

INCOME TAX

Extension of due date for remitting TDS & TCS:

- ❖ Due date for remitting TDS & TCS has been extended from 7th December to 20th December for the deductors located in Tamil Nadu state only due to the heavy rains and floods in the state.

Service of notice or summon:

- ❖ New rule 127 has been introduced for the service of a notice or summon or requisition or order or any other communication may be made by (1) post or any approved courier services to the address furnished by the addressee in writing for the purpose of communication to the income tax authority. In the absence of the same, the communication can be sent to any of the following: (a) address available in the PAN database or (b) the address available in the income tax return to which the communication relates or (c) the address available in the last income tax return furnished or (d) the address of registered office in case the assessee is a company. (2) The communication can be delivered or transmitted electronically to (a) e-mail address available in the income tax return to which the communication relates or (b) the e-mail address available in the last income tax return furnished or (c) the e-mail address of registered office in case the assessee is a company or (d) any email address made available by the addressee to the income-tax authority or any person authorised by such income-tax authority

CORPORATE LAW

Extension of Due date for filing annual returns:

- ❖ Due date for filing MGT-7 (Annual Return) and AOC-4 (Financial Statement) has been extended from 30th November 2015 to 31st December 2015.

Others:

- ❖ New version of MGT-7 have been introduced for filing of Annual Returns
- ❖ Companies permitted by a Ministry or Department of the Central Government or by Reserve Bank of India or by the National Housing Bank or by any other statutory authority can issue debentures for a period exceeding ten years

FEMA

- ❖ The existing ECB (External Commercial Borrowings) framework is being revised and shall come into force from the date of publication, in the Official Gazette, of the relative Regulations issued under FEMA
- ❖ FPIs (Foreign Portfolio Investors) can now acquire NCDs/bonds, (Non Convertible Debentures) with a maturing period of three years or more.
- ❖ The following documents are also to be considered as evidence of import viz: (a) Ex-Bond Bill of Entry issued by Customs Authorities when imported goods are stored in Free Trade Warehousing Zones / SEZ unit warehouses for re-export / re-selling purposes and (b) Bill of Entry provided by courier companies to the Customs Authorities..
- ❖ In order to facilitate hedging of long term foreign currency borrowings by residents, it has been decided to permit them to enter in to Foreign Currency to Indian Rupee swaps for a minimum tenure of 3 years with Multilateral or International Financial Institutions (MFI/IFI) in which Government of India is a shareholding member.
- ❖ All software exporters irrespective of size, can file single as well as bulk SOFTEX form (declaration to be mandatorily given by software exporters regarding the export transactions) in excel format to the competent authority for certification. Since the SOFTEX data from STPI/SEZ is being transmitted in electronic format to RBI, the exporters are required to submit the SOFTEX form in duplicate as per the revised procedure. STPI/SEZ will retain one copy and handover the duplicate copy to the exporters after due certification. The software exporters can generate SOFTEX form number (single as well as bulk) for use in off-site software exports from the website www.rbi.org.in. In order to generate the SOFTEX number/s, the applicant exporter has to fill-in the online form (Path www.rbi.org.in ⇒ Forms⇒ FEMA Forms⇒ Printing EDF/SOFTEX Form No.). Earlier this facility of filing bulk SOFTEX forms was available only when annual turnover was at least Rs 1000 crores or number of forms was a minimum of 600 per annum.
- ❖ Barter trade which was permitted till now to facilitate exchange of locally produced commodities along the Indo-Myanmar border has been done away with and normal trade to commence with effect from December 1, 2015. All trade transactions with Myanmar, including those at the Indo-Myanmar border with effect from December 1, 2015 would be settled in any permitted currency in addition to the Asian Clearing Union mechanism.

SERVICE TAX

Extension of Due date

- ❖ For Service tax assessees in the state of Tamil Nadu , the due date for payment of Service Tax for the month of Nov. 2015 has been extended to the 20th of Dec. 2015.

Clarifications regarding levy of Swatch Bharat Cess (SBC):

- Swachh Bharat Cess would be calculated on the same taxable value as service tax.
- SBC is not leviable on services which are fully exempt from service tax or those covered under the negative list of services.
- SBC would be levied, charged, collected and paid to the Government independent of service tax. This needs to be
 - charged separately after service tax as a different line item in invoice.
 - accounted for separately in the books of account (It can be accounted and treated similarly to Education cess)
 - paid separately under separate accounting code which is as follows (codes are yet to be notified)

Swatch Bharat Cess (Minor Head)	Tax Collection	Other Receipts	Penalties	Deduct Refunds
0044-00-506	00441493	00441494	00441496	00441495

- There will be no liability of SBC only if the payment has been received before the service became taxable ie prior to 15th November 2015 and invoice is raised either before 15th November 2015 or within 14 days, i.e. upto 29th November 2015. In all other cases SBC would be applicable.
- SBC is applicable on reverse charge mechanism in the same way as service tax is applicable.
- In cases when abatement is permissible, SBC would be levied on the same percentage of value of taxable service.
- The below service providers:
 - Air travel agent
 - An insurer carrying on life insurance business
 - A person who is in the business of purchase or sale of foreign currency, including money changing

- The distributor or selling agent, liable to pay service tax for the taxable service of promotion, marketing, organizing or in any other manner assisting in organizing lottery

shall have the option to pay SBC as determined as per the following formula:-
(Service Tax liability [applicable as per sub-rule (7), (7A), (7B) or (7C)] X 0.5)/14

This option once exercised, shall apply uniformly in respect of such services and shall not be changed during a financial year under any circumstances

- Cenvat Credit cannot be availed on SBC. Hence SBC cannot be paid, by utilizing credit of any other duty or tax.

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