



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

[Procedure for online submission of statement of deduction of tax under section 200 \(3\)](#)

In the notification above, the CBDT provides procedure for registration in the e filling portal along with manner of preparation and submission of documents of the statements.

[Tax not require to be deducted on certain payments](#)

As per the notification, no TDS is required to be deducted on certain payments being made to banks as specified in the notification excluding foreign banks or to any payment systems entity as specified by RBI.

[Fair market value of assets in certain cases](#)

The above notification notifies Income Tax (19th Amendment) Rules, 2016 wherein the CBDT had notified the final rules pertaining to the manner in which fair market value of certain specified assets should be calculated.

Indirect Tax Updates

[Registration as first stage dealer or importer under Central Excise Rules, 2002](#)

As per the above notification the CBEC has provided that a person who is registered as a first stage dealer shall not be required to register as an importer and vice versa.

[Amendment to Mega-Exemption List](#)

The CBEC have notified amendment to Clause 'c' of entry 6 of mega-exemption list to provide that legal services provided by senior advocate to (a) any person other than business entity and (b) any business entity having turnover upto INR Ten

Lakhs in preceding financial year shall be exempted.

[Amendment to Provisions related to Reverse Charge Mechanism](#)

In respect of services taxable under reverse charge item D(II) has been amended to provide that services provided by an individual advocate or firm of advocates by way of legal services shall be liable to service tax under reverse charge except where such services are representational services by senior advocates. In addition new item DD has been added to provide reverse charge for representational services by senior advocated under specified circumstances.

[Exemption from Krishi Kalyan Cess](#)

CBEC has notified that the services for which invoices have been raised before 31st of May, 2016 shall be exempted from whole of Krishi Kalyan cess provided that the provision of services has been completed before the said date.

[Exemption of services by way of transportation of goods by a vessel under certain circumstances](#)

As per the notification, the govt of India has extended the service of maintaining foreign currency account (EEFC-Exchange Earners Foreign Currency account) by any Indian startup with a bank outside India having an overseas subsidiary for their foreign exchanges earnings form exports/sales. Also existing facility of maintaining foreign currency account to LIC or GIC of India and their subsidies for the purpose of meeting incidental expenses has been liberalized.

Foreign Exchange Regulation Updates

External Commercial Borrowings (ECB) – Approval Route Cases

As per the notification, ECB proposals above a certain threshold limit will be placed before the Empowered Committee and RBI would take the final decision by taking recommendations of the Empowered Committee. Rest all rules of ECBs are unchanged.

Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015

As per the notification, the govt of India has extended the service of maintaining foreign currency account (EEFC-Exchange Earners Foreign Currency account) by any Indian startup with a bank outside India having an overseas subsidiary for their foreign exchanges earnings from exports/sales. Also existing facility of maintaining foreign currency account to LIC or GIC of India and their subsidiaries for the purpose of meeting incidental expenses has been liberalized.

Media

1. Publication: The Economic Times – June 30, 2016

[Quote in The Economic Times on CBDT's notification of foreign tax credit rules, corporates to gain](#)

The article talks about the tax department notification of 'Foreign Tax Credit' rules allowing companies to claim credit for taxes, surcharge and cess paid overseas, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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2. Publication: Business Today – June 28, 2016

[Business Today on requirement for PAN by Non-residents no longer needed for lower TDS](#)

The article talks about The long-pending demand to exempt non-resident Indians from furnishing Permanent Account Number (PAN) in India to avail lower withholding tax on payments has finally been met by the government, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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3. Publication: The Hindu BusinessLine – June 26, 2016

[Quote in The Hindu BusinessLine on CBDT clears the air on tax collection at source](#)

The article talks about CBDT's clarification that the 1 per cent tax collection at source (TCS) — introduced in this year's Budget — will apply only to the cash component and not the entire sale consideration, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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4. Publication: The Financial Express – June 25, 2016

[Quote in The Financial Express on What taxpayers must focus on](#)

The article talks about The finance ministry direction to I-T officials to intensify the efforts to make the Income Declaration Scheme (IDS) successful, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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5. Publication: The Livemint – June 22, 2016

