

TAX EDGE

Monthly Tax & Regulatory Updates



Audit



Tax

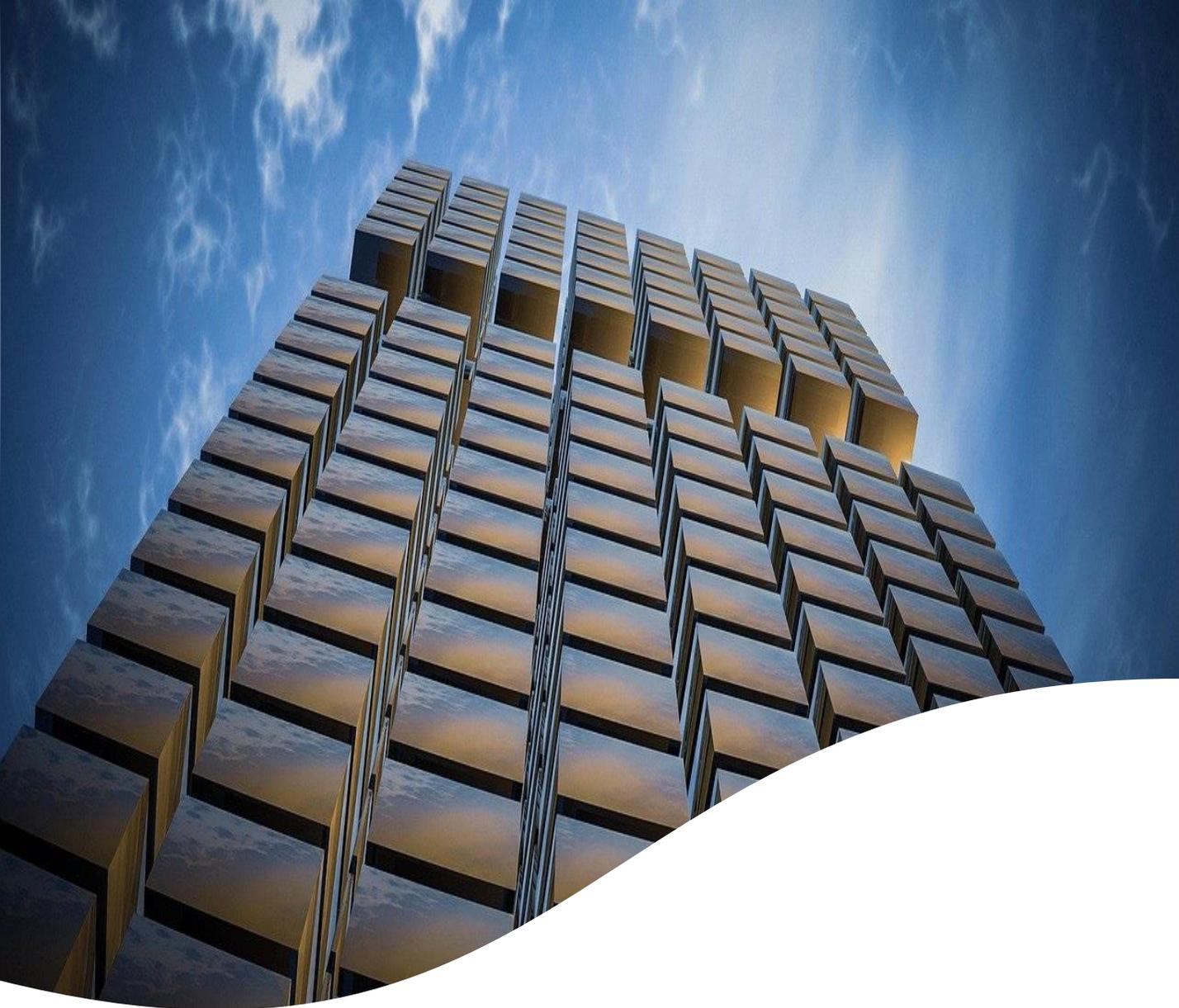


Regulatory



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Measures to combat COVID-19

Measures to combat COVID-19

Minister of Health & Family Welfare (MoHFW) unveils Information, Education & Communication (IEC) Campaign to address Vaccine Hesitancy & Misinformation



The world's largest immunization exercise against COVID-19 was launched by the Prime Minister on 16th January 2021. More than 8 lakh healthcare workers have been vaccinated till 7 am on 21st January 2021.

