

INCOME TAX**DUE DATE EXTENDED:**

- CBDT has extended the due date for filing returns of income and audit reports under Section 44AB (tax audit report) from 30th September 2015 to 31st October 2015.

MIMUMUM ALTERNATE TAX

- MAT provisions will not be applicable to FIIs/ FPIs (Foreign Institutional Investors / Foreign Portfolio Investors) not having a place of business / permanent establishment in India for the period prior to 01.04.2015. Necessary amendments would be made in the Act.

FACTA UPDATE:

- Agreement has been entered with the government of US for exchange of the information for improving international tax compliance implementing Foreign Account tax compliance act of USA. Accordingly the following information would be exchanged between the two countries:
 - a) In the case of India with respect to each U.S. Reportable Account of each Reporting Indian Financial Institution:
 - Name, address and U.S TIN of each Specified Person, The name of the Reporting Indian Financial Institution, the account number and the balance held in the account, and other financial details with respect to the accounts held in the Financial Institutions.
 - b) In the case of the United States, with respect to each Indian Reportable Account of each Reporting U.S. Financial Institution:
 - Name, address, and Indian TIN of any person who is a resident of India and is an Account Holder of the account; their account number; the name and identifying number of the Reporting U.S. Financial Institution; and other financial details like the gross amount of interest paid on a Depository Account, the gross amount of U.S. source dividends paid or credited to the account; and the gross amount of other U.S. source income paid or credited to the account

FORM 15G / 15H SIMPLIFIED:

- Electronic version of Form 15G / 15H (declaration for non deduction of tax at source) has been introduced with effect from 1st October 2015 in addition to the paper mode. This involves an electronic verification process. A unique identification number would be allotted for each electronically submitted form.

TRANSPORT ALLOWANCE:

- Exemption under Sec 10(14) (Transport allowance to meet expenses in commuting from place of residence to work place) granted to special category of people now extended to deaf and dumb people as well and the amount so exempted is Rs.3200/- per month.

BLACK MONEY ACT:

- Clarifications have been provided on The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act 2015. Please visit the http://www.incometaxindia.gov.in/communications/circular/circular15_2015.pdf.

CORPORATE LAW**IND AS APPLICABILITY:**

- The Indian Accounting Standards that are to be used in the preparation of financial statements of a company have been notified. The applicability of these standards are done in a phased manner as follows:
 1. FY 2015-16: Any company may adopt the Ind AS for FS for accounting periods beginning on or after 1st April 2015, with the comparatives for the periods ending on 31st March 2015, or thereafter
 2. FY 2016-17: It is mandatory for the following companies to adopt IND AS from FY 2016-17 onwards:
 - a) Companies whose Equity or Debt Securities are listed or are in the process of being listed on any stock exchange in India or outside India and having Net Worth ('NW') of Rs 500 crore or more.
 - b) Unlisted Companies (i.e. other than those mentioned in (a) above having NW of Rs 500 crore or more.
 - c) Holding, Subsidiary, Joint Venture/ Associate Companies of Companies covered in (a) and (b) above.
 3. FY 2017-18: It is mandatory for the following companies to adopt IND AS from FY 2017-18 onwards:
 - a) Companies whose Equity or Debt Securities are listed or are in the process of being listed on any stock exchange in India or outside India and having NW of less than Rs 500 crore.
 - b) Unlisted Companies having NW of Rs 250 crore or more but less than Rs 500 crore.
 - c) Holding, Subsidiary, Joint Venture/ Associate Companies of Companies covered in (a) and (b) above
 4. Exemptions: The Insurance Companies, Banking Companies and Non-Banking Finance Companies ('NBFC') shall not be required to apply Ind AS for preparation of their FS either voluntarily or mandatorily as specified above.

The list of the Indian Accounting Standards is given in Annexure A to this newsletter.

