/5/2017 - dated 11.08.2017	Clarification on issues related to furnishing of Bond/ Letter of Undertaking for Exports	CBEC has clarified issues related to furnishing of Bond/ Letter of Undertaking for exports without payment of IGST. Circular
7.	Press Release dated 23.08.2017	GST applicability on selling of space for advertisement in print media	Clarification on GST applicability on selling of space for advertisement in print media GST rate on selling of space for advertisement in print media depends on the terms of contract between the newspaper, advertisement agency and client. If advertisement agency works - a) on principal to principal basis- GST@5% on full amount charges by advertisement agency from client. b) as agent- GST@18% on the sale commission received from newspaper.

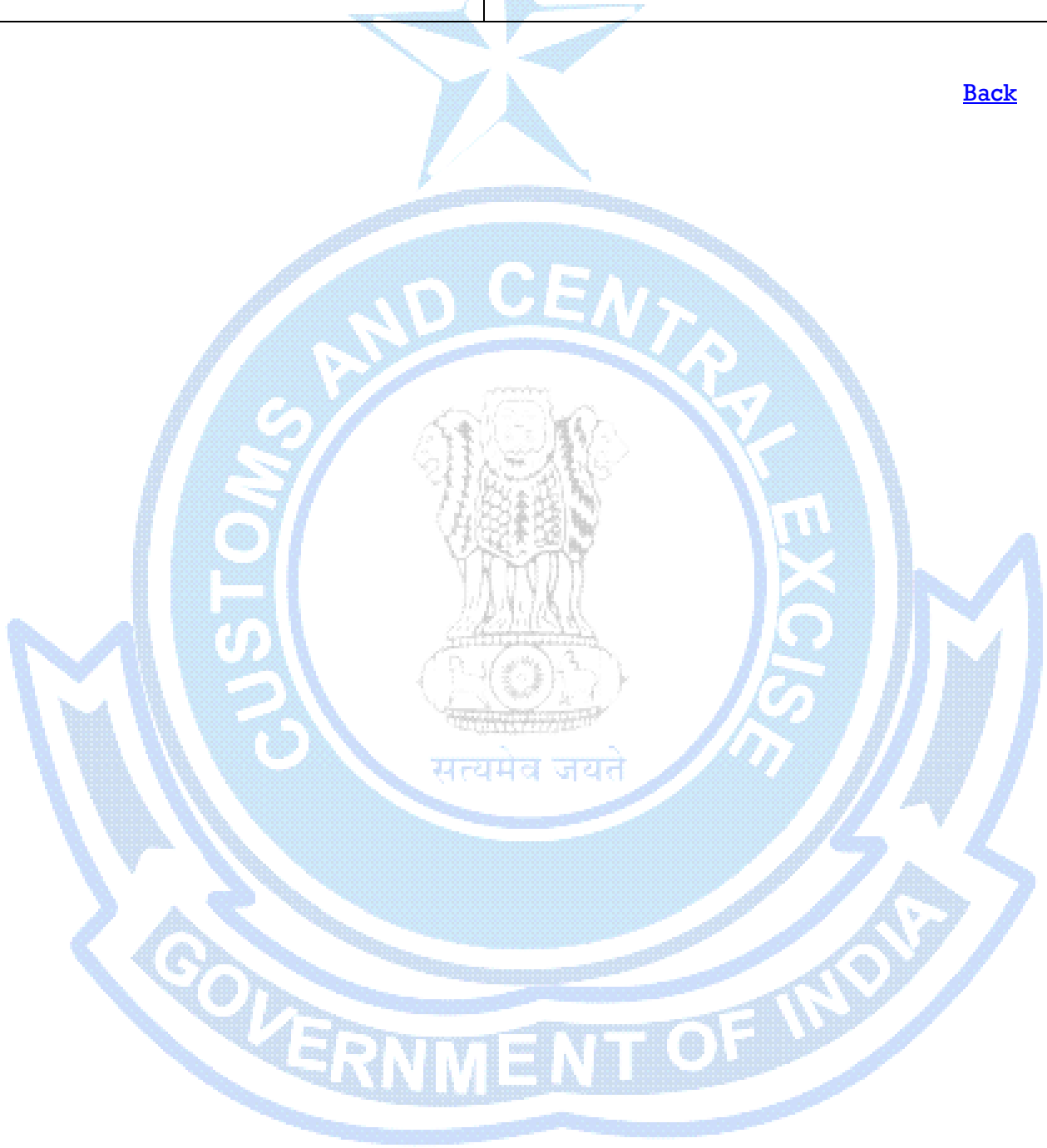
			Press Release
8.	Press Release dated 25.08.2017	Press Release on Guidance for Taxpayers	To guide taxpayer in relation to GST matters, CBEC has issued a range of FAQs related to GST law, procedures, tax rates etc. The information is available on CBEC GST portal http://cbec-gst.gov.in under service section. Press Release Link

Clarification related to hotel tariff

1.	Declared Tariff	<ul style="list-style-type: none"> - Declared tariff is relevant only for determination of tax rate slab. -Tariff declared anywhere whether on website or on tariff card or displayed at the reception will be “declared tariff”. - In case different tariff is declared at different places, highest of such declared tariff shall be the “declared tariff”. - In case tariff changes between booking and actual usage- Declared tariff at the time of supply of service shall be applicable -In case different tariff declared for different season or period- tariff declared for the season shall apply.
2.	Whether GST is to be charged on actual tariff or declared tariff for accommodation?	GST will be payable on actual amount charged i.e. transaction value
3.	GST rate if cost goes up (more than declared tariff) owing to additional bed	Rate will be determined according to declared tariff for the room and GST will be levied on the entire amount charged from the customer.

4.	GST rate in case of upgrade provided to customer at a lower rate	Rate will be levied as per declared tariff of the upgraded accommodation provided. For eg- If declared tariff of the accommodation provided by way of upgrade is Rs. 10,000 and amount charged is Rs. 7000, then GST @28% would be levied on Rs. 7000.
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III. CUSTOMS DUTY

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBEC Notification No. 81/2017 dated 17.08.2017	Rate of Exchange	CBEC has notified the rate of exchange of conversion of foreign currency for import and export of goods for 20 currencies specified in Schedule I & Schedule II effective from 18th August, 2017. Notification
2.	CBEC Notification No. 80/2017 dated 17.08.2017	Amendment to Notification No. 83/2012	CBEC has specified that the following shall pay custom duty electronically a) importers registered under Authorised Economic Operator and b) importers paying custom duty of Rs. 10000 or more per bill of entry Notification (NT)

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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