The Union Health Minister reminded everyone of the achievements of the country. He said, 'India is one of the few countries to halt the march of COVID-19 and simultaneously develop a vaccine for COVID, thanks to the leadership of Prime Minister Shri Narendra Modi who bestowed his personal attention to get the country rid of the pandemic.'

Explaining the role of the vaccination in eradicating diseases, he noted, 'The elimination of Polio & Smallpox was made possible by large scale immunization. Once immunized, not only that person is not capable of catching the disease, he / she is also unable to transmit the disease to others thus passing on the social benefit to the larger society he / she interacts with. This was also the logic of undertaking mass immunization of women and children against the 12 diseases under Mission Indradhanush. Vaccination against COVID will similarly create persons incapable of transmitting the disease and eradicate the disease altogether in some time.'

The Union Health Minister urged everyone to counter the vested campaigns of untruth and misinformation. 'Let us put a STOP to these falsehoods', he forcefully said. He appealed to people to seek the correct information from credible and authentic sources such as the Health Ministry, Press Information Bureau, Ministry of Information and Broadcasting, MyGov website etc. He reiterated that 'Truth is powerful and shall prevail'. And encouraged everyone to share the IEC posters to multiply the virtuous cycle of truth.

Measures to combat COVID-19

Commenting on the safety and efficacy of the vaccines, he said, 'All eminent doctors of well-known hospitals have taken the vaccine and praised the exercise for its desired end. It is only a handful of vested political interests who are interested in spreading rumour and encouraging vaccine hesitancy among those vulnerable to such propaganda in the population. The paradox is that countries across the globe are asking us for access to the vaccines while a section of our own is fomenting misinformation and doubt for narrow political ends.' He stated that the prominent doctors along with many other healthcare workers within the government and the private sector have taken the COVID-19 vaccine and have returned to their work without any side effects.

Terming the vaccination drive as last attack against COVID-19, the Minister of State for Health and Family Welfare said, '16th January is a red-letter day for it began the countdown of ending the pandemic. India has taken a revolutionary decision to provide the vaccines at the earliest.' He also appealed everyone to not follow the campaigns of mistruth but help everyone by sharing the correct information.

Ministry of Health & Family Welfare
Government of India

Help us to help you

#LargestVaccineDrive

“ The vaccines our regulators have approved are safe and effective. We must trust them. They will not allow any unsafe vaccine to be administered to Indian population. ”

Dr. Randeep Guleria
Director, AIIMS, New Delhi

minhfw.gov.in | @MHRDIndia | @MHRD2021 | govofindia | mhrdindia

Ministry of Health & Family Welfare
Government of India

Help us to help you

#LargestVaccineDrive

“ Misinformation that the vaccine causes infertility is being spread. This is absolutely untrue. It is most important to give the correct message to the community. ”

Dr Samiran Panda
Head - Epidemiology & Communicable Diseases Division, ICMR

minhfw.gov.in | @MHRDIndia | @MHRD2021 | govofindia | mhrdindia

Please [Click Here](#) to read the Press Release dated 21st January 2021.

Measures to combat COVID-19

Prime Minister launches pan India rollout of COVID-19 Vaccination Drive



Prime Minister (PM) Shri Narendra Modi launched the pan India rollout of COVID-19 vaccination drive via video conferencing on 16th January 2021. This is the world's largest vaccination program covering the entire length and breadth of the country. A total of 3006 session sites across all States and Union Territories (UTs) were virtually connected during the launch.

The PM started his speech by paying compliments to the scientists who were associated with the development of the vaccines. He said, usually it takes years to prepare a vaccine but here, in such a short time, not 1 but 2 made-in-India vaccines were launched. The Prime Minister cautioned the people to be careful about not missing taking 2 doses. He said that there will be a gap of 1 month between the doses. He asked people to keep their guards up even after taking the vaccine as only 2 weeks after taking the 2nd dose; human body will develop necessary immunity against Corona.

