

# **LOVI MEHROTRA & ASSOCIATES**

CHARTERED ACCOUNTANTS

## **MONTHLY UPDATE FOR THE MONTH OF MAY 2017**

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

**31<sup>st</sup> May 2017**

[Income Tax](#)

[Service Tax](#)

[Customs Duty](#)

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## I. INCOME TAX

| S.NO. | CIRCULAR/<br>NOTIFICATION<br>NO.  | PARTICULARS  | SHORT SUMMARY   |
|-------|---|--|---|
| 1.    | CBDT<br>Notification No.<br>36/2017 <b>dated</b><br><b>02.05.2017</b>                 | Income Tax (9 <sup>th</sup><br>Amendment) Rules,<br>2017   | CBDT has prescribed form and manner of exercise of option by the domestic company for the purpose of section 115BA of the Income Tax Act, 1961.<br><br>Form No. 10-IB has been notified.<br><br><a href="#">Notification</a>  |
| 2.    | CBDT<br>Notification No.<br>37/2017 <b>dated</b><br><b>11.05.2017</b>                 | Exemption from<br>quoting Aadhaar/<br>Enrolment ID to<br>certain individuals   | CBDT has notified that provisions of section 139AA shall not apply to an individual who does not possess the Aadhaar number or the Enrolment ID and is:-<br>(i) residing in the States of Assam, Jammu and Kashmir and Meghalaya;<br>(ii) a non-resident as per the Income-tax Act, 1961;<br>(iii) of the age of eighty years or more at any time during the previous year;<br>(iv) not a citizen of India<br><br><a href="#">Notification</a><br><a href="#">Press Release</a> |
| 3.    | CBDT (DIT<br>System)<br>Notification No.<br>05/2017 <b>dated</b><br><b>29/05/2017</b> | TDS and filing of ITR<br>in case both the<br>parents of minor are<br>dead  | CBDT has specified that in case of minors where both the parents have deceased, TDS on the interest income accrued to the minor is required to be deducted and reported against PAN of minor child unless a declaration is filed under sub-rule(2) of Rule 37BA of the IT Rules, 1962 to that effect.<br><br><a href="#">Notification</a>   |
| 4.    | CBDT<br>Circular No.<br>18/2017 <b>dated</b><br><b>29/05/2017</b>                     | Requirement of Tax<br>deduction at source in<br>case of entities whose<br>income is exempted<br>under Section 10 of<br>the Income Tax Act,<br>1961 | CBDT has prescribed the revised list of entities which are exempted from the requirement for Tax deduction at source, whose income is unconditionally exempt under section 10 of the Act and who are also statutorily not required to file return of income as per Section 139 of the Act<br><br>List of entities appearing in the previous circulars   |

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|    |  |   | 4/2002 and 7/2015 modified and new eligible entities added<br><br><a href="#">Circular</a>   |
| 5. | CBDT Press Release dated <b>11/05/2017</b> | Income Tax department simplifies linking PAN with Aadhaar   | Income Tax department has simplified linking PAN with Aadhaar in case of any minor mismatch in Aadhaar name provided by Taxpayer.<br><br><a href="#">Press Release</a>   |
| 6. | CBDT Press Release dated <b>11/05/2017</b> | Income Tax Department launches Operation Clean Money Portal                                       | Income Tax Department has launched Operation Clean Money Portal to track evaders. The salient features of the portal are- <ul style="list-style-type: none"> <li>• Providing comprehensive information at one place</li> <li>• Enabling citizen engagement for creating a tax compliant society And</li> <li>• Enabling transparent tax administration by sharing status report and thematic analysis report.</li> </ul> <a href="#">Press Release</a> |
| 7. | CBDT Press Release dated <b>22.05.2017</b> | Advance Pricing Agreement   | CBDT has signed two Unilateral Advance Pricing Agreement pertaining to chip design/ development of embedded software and Information technology (software development) sector of the economy. One of the agreement also has "Rollback" provision.<br><br><a href="#">Press Release</a>   |
| 8. | CBDT Press Release dated <b>24.05.2017</b> | Income Tax Department steps up action under Benami Transactions (Prohibition) Amendment Act, 2016 | Income Tax Department has started initiating action under the Benami Transactions (Prohibition) Amendment Act, 2016.<br><br>Benami property includes movable or immovable, tangible or intangible, corporeal or incorporeal property, in name of someone other than the beneficial owner.<br><br>The law provides for a maximum punishment of seven years and fine upto 25% of fair market value of  |

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|    |  |   | property.<br><a href="#">Press Release</a>   |
| 9. | CBDT Press Release dated <b>26.05.2017</b> | Clarification on furnishing Statement of Financial Transaction (SFT) & SFT Preliminary Response | CBDT has issued clarification on furnishing of SFT for transactions prescribed under Rule 114E of the Income Tax Rules, 1962. The due date for filing of SFT in Form 61A is <b>31<sup>st</sup> May, 2017.</b><br><a href="#">Press Release</a> |

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## **II. SERVICE TAX**

| S.NO. | CIRCULAR/<br>NOTIFICATION<br>NO.  | PARTICULARS   | SHORT SUMMARY  |
|-------|---|---|--|
| 1.    | Notification No.<br>17/2017<br>-<br>Service Tax<br>dated<br><b>04.05.2017</b> | Amendment<br>Notification<br>25/2012<br><br>in<br>No. | Central Government has amended the Principal notification so as to exempt Life insurance services under ' <b>Pradhan Mantri Vaya Vandana Yojna</b> '<br><br><a href="#">Notification</a> |

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### **III. CUSTOMS DUTY**

| S.NO. | CIRCULAR/<br>NOTIFICATION<br>NO.   | PARTICULARS  | SHORT SUMMARY   |
|-------|--|--|---|
| 1.    | CBEC<br>Notification No.<br>49/2017 <b>dated</b><br><b>18.05.2017</b>          | 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 <b>effective from 19<sup>th</sup> May, 2017.</b><br><a href="#">Notification</a>                                  |
| 2.    | CBEC<br>Circular No.<br>18/2017 -<br>Customs <b>dated</b><br><b>29.05.2017</b> | Exemption from drawal of samples for the purpose of grant of drawback to the AEO certificate holders | CBEC has decided to extend the exemption from the requirements of drawal of samples for the purpose of grant of drawback to Authorized Economic Operator (AEO) holding Tier-I certificate, except in case of any specific information or intelligence<br><a href="#">Circular</a> |

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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