

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE FOR FEB 2020

(Circulars/Notifications released in Feb 2020)

28th February 2020

[Income Tax](#)

[GST](#)

[Customs Duty](#)

Lovi Mehrotra & Associates

21-22, II Floor, Krishna Nagar,
Safdarjung Enclave,
New Delhi – 110029

www.lma.co.in

I. INCOME TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY						
1.	CBDT Circular No.6/2020 dated 19.02.2020	Condonation of delay u/s 119(2) (b) of the Income tax Act in filing of Form 9A and Form 10 for ITR filed for AY 2016-17, 2017-18 & 2018-19.	<p>CBDT has directed the Commissioners of the Income tax (Exemptions) to admit belated application for condonation of delay in filing Form 9A [an application to consider the income not received during the previous year as deemed to have been applied if total application of income falls short of 85%] and Form 10 [a statement for furnishing details of income invested as per section 11(5)] in respect of ITR filed on or before 31st March of the respective assessment years i.e. AY 2016-17, 2017-18 and 2018-19.</p> <p>In case of applications other than above, the power of condonation of delay will continue with the respective authorities.</p> <p>Circular No. 6</p>						
2.	CBDT Notification No.11/2020 dated 07.02.2020	New Procedure of PAN allotment through Common Application Form (CAF).	<p>CBDT has notified Common Application Form (CAF) for the purpose of application by new Foreign Portfolio Investors (FPIs) for the following</p> <ul style="list-style-type: none"> - allotment of PAN, - opening of Bank & Demat account and - registration of Foreign Portfolio Investors (FPIs) with SEBI. <p>Notification No. 11</p>						
3.	CBDT Notification No.10/2020 dated 12.02.2020	Notification of Form No. 10-IC & Form No. 10-ID to exercise of option u/s 115BAA & Section 115BAB of the Income tax Act	<p>CBDT has notified the following forms for Domestic company to exercise the option of reduced tax rates under section 115BAA or section 115BAB :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Form</th> <th style="text-align: center;">Purpose</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Form 10-IC</td> <td>For opting reduced tax rate @ 22% u/s 115BAA</td> </tr> <tr> <td style="text-align: center;">Form 10-ID</td> <td>For opting reduced tax rate @ 15% u/s 115BAB</td> </tr> </tbody> </table> <p>(Effective from 1st April 2020)</p> <p>Notification No. 10</p>	Form	Purpose	Form 10-IC	For opting reduced tax rate @ 22% u/s 115BAA	Form 10-ID	For opting reduced tax rate @ 15% u/s 115BAB
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Form 10-IC	For opting reduced tax rate @ 22% u/s 115BAA								
Form 10-ID	For opting reduced tax rate @ 15% u/s 115BAB								
4.	CBDT Notification No.11/2020 dated	Manner of making PAN inoperative	<p>CBDT has inserted a new rule 114AAA in Income tax rules which states that status of PAN allotted as on 1st July 2017 shall become inoperative if Aadhaar number is not intimated till 31-3-2020 in terms of section 139AA(2) .</p>						

	13.02.2020		<p>Thereafter it shall be deemed that PAN has not been furnished, intimated or quoted and accordingly consequences under the Income tax Act shall be applicable .</p> <p>Subsequently, PAN shall become operative from the date of intimation of Aadhaar Number.</p> <p>Notification No. 11</p>
5.	Vivad Se Vishwas Bill, 2020 dated 05.02.2020	The Direct Tax Vivad se Vishwas Bill, 2020	<p>The Direct Tax Vivad se Vishwas Bill, 2020 has been introduced in Lok Sabha a on 5th February 2020 by the Minister of Finance. The Bill is yet to be passed in the both houses of the Parliament and is yet to receive President assent.</p> <p>The Bill provides a mechanism for resolution of pending tax disputes related to Income tax.</p> <p>Highlights of this bill are given in Annexure</p> <p>Vivad se Vishwas Bill</p>