The PM put the unprecedented scale of the vaccination drive in perspective by informing that, in the 1st round itself, 3 crore people, which is more than population of at least 100 countries of the world, are being vaccinated. He said that this needs to be taken up to 30 crores in the 2nd round when elderly and people with serious co-morbidities will be vaccinated. He said that there are only 3 countries- India, USA and China, who have the population of more than 30 crore.

The PM asked people not to give heed to rumours and conspiracy theories as Indian vaccine scientists, medical system, Indian process and institutional mechanism in this regard is trusted globally and this trust is earned with a consistent track record.

Measures to combat COVID-19

The PM congratulated the country for a united and brave fight against corona. He termed the Indian response to corona as one of self-confidence and self-reliance. He noted a determination of not to let the confidence weaken in every Indian. He dwelled at length on the contribution of doctors, nurses, para medical staff, ambulance drivers, Accredited Social Health Activist (ASHA) workers, sanitation workers, police and other frontline workers who endangered their lives to save other. Some of them didn't even return to their homes as they lost their lives in the fight against the virus, noted a solemn PM. The frontline warriors brought hope in an environment of despondency and fear, today, by vaccinating them first, country is acknowledging their contribution with gratitude, Shri Modi said.

Recalling the initial days of the crisis, the PM noted that India showed alertness and took right decisions at the right moments. 2 weeks before the 1st case, which was detected on 30th January 2020, India had formed high-level committee. India had started proper surveillance exactly 1 year ago from. On 17th January 2020, India issued its 1st advisory and India was among the 1st nations to start screening of passengers at the airports.

The PM congratulated the countrymen to pass the challenge of discipline and patience during the Public Curfew. He pointed out that the exercise prepared the country psychologically for the lockdown.

Shri Modi also talked about evacuation of Indians stuck abroad. In a time when many countries of the world had left their citizens stranded in China, India evacuated not only the Indians but citizens of other countries. He recalled sending of entire lab to a country that was finding it difficult to test evacuating Indians.

The PM said India's response to the crisis has been acknowledged globally. It was an example of the integrated and unified response from centre, states, local governments, government offices, social bodies who performed efficiently in unison, the PM concluded.

After the speech PM tweeted 'India begins the world's #LargestVaccineDrive. This is a day of pride, a celebration of the prowess of our scientists and hardwork of our medical fraternity, nursing staff, police personnel and sanitation workers. May everyone be healthy and free from illness.'

Please [Click Here](#) to read the Press Release dated 16th January 2021.

Measures to combat COVID-19

COVID-19 Vaccine Rollout



The Central Government has been proactively carrying activities towards preparing for the nationwide roll-out of COVID-19 vaccine in close collaboration with States/UTs and all stakeholders. The Union MoHFW on 10th January 2021 held a video conference with administrators from States and UTs on the CoWIN software which forms the backbone of the last-mile vaccine administration.

The meeting gave an overall view of the Co-WIN software and the principles that shall underpin the technology back-up for the vaccination exercise. The robust, dependable and agile technology shall form both the foundation and the back-up for the country's COVID-19 vaccination which shall be the world's largest immunisation exercise.

It was critically highlighted the caution one needs to exercise to ensure that there are 'no proxies' at all; the beneficiaries need to be uniquely and undeniably identified. It is extremely important to clearly identify person who is getting vaccinated and keep a digital record on who gets vaccinated by whom, when and which vaccine. He also advised the States and UTs that the data collection should meet the purpose of facilitating work and that needs to be validated at the field levels.

There was a detailed and comprehensive discussion on the experience of the States / UTs. Their feedback and the consequent changes in software / protocols based on those inputs were deliberated upon. These included issues such as: session allocation / planning / time slotting; work flow allocation; vaccinator's allocation; sending SMS to vaccinators and beneficiaries; and connectivity issues.

Please [Click Here](#) to read the Press Release dated 10th January 2021.

