

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE FOR THE MONTH OF JULY 2017

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

31st July 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. 57/2017 dated 03.07.2017	Non applicability of section 269ST of Income Tax Act, 1961	<p>CBDT has specified that provision of section 269ST (restriction on cash transaction of more than Rs. 2 lac) shall not apply in the following cases -</p> <ol style="list-style-type: none"> 1. receipt by a business correspondence on behalf of a banking co. or co-operative society 2. receipt by a white label automated teller machine operator from retail outlet sources 3. receipt by an issuer of pre-paid payment instruments from an agent 4. receipt by a company or institution issuing credit cards against bills raised in respect of one or more credit cards. 5. receipt which is not included under section 10(17) of Income Tax Act, 1961. <p style="text-align: right;">Notification</p>
2.	CBDT Notification No. 58/2017 dated 03.07.2017	Income Tax (18 th Amendment) Rules, 2017	<p>Changes made in Form 3CD in respect of information to be furnished in respect of acceptance and repayment of Loans/Deposits/Specified Advances (in terms of Sec 269 SS and 269 T of the Act) .</p> <p style="text-align: right;">Notification</p> <p style="text-align: right;">Corrigendum</p>
3.	CBDT Notification No. 61/2017 dated 12.07.2017	Income Tax (20 th Amendment) Rules, 2017	<p>A new rule (Rule 11UAA) has been inserted for determination of fair market value of shares other than quoted shares for the purpose of section 50CA.</p> <p style="text-align: right;">Notification</p>

4.	CBDT Circular No. 22/2017 dated 03/07/2017	Clarification in respect of section 269ST of the Income Tax Act, 1961	<p>Sec 269ST inserted vide Finance Act 2017 prohibits receipt of an amount of two lakh rupees or more in the circumstances specified therein through modes other than by way of an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account.</p> <p>CBDT has now clarified that in respect of receipt in the nature of repayment of loan by NBFCs or HFCs, the receipt of one installment of loan repayment shall constitute a 'single transaction' and all the installments paid for a loan shall not be aggregated for the purpose of application of Sec 269 ST.</p> <p>Circular</p>
5.	CBDT Circular No. 23/2017 dated 19/07/2017	Modification of circular no. 1 of 2014 in view of substitution of Service Tax by Goods and Service Tax	<p>CBDT has clarified that any reference to 'service tax' in an existing agreement or contract which was entered prior to 01.07.2017 shall be treated as 'GST on services' w.e.f. 01.07.2017.</p> <p>Tax shall accordingly be deducted at source on the amount paid or payable without including 'GST on services' component.</p> <p>Circular</p>
6.	CBDT Circular No. 24/2017 dated 25/07/2017	Clarification on issues raised on computation of book profit under section 115JB of Income Tax Act, 1961	<p>CBDT has clarified by way of FAQs, the issues raised on computation of book profit for the purposes of levy of Minimum Alternate Tax (MAT) under section 115JB of the Act for Indian Accounting Standards (Ind AS) compliant companies.</p> <p>Circular</p> <p>Press Release</p>
9.	CBDT Press Release dated 10.07.2017	Launch of Aaykar Setu - A new tax payer service module	<p>CBDT has launched a new tax payer service module 'Aaykar Setu' to directly connect taxpayer with the Income Tax Department.</p> <p>Now taxpayers can receiver regular updates through SMS alert by registering their numbers in the <i>Aaykar Setu</i> module.</p>

			Press Release
10.	CBDT Press Release dated 24.07.2017	Optional reporting of details of one foreign bank account by the non-residents in refund cases	<p>Clarification has been provided by CBDT that quoting of one foreign bank account by the non-residents in the ITR for FY 16-17 is not mandatory</p> <p>It is required to be furnished only in refund cases and where the non-resident does not have a bank account in India.</p> <p>Press Release</p>
<u>ESIC</u>			
11.	ESIC Circular dated 03.07.2017	Amendment to regulation 31 of the Employee's State Insurance (General) Regulations, 1950	<p>The Employee's State Insurance Corporation (ESIC) has changed the payment due date from 'within 21 days' to 'within 15 days' with effect from the contribution for the month of June 2017.(i.e. payment for the month of June 2017 will have to be made by July 15,2017</p> <p>Circular</p>

INCOME TAX DEPARTMENT

[Back](#)

II. GOODS AND SERVICE TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	Press Release dated 15.07.2017	GST on legal services- forward charge or reverse charge	CBEC has clarified that legal services provided by advocates including a senior advocate or firm of advocates are liable for payment of GST under <i>reverse charge</i> by the business entity. Press Release
2.	Press Release dated 18.07.2017	Clarification on GST rates on hotel accommodation	CBEC has clarified that star rating of hotels is irrelevant for determining the applicable rate of GST GST @18% will be levied on accommodation in any hotel including 5 stars hotels having declared tariff of a unit of accommodation of less than Rs. 7500 per unit per day. Press Release
3.	Press Release dated 20.07.2017	GST not to be added for TDS computation	CBDT has clarified that, where the recipient of a service is required to deduct TDS while making a payment to the supplier, TDS shall be calculated exclusive of GST component. Circular
4.	CBEC Order No. 01/2017-GST dated 21.07.2017	Extension of time limit for filing intimation for composition levy	CBEC has extended the period for filing an intimation in Form GST CMP-01 to opt for composition scheme to 16th August, 2017 . Order

[Back](#)

III. CUSTOMS DUTY

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBEC Notification No. 72/2017 dated 20.07.2017	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 21st July, 2017. Notification
2.	CBEC Notification No. 64/2017 dated 05.07.2017	IGST exemption to SEZs on import of goods by a unit/developer in an SEZ	All goods imported by a unit or a developer in the Special Economic Zone for authorized operation has been exempted from the whole of the Integrated tax leviable thereon under the Customs Tariff Act. Notification
3.	CBEC Circular No. 64/2017 dated 05.07.2017	<u>Clarification</u> regarding exports under claim for drawback in the GST scenario	CBEC has dispensed with the requirement of obtaining a certificate from GST officer for claiming a higher rate of drawback This can be done on the basis of self-declaration by the exporter. Circular (CBEC) Notification (Customs)

[Back](#)

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