EASE OF DOING BUSINESS IN INDIA:

- The Government of India has taken up a series of measures to improve Ease of Doing Business. The measures taken are:

1. Process of applying for Industrial License (IL) and Industrial Entrepreneur Memorandum (IEM) has been made online and this service is now available to entrepreneurs on 24x7 bases at the eBiz website. This had led to ease of filing applications and online payment of service charges. Following 14 services are integrated with eBiz portal developed which will function as a single window portal for obtaining clearances from various governments and government agencies:

- a. Industrial Licence (DIPP)
- b. Industrial Entrepreneurs Memorandum (DIPP)
- c. Employer Registration with ESIC
- d. Employer Registration with EPFO
- e. Company name availability (MCA)
- f. Allotment of Directors' Identification Number (DIN)
- g. Certificate of company's incorporation
- h. Declaration of commencement of business (MCA)
- i. RBI's Foreign Collaboration General Permission Route
- j. Advance Foreign Remittance (RBI)
- k. Permanent Account Number (PAN)
- l. Tax deduction Account Number (TAN)
- m. Issue of Explosive licence (PESO)
- n. Importer exporter code (IECDGFT)

2. Ministry of Corporate Affairs has introduced an integrated process for incorporation of a company, wherein applicants can apply for Director's Identification Number (DIN) and company name availability simultaneous to incorporation application [FormINC-29].

FEMA

REGULARISATION OF ASSETS HELD ABROAD BY A PERSON RESIDENT IN INDIA UNDER FOREIGN EXCHANGE MANAGEMENT ACT, 1999

- With the enactment of The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (Black Money Act) on May 26, 2015, certain clarifications have been provided:

- No proceedings shall lie under the Foreign Exchange Management Act, 1999 (FEMA) against the declarant with respect to an asset held abroad for which taxes and penalties under the provisions of Black Money Act have been paid.
- No permission under FEMA will be required to dispose of the asset so declared and bring back the proceeds to India through banking channels within 180 days from the date of declaration.
- In case the declarant wishes to hold the asset so declared, she/ he may apply to the Reserve Bank of India within 180 days from the date of declaration if such permission is necessary as on date of application. Such applications will be dealt by the Reserve Bank of India as per extant regulations. In case such permission is not granted, the asset will have to be disposed of within 180 days from the date of receipt of the communication from the Reserve Bank conveying refusal of permission or within such extended period as may be permitted by the Reserve Bank and proceeds brought back to India immediately through the banking channel.

FOREIGN EXCHANGE MANAGEMENT (TRANSFER OR ISSUE OF SECURITY BY A PERSON RESIDENT OUTSIDE INDIA)

- All LLPs which have received Foreign Direct Investment in the previous year(s) including the current year shall submit to the Reserve Bank of India, on or before the 15th day of July of each year, a report titled 'Annual Return on Foreign Liabilities and Assets' as specified by the Reserve Bank from time to time"

EXTERNAL COMMERCIAL BORROWINGS (ECB) POLICY - ISSUANCE OF RUPEE DENOMINATED BONDS OVERSEAS:

- In order to facilitate Rupee denominated borrowing from overseas, it has been decided to put in place a framework for issuance of Rupee denominated bonds overseas :
 - a. Eligible borrowers: Any corporate or body corporate as well as Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).
 - b. Any investor from a Financial Action Task Force (FATF) compliant jurisdiction.
 - c. Minimum maturity period of 5 years.
 - d. All in cost should be commensurate with prevailing market conditions.
 - e. Amount: As per ECB policy.
 - f. End-uses: No end-use restrictions except for a negative list.
 - Real estate activities other than for development of integrated township / affordable housing projects;
 - Investing in capital market and using the proceeds for equity investment domestically;

- Activities prohibited as per the foreign direct investment (FDI) guidelines;
- On-lending to other entities for any of the above objectives; and
- Purchase of land.