[Quote in Livemint on Income tax department's plan to broaden national taxpayer base](#)

The article talks about Income tax department plans to devise region-specific plans to track transactions without a valid PAN, also bring to book the 5.9-million odd people who do not file tax return, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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6. Publication: The Business Standard – June 21, 2016

[Quote in The Business Standard on Tax Benefits that can be lost](#)

The article talks about The tax department that can withdraw exemptions claimed earlier if certain conditions aren't met, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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7. Publication: Your Story – June 20, 2016

[Quote in Your Story on Startups get much-awaited tax exemptions from CBDT on investments above fair market rate](#)

The article talks the incentive which can allow startups to issue shares to investors at higher than fair value without worrying about tax consequences, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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8. Publication: The Economic Times – June 19, 2016

[Quote in The Economic Times on CBDT's notification on tax exemption on investments above fair market rate for startups](#)

The article talks about major incentive in which, startups can now issue shares to investors at higher than fair value without worrying about tax consequences, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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9. Publication: The Economic Times – June 18, 2016

[Quote in The Economic Times on Government to make changes in section 56\(2\) of Income Tax Act in a bid to promote startups](#)

The article talks about removal of the so-called 'angel tax' by the Government for investors providing funding to startups under its ambitious plan to boost entrepreneurship and job creation in the country, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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10. Publication: The Business Standard – June 14, 2016

[Quote in The Business Standard on Opportunity to complete filing pending returns](#)

The article talks about Opportunity to complete filing pending returns for the previous 6 assessment years, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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11. Publication: The Economic Times – June 09, 2016

[Quote in The Economic Times on 1 per cent tax to be levied on car purchase via cash](#)

The article talks about 1 per cent tax to be levied on car(costing more than Rs10 lakh) purchase via cash, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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12. Publication: The Hindu BusinessLine – June 08, 2016

[Quote in The Hindu BusinessLine on Capital gains tax payout to go up on lower indexation benefit](#)

The article talks about Taxpayers claiming indexation benefits while computing long-term capital gains will have to shell out more to the taxman following the decision by the Central Board of Direct Taxes to tweak the cost inflation index (CII) for 2016, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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13. Publication: The Economic Times – June 06, 2016

[Quote in The Economic Times on Private equity funds' buyout deals may attract higher tax](#)

The article talks about PE funds exits that may be classified as business income if underlying control and management is also transferred, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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14. Publication: The Economic Times – June 04, 2016

[Quote in The Economic Times on Equalisation levy: Lack of clarity on dispute resolution worries companies](#)

The article talks about SEBI's decision to accept recommendations of panel headed by Narayan Murthy on Alternative Investment Fund regulations, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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15. Publication: The Economic Times – June 02, 2016

[Quote in The Economic Times on Startups with marked down valuations may face tax notice](#)

The article talks about Startups that are worrying about the Angel tax which can sting them badly in this environment of falling valuations, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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Quick Look

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3. **Close association** with a number of renowned **Accounting** and **Auditing** firms (which are part of top 100 CPA Firms) in the US to develop, support and facilitate US-India bilateral business opportunities– both for Indian businesses entering the US market as well as US businesses establishing a business presence in India.
4. **Member** of reputed international alliances, [Leading Edge Alliance](#), the second largest global association of accounting firms in the world(#9 in worldwide ranking of networks, associations and alliances), [TPA Global](#) Group, an independent and specialist provider of expert transfer pricing, tax valuation and customs services to provide transfer pricing and valuation services to their clients globally.
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7. **Clients** include **Fortune 1000, Fortune 500 companies, Listed Multinationals, Listed Companies, exciting startups and Large domestic corporate houses**.

Initiatives

Our partners also contribute stories/articles for the media (electronic/ press like Worldwide Tax by Tax Analysts.com of the US, The Economic Times, Business Standard, Live Mint & The Wall Street Journal, The Financial Express, Daily News & Analysis, The Hindu Business Line, Moneycontrol, Business Today, Press Trust of India, CCH, etc) on the International tax and Transfer Pricing matters (including latest developments) providing our views as to their impact on business environment in India.

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