Measures to combat COVID-19

Update on new strain of COVID-19 from UK

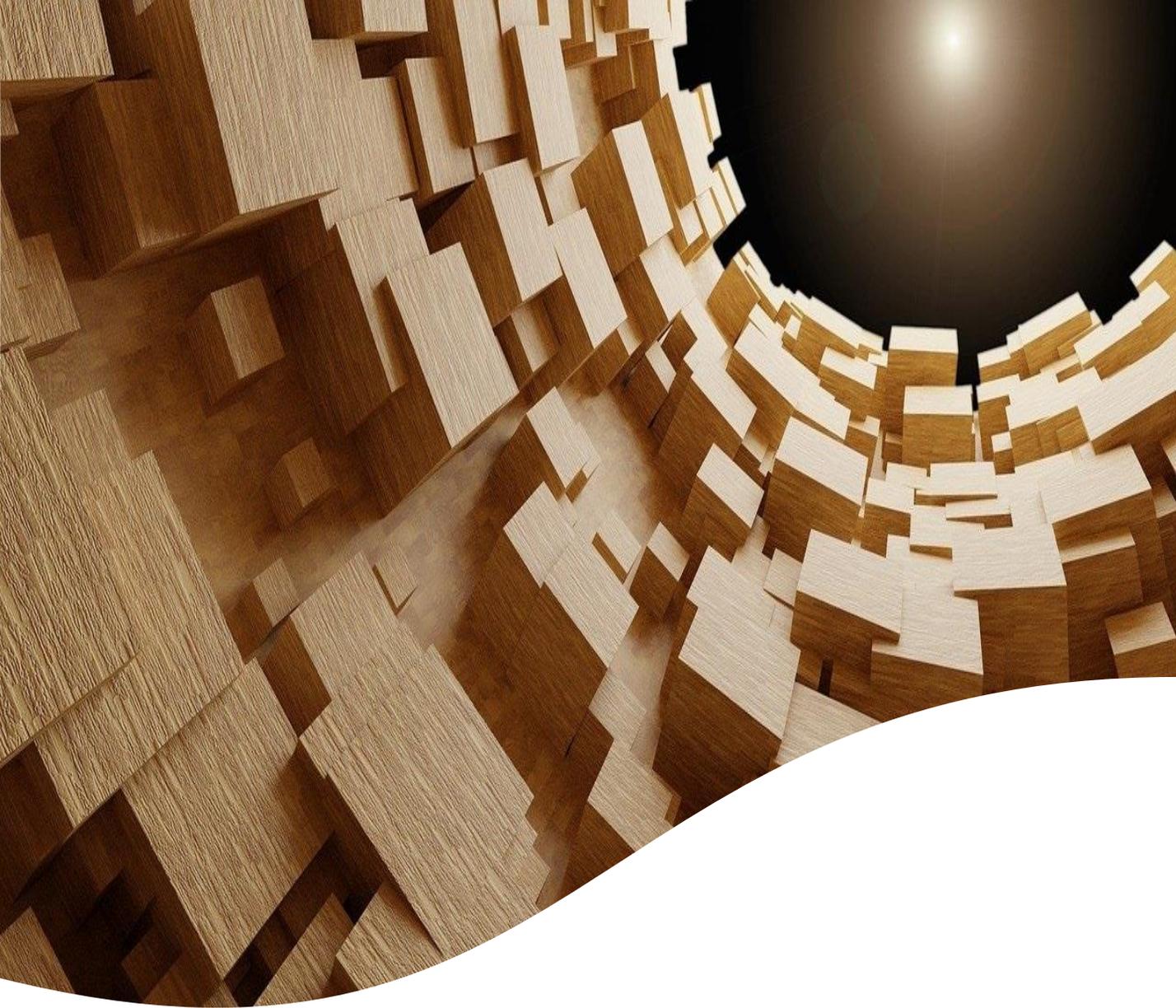


A total of 38 samples have been found to be positive with the new UK variant genome. The positive samples are being tested at 10 labs for genome sequencing.

All these persons have been kept in single room isolation in designated Health Care facilities by respective State Governments. Their close contacts have also been put under quarantine. Comprehensive contact tracing has been initiated for co-travelers, family contacts and others.

The situation is under careful watch and regular advice is being provided to the States for enhanced surveillance, containment, testing and dispatch of samples to Indian SARS-CoV-2 Genomic Consortia (INSACOG) labs.

Please [Click Here](#) to read the Press Release dated 4th January 2021.



