



Indian Legal Updates

The purpose of this document is to highlight the key changes introduced in Indian legal era by way of Notifications and Circular in various tax and regulatory laws.

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Direct Tax Updates

[Clarification on applicability of Circular 21 of 2015](#)

The CBDT has clarified on the ambiguity of the applicability of Circular 21 of 2015. As per this circular, the monetary limit for filing appeal before the Income Tax Appellate Tribunal and High Courts is being raised to Rs. 10 Lakh and 20 Lakh respectively in accordance with Circular 21. It is further clarified that this increased limit shall apply to Cross Objections before ITAT and High Court also.

[Prescribed form for Appeal to Commissioner \(Appeals\)](#)

As per this Notification, Appeal to Commissioner (Appeals) shall be made in Form No. 35. The aforesaid notification is applicable to all assessee irrespective of the mode of filling of Return of Income.

[CBDT clarifies taxability of consortium](#)

CBDT issued guidance that sets out factors for use in determining when a consortium of contractors formed for executing engineering, procurement, and construction projects and “turnkey” contracts will not be treated as an “association of persons” for tax purposes.

Indirect Tax Updates

[Change in the exemption limit for gifts-imported by post or air freight](#)

The CBEC has provided that the exemption limit of bonafide gifts being imported by post or as air freight has been increased from rupees ten thousand to rupees Twenty thousand. Further postal charges and air freight shall not be taken

into account for determining the value limit of rupees twenty thousand.

[Media with recorded Information Technology Software exempt under Customs](#)

As per the above notification, CBEC exempts media with recorded Information Technology Software from being taxed under the customs. However, such exemption shall be provided only when the importer shall make a declaration in the format specified by the CBEC and such other conditions that are specified. Such declaration shall include value of such Information Technology Software recorded on the said media, which is leviable to service tax. The declaration shall be made to the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be. Further, the person paying service tax shall also be registered under section 69 of the Finance Act, 1994.

[Constitution of sub-committee of high level committee regarding imposition of central excise duty on jewellery](#)

Central Excise duty @1% without input taxes credit and 12.5% with input tax credit has been imposed on all articles of jewellery(except for silver jewellery, other than those studded with diamond, ruby,emerald and sapphire) for which it was decided to constitute a sub-committee of the high level committee to interact with trade and industry on laws.The committee will consist of 3 representatives of trade one legal expert, an officer concerned from (MoC &I) and a high level officials from central excise department.

[Notification amending Service Tax return format to incorporate Swachh Bharat Cess](#)

As per this Notification, the format of ST 3 return has been amended in order to incorporate details of Swachh Bharat Cess payable/paid by the taxpayers.

Amendment in Service Tax Interest Rate

The interest rate for delayed payment of Service Tax has been amended as follows-

- I. Collection of any amount as service tax but failing to pay the amount so collected to the credit of Central Government on or before the date on which such payment becomes due: 24%
- II. Situation other than I above: 15%

Time Period for revision of Annual Service Tax Return

In case the Annual Return has been filed by Assessee within due date, time period for revision of service Tax Return i.e. ST-3 has been reduced to One Month from the date of submission of the said return.

Foreign Exchange Regulation Updates

Change in Entry cap rate for Insurance under FDI

As per Foreign Exchange Management(Transfer and issue of security by a person resident outside

India) Regulations, 2000 the existing entry F7 of Insurance under Annexure B of Schedule1 has been amended.The existing entry cap which was limited to 26% automatic route has been increased to 49% and beyond that approval is required as per government route.

Diamond Dollar Account(DDA)-Reporting Mechanism

Under Foreign Exchange Management Act,1999 AD-Category I bank have been advised to submit quarterly reports giving details of name/address of the firm/companies in whose name the DDA Account is opened and also required to submit fortnightly statement giving data on DDA balance. In order to liberalize the procedure it has now been decided to dispense with the above mentioned statement and the AD Banks may maintain above database at their own end and make available the same as and when called upon by the Reserve Bank of India.

Media

1. Publication: The Hindu Business Line – March 30, 2016

[Quote in The Hindu Business Line on 11 more unilateral advance pricing agreements signed by CBDT](#)

The article talks about 11 more unilateral advance pricing agreements (APAs), signed by The Central Board of Direct Taxes (CBDT), taking the overall number to 59, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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2. Publication: The Hindu Business Line – March 28, 2016

[Quote in The Hindu Business Line on Tax pact with Indonesia in force](#)

The article talks about India's latest Tax pact with Indonesia that will help fight black money, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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3. Publication: Business Today – March 21, 2016

[Quote in Business Today on Cloud computing, online use of app to attract 6% equalisation levy](#)

The article talks about the release of the report of the committee on taxation of e-commerce in the context of equalization levy introduced by the Budget 2016 which has impacted companies paying for online advertising to MNCs like Google, Facebook, etc., with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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4. Publication: The Hindu – March 21, 2016

[Quote in The Hindu on 6-8% levy on most digital services](#)

The article talks about equalisation levy in the context of the committee report on taxation of e-commerce, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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5. Publication: NDTV Profit – March 13, 2016

[Quote in NDTV Profit on Revised last Date Of Filing Late Income Tax Return](#)

The article talks about things to know about revised last Date Of Filing Late Income Tax Return, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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6. Publication: The Economic Times – March 13, 2016

[Quote in The Economic Times on on DTAA benefits applicable to partnership firms in India, UK](#)

The article talks about the recent CBDT's clarification on treaty benefits being made applicable to partnership firms in India, the UK via the 2013 protocol, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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7. Publication: The Business Standard – March 04, 2016

[Quote in The Business Standard on Loud protests that forced govt to consider EPF tax review](#)

The article talks about the issue of PF taxation on withdrawal which salary employees are grappling with after the budget, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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8. Publication: The Financial Express –March 03, 2016

[Quote in The Financial Express on Tax changes that would make REITs a reality](#)

The article talks about the boost which Real Estate Investment Trusts (REITs) have got from this Budget, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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9. Publication: The Economic Times – March 01, 2016

[Quote The Economic Times on Securitisation markets to get a boost as Budget removes distribution tax](#)

The article talks about Arun Jaitley's proposal to do away with distribution tax on securitisation transactions, imposed through the Finance Act 2013, is expected to give a fillip to the country's

securitisation industry, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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1. Headquartered in Gurgaon with offices in New Delhi, Mumbai and Singapore and a well spun net of local associates. Over **33 years** of experience across varied industries.
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Initiatives

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In case you need any further information/clarifications please contact us:

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