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II. GOODS AND SERVICE TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY								
1.	CBIC Notification No. 7/2020 of Central Tax - dated 03.02.2020	Changes in due date of filing the GSTR-3B	<p>CBIC has made changes in the due date for filing GSTR-3B for the months of Jan'20, Feb'20 & Mar'20.</p> <p>Revised Due Dates for filing GSTR-3B are as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Due Date</th> </tr> </thead> <tbody> <tr> <td>Annual Turnover of Rs 5 crore and above in the previous financial year</td> <td>20th of every month without late fees</td> </tr> <tr> <td>Annual Turnover below Rs 5 crore in the previous financial year- 22 States/UTs of Jammu and Kashmir, Laddakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha having annual turnover below Rs 5 crore in previous financial year will now be having last date of filing the GSTR-3B as 24th of the month without late fees.</td> <td>24th of every month without late fees</td> </tr> <tr> <td>15 States/ UTs, i.e., Chhattisgarh, Madhya Pradesh, Gujarat, Daman and Diu, Dadra and Nagar Haveli, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Telangana and Andhra Pradesh</td> <td>22nd of every month without late fees</td> </tr> </tbody> </table> <p style="text-align: center;">Notification No. 7</p>	Particulars	Due Date	Annual Turnover of Rs 5 crore and above in the previous financial year	20 th of every month without late fees	Annual Turnover below Rs 5 crore in the previous financial year- 22 States/UTs of Jammu and Kashmir, Laddakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha having annual turnover below Rs 5 crore in previous financial year will now be having last date of filing the GSTR-3B as 24 th of the month without late fees.	24 th of every month without late fees	15 States/ UTs , i.e., Chhattisgarh, Madhya Pradesh, Gujarat, Daman and Diu, Dadra and Nagar Haveli, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Telangana and Andhra Pradesh	22 nd of every month without late fees
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2.	Order No. 01/2020 dated 07.02.2020	Extension of time limit for submitting the declaration in Form GSTR TRAN-1 under rule 117(1A) of the CGST rules 2017.	CBIC has extended the period for submitting declaration in FORM GST TRAN-1 till 31.03.2020 for registered persons who could not submit the said declaration by the due date on account of technical difficulties on the common portal. Order No. 1

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III. CUSTOMS DUTY

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBIC Notification No. 15/2020-Cus (NT) dated 20.02.2020	Rate of Exchange	CBIC 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 21-01-2020. Notification No. 15

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Annexure

The Direct Tax Vivad se Vishwas Bill, 2020

Highlights of the Bill are as under:

[A] Appellant: The following can apply as appellants under the scheme

- ✚ The Income tax Authority
- ✚ Assessee

where any appeal is pending before any appellate forum as on 31st Jan 2020.

[B] Eligibility:

The following are appellate forum before which appeal could be pending

- ✚ Supreme Court,
- ✚ High Courts,
- ✚ Income Tax Appellate Tribunals, and
- ✚ Commissioner (Appeals).
- ✚ Dispute Resolution Panel (DRP)
 - ✓ Cases where DRP issued directions but not the final order upto 31st Jan 2020
 - ✓ Cases where disputed demand is upto Rs 5 crore

The following are also eligible for coverage under the scheme

- ✚ Any Revision petition filed under section 264 on or before 31st Jan 2020
- ✚ Search cases where disputed demand is less than Rs 5 crore

[C] Disputes not covered :

- ✚ Where demand arises due to non-disclosure of income from a source outside India or from undisclosed assets placed outside India
- ✚ Where order of detention is made under Foreign Exchange and Prevention of Smuggling Activities Act, 1974
- ✚ Where assessment or reassessment proceedings are pending against tax arrears related to transfer pricing related matters
- ✚ Where disputed demand in search related matters is more than Rs 5 crore or
- ✚ Where the prosecution has been instituted on or before the date of filing of declaration

- ✦ When prosecution has been initiated under the Prevention of Corruption Act, 1988 or IPC or the Prevention of Money Laundering Act, 2002 or other certain laws specified in the Bill.
- ✦ Where the CIT (Appeals) has issued a notice of enhancement under section 251 of the Income tax Act on or before 31st Jan 2020.
- ✦ Cases in which an order of detention has been made or prosecution has been instituted/conviction has been made under specified Acts or notification has been made under the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992.