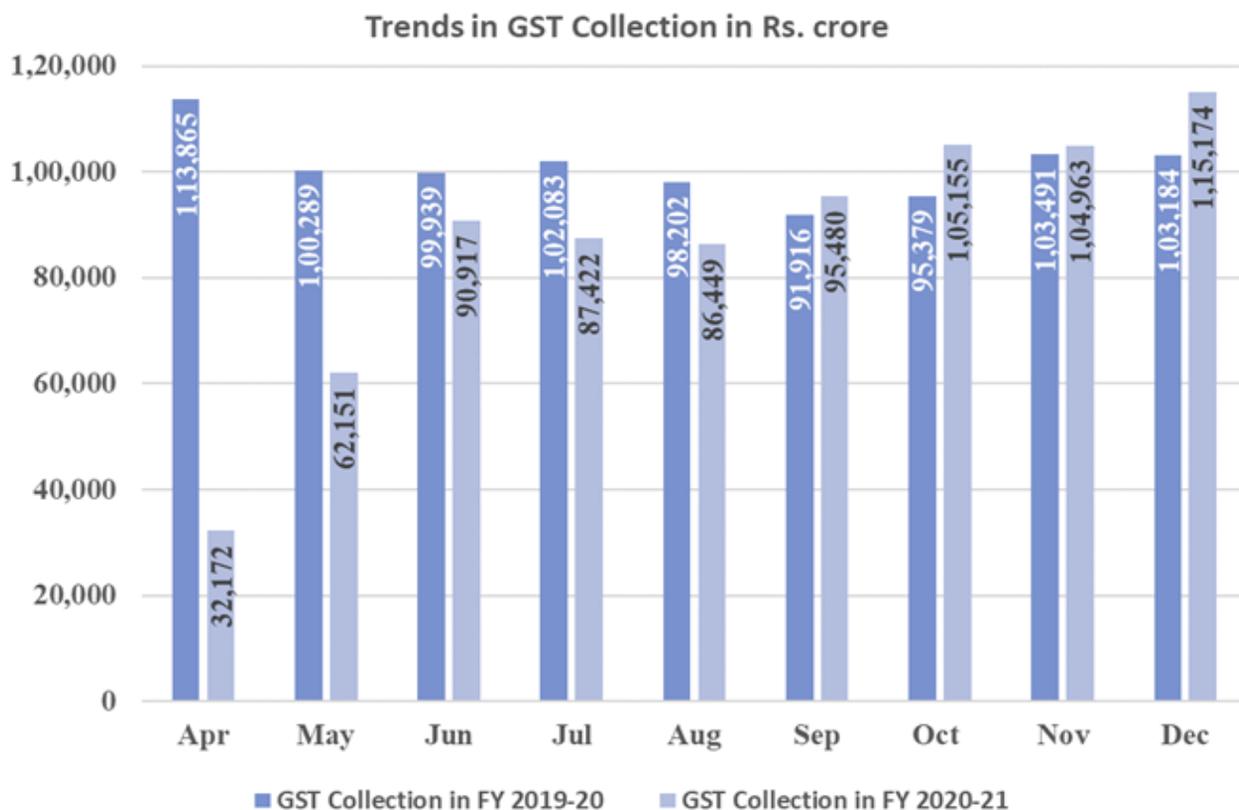
Goods & Services Tax (‘GST’)

Goods & Services Tax

GST revenue collection for December 2020, Rs. 115,174 crore (12% higher than GST revenue collection in December 2019)

The GST revenues during December 2020 have been the highest since the introduction of GST. Gross GST revenue collection for the month of December, 2020 is Rs. 115,174 crore (details given below). The revenues for the month are 12% higher than the GST revenues in the same month last year. During the month, revenues from import of goods was 27% higher and the revenues from domestic transaction (including import of services) are 8% higher than the revenues from these sources during the same month last year.

Integrated Goods and Services Tax (IGST)	Rs. 57,426 crore
Central Goods and Services Tax (CGST)	Rs. 21,365 crore
State Goods and Services Tax (SGST)	Rs. 27,804 crore
Compensation cess	Rs. 8,579 crore
Total	Rs. 115,174 crore



Goods & Services Tax

Central Board of Indirect Taxes & Customs (CBIC) restricts filing of Form GSTR-1 (outward supply return) by taxpayers who have defaulted in filing Form GSTR-3B (summary return)

CBIC has issued Notification No. 01/2021 dated 1st January 2021 restricting a registered person from furnishing details of outward supplies of goods, services or both in Form GSTR-1, if he has not furnished the return in Form GSTR-3B for the preceding 2 months.