TRADE CREDIT POLICY - RUPEE (INR) DENOMINATED TRADE CREDIT

- With a view to providing greater flexibility for structuring of trade credit arrangements, it has been decided that the resident importer can raise trade credit in Rupees (INR) within the following framework after entering into a loan agreement with the overseas lender:
 - a. Trade credit can be raised for import of all items (except gold) permissible under the extant Foreign Trade Policy
 - b. Trade credit period for import of non-capital goods can be upto one year from the date of shipment or upto the operating cycle whichever is lower
 - c. Trade credit period for import of capital goods can be upto five years from the date of shipment
 - d. No roll-over / extension can be permitted by the AD Category - I bank beyond the permissible period
 - e. AD Category - I banks can permit trade credit upto USD 20 mn equivalent per import transaction
 - f. AD Category - I banks are permitted to give guarantee, Letter of Undertaking or Letter of Comfort in respect of trade credit for a maximum period of three years from the date of shipment
 - g. The all-in-cost of such Rupee (INR) denominated trade credit should be commensurate with prevailing market conditions
 - h. All other guidelines for trade credit will be applicable for such Rupee (INR) denominated trade credits
 - i. Overseas lenders of Rupee (INR) denominated trade credits will be eligible to hedge their exposure in Rupees through permitted derivative products in the on-shore market with an AD Category - I bank in India. Necessary guidelines for hedging will be issued separately.

VALUE ADDED TAX

- A new facility of sending SMS to the dealers relating to e-filing of returns is introduced. In this regard, dealers are requested to properly register/ update the Mobile Numbers in 'Contact person profile' page, which is available in 'VAT Reports'.

Annexure A – List of Indian Accounting Standards:

Standard	Description
Indian Accounting Standard (Ind AS) 101	First-time Adoption of Indian Accounting Standards
Indian Accounting Standard (Ind AS) 102	Share-based Payment
Indian Accounting Standard (Ind AS) 103	Business Combinations
Indian Accounting Standard (Ind AS) 104	Insurance Contracts
Indian Accounting Standard (Ind AS) 105	Non-current Assets Held for Sale and Discontinued Operations
Indian Accounting Standard (Ind AS) 106	Exploration for and Evaluation of Mineral Resources
Indian Accounting Standard (Ind AS) 107	Financial Instruments: Disclosures
Indian Accounting Standard (Ind AS) 108	Operating Segments
Indian Accounting Standard (Ind AS) 109	Financial Instruments
Indian Accounting Standard (Ind AS) 110	Consolidated Financial Statements
Indian Accounting Standard (Ind AS) 111	Joint Arrangements
Indian Accounting Standard (Ind AS) 112	Disclosure of Interests in Other Entities
Indian Accounting Standard (Ind AS) 113	Fair Value Measurement
Indian Accounting Standard (Ind AS) 114	Regulatory Deferral Accounts
Indian Accounting Standard (Ind AS) 115	Revenue from Contracts with Customers
Indian Accounting Standard (Ind AS) 1	Presentation of Financial Statements
Indian Accounting Standard (Ind AS) 2	Inventories
Indian Accounting Standard (Ind AS) 7	Statement of Cash Flows
Indian Accounting Standard (Ind AS) 8	Accounting Policies, Changes in Accounting Estimates and Errors
Indian Accounting Standard (Ind AS) 10	Events after the Reporting Period
Indian Accounting Standard (Ind AS) 12	Income Taxes
Indian Accounting Standard (Ind AS) 16	Property, Plant and Equipment
Indian Accounting Standard (Ind AS) 17	Leases
Indian Accounting Standard (Ind AS) 19	Employee Benefits
Indian Accounting Standard (Ind AS) 20	Accounting for Govt. Grants and Disclosure of Govt. Assistance
Indian Accounting Standard (Ind AS) 21	The Effects of Changes in Foreign Exchange Rates
Indian Accounting Standard (Ind AS) 23	Borrowing Costs
Indian Accounting Standard (Ind AS) 24	Related Party Disclosures
Indian Accounting Standard (Ind AS) 27	Separate Financial Statements
Indian Accounting Standard (Ind AS) 28	Investments in Associates and Joint Ventures
Indian Accounting Standard (Ind AS) 29	Financial Reporting in Hyperinflationary Economies
Indian Accounting Standard (Ind AS) 32	Financial Instruments: Presentation
Indian Accounting Standard (Ind AS) 33	Earnings per Share
Indian Accounting Standard (Ind AS) 34	Interim Financial Reporting
Indian Accounting Standard (Ind AS) 36	Impairment of Assets
Indian Accounting Standard (Ind AS) 37	Provisions, Contingent Liabilities and Contingent Assets
Indian Accounting Standard (Ind AS) 38	Intangible Assets
Indian Accounting Standard (Ind AS) 40	Investment Property
Indian Accounting Standard (Ind AS) 41	Agriculture