[D] Disputes covered: All disputes in relation to the

- ✦ Disputed Tax
- ✦ Disputed penalty
- ✦ Disputed Interest
- ✦ Disputed Fee
- ✦ Disputed tax deducted at source (TDS) or tax collected at Source (TCS)

[E] Mechanism:

The Bill proposes a resolution mechanism under which an appellant can file a declaration to the designated authority to initiate resolution of pending direct tax disputes. The last date to file such declaration will be 30th June 2020. Based on the declaration, the designated authority will determine the amount payable by the appellant against the dispute and grant a certificate, containing particulars of the amount payable, within 15 days of the receipt of the declaration. The appellant must pay this amount within 15 days of the receipt of the certificate and inform the designated authority of such payment. Such amount will not be refundable.

Upon filing of the declaration, any appeal pending before the Income Tax Appellate Tribunal or Commissioner (Appeals), in respect of the disputed income or disputed interest or disputed penalty or disputed fee and tax arrear shall be deemed to have been withdrawn from the date on which certificate under sub-section (1) of section 5 is issued by the designated authority.

The taxpayer would be required to submit the proof of withdrawal of appeal/writ along with the declaration.

Thereafter, the designated authority will issue the order stating that declarant has paid the amount as determined by it. Such order shall be conclusive as to the matters stated therein and no matters covered by such order shall be reopened in any other proceeding under the Income-tax Act or under any other law for the time being in force or under any agreement, whether for protection of investment or otherwise, entered into by India with any other country or territory outside India. The Principal Chief Commissioner will designate an officer, not below the rank of a Commissioner of Income Tax, as the designated authority to manage the proposed resolution mechanism.

[F] Payment under the Scheme

	Payment on or before 31 st March	Payment on or before 30 th June 2020
Appeals filed by the Taxpayer		
Search Cases involving dispute relating to tax, interest, penalty, etc.	125% of the disputed tax	135% of disputed tax
Other than search cases where dispute involves tax, interest, penalty, etc.	100% of the disputed tax	110% of disputed tax (* if 10% of the disputed tax exceeds total disputed interest and penalty, excess to be ignored)
Where dispute relates to only Interest penalty or disputed fee	25% of disputed interest, penalty or fee	30% of disputed interest, penalty or fee
Appeal filed by the Tax Department		
Search cases involving disputes relating to tax, interest, penalty etc.	62.5% of the disputed tax	67.5% of the disputed tax
Other than search cases where dispute involves tax, interest, penalty, etc.	50% of the disputed tax	55% of disputed tax
Where dispute relates to only Interest penalty or disputed fee	12.5% of disputed interest, penalty or disputed fee	15% of disputed interest, penalty or disputed fee

[G] Provision Of Refund under Vivad Se Vishwas Scheme

If the assessee before filing declaration has paid some amount before appellate authorities and such amount exceeds the amount payable under the scheme then he would be allowed refund of such amount.

[H] Reservations:-

- ✚ If there is more than one issue involved in the appeal and assessee wishes to avail the benefits of the scheme then he has to file declaration covering all issues, meaning thereby that he cannot file declaration for some issues and litigate the balance in appeal.
- ✚ In a case where an assessee has got a favorable decision on an issue at the higher forum, he would be required to pay only 50% of the disputed tax on that issue.

[I] Immunity to appellant: Once a dispute is resolved, the designated authority cannot levy interest or penalty in relation to that dispute. Further, no appellate forum can make a decision in

relation to the matter of dispute once it is resolved. Such matters cannot be reopened in any proceeding under any law, including the IT Act.

[J] Revival of disputes: The declaration filed by an appellant will become invalid if: (i) its particulars are found to be false, (ii) he violates any of the conditions referred to in the IT Act, or (iii) he seeks any remedy or claim in relation to that dispute. Consequently, all proceedings and claims withdrawn based on the declaration will be deemed to have been revived.



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