Similarly, for quarterly return filers, the taxpayer shall not be allowed to furnish the details of outward supplies of goods, services or both in Form GSTR-1 or in invoice furnishing facility, if he has not furnished the return in Form GSTR-3B for the preceding tax period.

Also, a taxpayer restricted from using the amount available in electronic credit ledger to discharge his liability towards tax in excess of 99% of such tax liability under rule 86B of CGST Rules, 2017, shall not be allowed to furnish the details of outward supplies of goods, services or both in Form GSTR-1 or in invoice furnishing facility, if he has not furnished the return in Form GSTR-3B for the preceding tax period.

Please [Click Here](#) to read the Notification dated 1st January 2021.

GST portal introduces functionality for Aadhaar authentication / e-KYC for existing taxpayers

Functionality for Aadhaar authentication and e-KYC where Aadhaar is not available, has been deployed on GST common portal from 6th January 2021 onwards for existing taxpayers. All taxpayers registered as regular taxpayers [including casual taxable person, Special Economic Zone (SEZ) units / developers], Input Service Distributor (ISD) and composition taxpayers can authenticate their Aadhaar or e-KYC on GST portal. This is not applicable for Government departments, public sector undertakings, local authorities and statutory bodies.

What is Aadhaar authentication or e-KYC

- If Aadhaar is available, the primary authorized signatory and 1 person who is proprietor / partner / director / managing partner / karta of the registered entity can opt for Aadhaar authentication
- In absence of Aadhaar, they can upload any of the following documents for e-KYC purpose:
 - Aadhaar enrolment number
 - Passport
 - Voter identity card
 - KYC form
 - Certificate issued by competent authority

Goods & Services Tax

[How to authenticate Aadhaar / e-KYC on portal](#)

- On login by an existing registered taxpayer, the following question would be asked

Aadhaar Authentication facility is available. Would you like to authenticate Aadhaar of Partner/Promoter and Primary Authorized Signatory?

YES, NAVIGATE TO MY PROFILE

REMIND ME LATER

NOTE : For future reference you can access this link again through [Dashboard>My Profile>Aadhaar Authentication Status](#)

- If taxpayer clicks on 'Remind me later', pop up will be closed and user can navigate anywhere on the GST portal
- If taxpayer clicks on 'Yes, navigate to my profile', system will navigate to his profile. In 'My profile' option, a new tab 'Aadhaar authentication status' has been shown from where link for Aadhaar authentication to the primary authorized signatory and 1 of promoters / partners as selected by the taxpayer will be sent
- On 'My profile' option, in addition to 'Send Aadhaar authentication' link, 'Upload e-KYC documents' option would also be displayed to taxpayer from where he / she can upload the e-KYC documents on the portal. In this case, the process of e-KYC authentication would be subject to approval of uploaded e-KYC documents by tax official

Please [Click Here](#) to read the Manual for Aadhaar authentication for existing taxpayers.

[CBIC extends due date to 28th February 2021 for furnishing Form GSTR-9 \(Annual Return\) / GSTR-9C \(Reconciliation Statement\) for FY 2019-20](#)

CBIC vide Notification No. 95/2020 has extended the due date for furnishing Form GSTR-9 and GSTR 9C for the FY 2019-20 from 31st December 2020 to 28th February 2021.

Please [Click Here](#) to read the Notification dated 30th December 2020.



Direct Tax

Direct Tax

Central Board of Direct Taxes (CBDT) launches e-portal for filing complaints regarding tax evasion / benami properties / foreign undisclosed assets

Taking another step towards e-governance and encouraging participation of citizen as stakeholders in curbing tax evasion, the CBDT has launched an automated dedicated e-portal on the e-filing website of the Income-tax department to receive and process complaints of tax evasion, foreign undisclosed assets as well as complaints regarding benami properties.

