

NOVEMBER 2016 MONTHLY UPDATE

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

30TH NOVEMBER 2016

I. INCOME TAX

S.NO.	DATE	CIRCULAR /NOTIFICATIONS	PARTICULARS	SHORT SUMMARY	ATTACHMENT/LINK
1.	02.11.2016	Circular No. 37/2016	Chapter VI-A deduction on enhanced Income	CBDT has accepted the settled position that disallowances made under section 32,40(a)(ia), 40A(3),43B, etc. of the Act and other specific disallowances , related to the business activity against which the Chapter VI-A deduction has been claimed, results in enhancement of profits of eligible business , and that deduction under chapter VI-A is admissible on profits so enhanced by the disallowance	Circular No. 37/2016
2.	07.11.2016	Notification No. 103/2016	Income-tax (29th Amendment) Rules, 2016	Proviso inserted in Rule 5(1) , to the effect that in case of a domestic company which has exercised option under section 115BA(4), the allowance under section 32(1)(ii) in respect of depreciation of any block of asset entitled to more than 40% shall be restricted to 40% on written down value of such assets.	Notification No. 103/2016

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3.	15.11.2016	Notification No. 104/2016	The Income-tax (30th Amendment) Rules, 2016	<p><u>Amendment in Rule 114B</u> Every person shall quote his PAN if depositing Rs. 50,000 during any one day or aggregating to more than Rs. 50,000 during 09.11.2016 to 30.12.2016.</p> <p><u>Amendment in Rule 114E</u> A Banking co. and Post master general shall furnish financial transaction in respect of <i>Cash deposits during the period 09.11.2016 to 30.12.2016 aggregating to—</i></p> <p>(i) Rs.12,50,000 or more, in one or more current account of a person; or</p> <p>(ii) Rs 2, 50,000 or more, in one or more accounts (other than a current account) of a person.</p>	Notification No. 104/2016
5.	22.11.2016	Circular No. 38/2016	Admissibility of expenditure incurred by a firm on Keyman Insurance Policy in the case of a Partner	CBDT has accepted the settled position that premium paid by the firm on the Keyman Insurance Policy of a partner, to safeguard the firm against the disruption of the business, is an admissible expenditure under section 37 of the Act.	Circular No. 38/2016
6.	25.11.2016	RB/CIR/OTC-IDS/1404A (Indian Banks Association)	Income Declaration Scheme 2016 - Grievance regarding non acceptance by banks of payments under IDS, 2016	<p><i>Grievance regarding non-acceptance by banks of payments under IDS, 2016 through Challan ITNS-286 :</i></p> <p>Banks are requested to accept payments under IDS, 2016 upto 30.09.2017 and also for such cases the banks should not seek source of funds.</p>	RB/CIR/OTC-IDS/1404A
7.	28.10.2016	RB/CIR/IDS/1507 (Indian Banks Association)	Accepting payment under IDS 2016	Banks can accept old Rs. 500 denomination notes for payment of tax, surcharge and penalties under IDS.	RB/CIR/IDS/1507

S.NO.	DATE	CIRCULAR /NOTIFICATIONS	PARTICULARS	SHORT SUMMARY	ATTACHMENT/LINK
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6.	09.11.2016	Circular No. 202/12/2016-Service Tax F.No. 354/149/2016-TRU	Withdrawal of exemption from service tax on cross border B2C OIDAR services provided online/electronically from a non-taxable territory to consumers in taxable territory in India	Clarifications provided with respect to withdrawal of exemption from service tax on cross border B2C OIDAR (<i>online information and database access or retrieval services</i>) provided online/electronically from a non-taxable territory to consumers in taxable territory in India Clarification deals with meaning of Taxable territory / cross border B2C services etc.	Circular No. 202/12/2016
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I. SERVICE TAX

S.NO.	DATE	CIRCULAR/ NOTIFICAT IONS	PARTICULARS	SHORT SUMMARY	ATTACHMENT /LINK
1.	09.11.2016	Notification No. 46/2016- Service tax	Amendment of Place of Provision of Services Rules, 2012 (with respect to provision of 'online information and database access or retrieval services) ' Effective 01.12.1016.	Amendment made in definition of online information and database access or retrieval services (<i>aligned with Service Tax Rules 1994</i>)	Notification No. 46/2016
2.	09.11.2016	Notification No. 47/2016- Service tax	Amendment in respect of notification No. 25/2012-ST dated 20th June , 2016 (Exempt services)	Exemption in respect of services rendered by a provider of service located in a non- taxable territory will not be apply to online information and database access or retrieval services"	Notification No. 47/2016
3.	09.11.2016	Notification No. 48/2016- Service tax	Amendment of Service Tax Rules, 1994	Rule 2 of Service Tax Rules 1994 amended to include definition of -non assessee online recipient -online information and database access or retrieval services It has been provided that in	Notification No. 48/2016

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				case of online information and database access or retrieval services provided by any person located in a non taxable territory and received by non assessee online recipient, the provider of service located in a non taxable territory shall be the person liable for paying service tax	
4.	09.11.2016	Notification No. 49/2016-Service tax	Amendment of notification No. 30/2012- ST, dated the 20th June, 2016	Amendment with respect to online <i>information and database access or retrieval services</i> provided by any person located in a non-taxable territory and received by any person located in the taxable territory	Notification No. 49/2016
5.	22.11.2016	Notification No. 50/2016-Service tax	Seeks to amend notification No. 20/2014-ST dated 16th September, 2014	LTU-Bangalore will have exclusive jurisdiction with respect to online information and database access or retrieval services provided by a person located in non-taxable territory and received by a 'non- assessee online recipient'.	Notification No. 50/2016

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6.	09.11.2016	Circular No. 202/12/2016-Service Tax F.No. 354/149/2016-TRU	Withdrawal of exemption from service tax on cross border B2C OIDAR services provided online/electronically from a non-taxable territory to consumers in taxable territory in India	Clarifications provided with respect to withdrawal of exemption from service tax on cross border B2C OIDAR (<i>online information and database access or retrieval services</i>) provided online/electronically from a non-taxable territory to consumers in taxable territory in India Clarification deals with meaning of Taxable territory / cross border B2C services etc.	Circular No. 202/12/2016



I. CUSTOMS

S.NO.	DATE	CIRCULAR/NOTIFICATIONS	PARTICULARS	SHORT SUMMARY	ATTACHMENT/LINK
1.	02.11.2016	Notification No. 134/2016-Customs (N.T.)	Deferred Payment of Import Duty Rules, 2016	CBEC has notified Rules dealing with a) Application and intent to avail benefit under the notification. Also cases in which avallment benefit not applicable b) Payment and manner of duty c) Exemptions	Notification No. 134/2016
2.	17.11.2016	Notification No. 138/2016 Notification No.143/2016	Rate of exchange	CBEC has notified the rate of exchange of conversion of foreign currency for import and export of goods for 20 currency specified in Schedule I & Schedule II effective from 18 th November, 2016. Rate of exchange of South African Rand Currency is changed under Notification No.143/2016 dated 29.11.2016.	Notification No. 138/2016 Notification No.143/2016

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.3