The public can now file a tax evasion petition through a link on the e-filing website of the tax department <https://www.incometaxindiaefiling.gov.in/> under the head 'File complaint of tax evasion/undisclosed foreign asset/ benami property'. The facility allows for filing of complaints by persons who are existing Permanent Account Number (PAN) / Aadhaar holders as well as for persons having no PAN / Aadhaar. After a One-Time-Password (OTP) based validation process (mobile and/or email), the complainant can file complaints in respect of violations of the Income-tax Act, 1961, Black Money (Undisclosed Foreign Assets and Income) Imposition of Tax Act, 1961 and Prevention of Benami Transactions Act (as amended) in 3 separate forms designed for the purpose.

Upon successful filing of the complaint, the tax department will allot a unique number to each complaint and the complainant would be able to view the status of the complaint on the tax department's website. This e-portal is yet another initiative of the Income-tax department to infuse enhanced ease of interaction with the tax department, while strengthening its resolve towards e-governance.

The screenshot shows the e-Filing portal interface. At the top, there is a header with the Income Tax Department logo and the text "e-Filing Anywhere Anytime Income Tax Department, Government of India". Navigation links include "हिन्दी", "About Us", "Feedback", "Accessibility Options", "Contact Us", "e-Nivaran", and "Help". There are also "Login" and "Register" buttons. Below the header, there is a menu with "Home", "Downloads", and "News & Updates". The main content area is titled "Submit Tax Evasion Petition or Benami Property holding". It contains a form with the instruction "Select the appropriate option *". The form has three radio button options: "Do you want to file a simple complaint regarding tax evasion, foreign undisclosed income/asset, benami property? (without claim for reward)", "Do you want to become informer and claim reward?(offline submission process)", and "Check status or submit another complaint (In case of without claim for reward and for an existing complainant without PAN and Aadhaar)". At the bottom of the form, there are "Continue" and "Cancel" buttons.

Please [Click Here](#) to read the Press Release dated 12th January 2021.

Direct Tax

CBDT notifies Faceless Penalty Scheme, 2021

Background

In continuation of Government's drive for automation of Income-tax proceedings including assessment and dispute resolution, the Faceless Assessment Scheme, 2019, and Faceless Appeal Scheme, 2020 are the recent landmark moves undertaken by the Government in last couple of years.

The Finance Act, 2020 amended section 274 of the Income-tax Act, 1961 (Act) to enable Government make the Faceless Penalty Scheme (FPS), pursuant to which CBDT has notified the Scheme on 12th January 2021 to conduct even the penalty proceedings in a faceless manner.

Highlights of FPS

A) Faceless Penalty Centres

National Faceless Penalty Centre	Regional Faceless Penalty Centre	Penalty Units	Penalty Review Units
NFPC	RFPC	PU	PRU
<ul style="list-style-type: none"> To facilitate the conduct of faceless penalty proceedings in a centralized manner To have jurisdiction to impose penalty in accordance with the FPS 	<ul style="list-style-type: none"> To facilitate conduct of faceless penalty proceedings To have jurisdiction to impose penalty in accordance with the FPS 	<p>To perform functions of:</p> <ul style="list-style-type: none"> Drafting penalty orders Identification of points or issues for imposition of penalty Seeking information or clarification of points or issues so identified Provide opportunity of being heard to the taxpayer Analyze material / evidence furnished by the taxpayer Such other functions as may be required for imposing penalty 	<p>To perform functions of:</p> <ul style="list-style-type: none"> Review of draft penalty order Checking whether the relevant material evidence has been brought on record Checking whether the relevant points of fact and law have been duly incorporated in the draft order Checking whether the issues on which penalty is to be imposed have been discussed in the draft order Checking whether the applicable judicial decisions have been considered in the draft order Checking arithmetical correctness of computation of penalty, if any Such other functions as may be required for the purposes of review

Direct Tax

B) Communication

All communication between PU, PRU, National Faceless Assessment Centre (NFAC), taxpayer or any other person, shall be through NFPC *and* exclusively through electronic mode

C) Tax Authorities

PU and PRU shall have the following authorities:

- Additional Commissioner or Additional Director or Joint Commissioner or Joint Director.
- Deputy Commissioner or Deputy Director or Assistant Commissioner or Assistant Director, or Income-tax Officer.
- Such other income-tax authority, ministerial staff, executive or consultant, as may be considered necessary by the Board.

D) Procedure for Penalty Proceedings:

Steps	Action
1	Where any income-tax authority or NFAC has, in a case - <ul style="list-style-type: none">• Initiated penalty proceedings and issued a show-cause notice for imposition of penalty; or• Recommended initiation of penalty proceedings, it shall refer such case, in the form to NFPC
2	NFPC shall assign such case to a specific PU in any one of the RFPC through an automated allocation system
3	Where in a case assigned to a PU, initiation of penalty proceedings has been recommended, such unit, after examination of the material available on record, may decide to – <ul style="list-style-type: none">• Agree with the recommendation and prepare a draft notice calling upon the taxpayer or any other person, as the case may be, to show cause as to why penalty should not be levied under the relevant provisions of the Act; or• Disagree with the recommendation, for reasons to be recorded in writing, and send such draft notice or the reasons, as the case may be, to NFPC
4	NFPC shall upon receipt of the draft notice or reasons from the PU – <ul style="list-style-type: none">• Serve the show-cause notice, as per the draft referred, upon the taxpayer or any other person, as the case may be, specifying the date and time for filing a response; or• Not initiate penalty in cases referred
5	Where in the case assigned to a PU, penalty proceedings are already initiated, such unit shall prepare a draft notice calling upon the taxpayer or any other person, as the case may be, to show cause as to why penalty should not be levied under the relevant provisions of the Act and send such notice to NFPC
6	NFPC shall serve the show-cause notice, as per draft upon the taxpayer or any other person, as the case may be, specifying the date and time for filing a response
7	The taxpayer or any other person, as the case may be, shall file a response to the show-cause notice, within the date and time specified therein, or such extended date and time as may be allowed on the basis of an application made in this behalf, with NFPC
8	Where response is filed by the taxpayer or any other person, as the case may be, NFPC shall send such response to the PU, and where no such response is filed, inform PU
9	PU may make a request to NFPC for – <ul style="list-style-type: none">• Obtaining further information, documents or evidence from any income-tax authority or NFAC; or• Obtaining further information, documents or evidence from the taxpayer or any other person; or• Seeking technical assistance or conducting verification

Direct Tax

Steps	Action
10	NFPC shall on receiving the request, issue appropriate notice or requisition to the Income-tax authority or NFAC or the taxpayer or any other person, as the case may be, to submit such information, documents or evidence, as may be specified by the PU, specifying the date and time for furnishing a response
11	The income-tax authority or NFAC or the taxpayer or any other person, as the case may be, shall furnish a response to the notice or requisition, within the date and time specified therein, or such extended date and time as may be allowed on the basis of an application made in this behalf, to NFPC
12	Where a request for conducting of certain enquiry or verification or seeking technical assistance has been made by the PU, NFPC shall send such request to NFAC specifying a date and time for submitting a report
13	Where response to notice is filed by the income-tax authority or the NFAC or the taxpayer or any other person, as the case may be, the NFPC shall send such response to the PU, and where no such response is filed, inform the PU
14	<p>PU shall, after considering the material on record including response furnished, if any, or report, if any, propose for —</p> <ul style="list-style-type: none"> • Imposition of the penalty and prepare a draft order for such imposition of penalty; or • Non-imposition of the penalty, for reasons to be recorded in writing and send the proposal along with such draft order or reasons, as the case may be, to the NFPC
15	<p>NFPC shall examine the above proposal, in accordance with the risk management strategy specified by the CBDT, including by way of an automated examination tool, whereupon it may decide,</p> <ul style="list-style-type: none"> • In a case where imposition of penalty has been proposed, to pass the penalty order as per draft order and serve a copy thereof upon the taxpayer or any other person, as the case may be; or • In a case where non-imposition of penalty has been proposed, not to impose penalty under intimation to the taxpayer or any other person, as the case may be; or • Assign the case to a PRU in any one of the RFPC through an automated allocation system, for conducting review of such proposal;
16	The PRU shall review the proposal of PU whereupon it may concur with, or suggest modification to, such proposal, for reasons to be recorded in writing, and intimate the NFPC
17	Where the PRU concurs with the proposal of PU, the NFPC shall follow the prescribed procedure
18	Where the PRU suggests modification to the proposal, the NFPC shall assign the case to a specific PU, other than the PU, in any one of the RFPC through an automated allocation system
19	<p>Where the case is assigned to a PU, such PU, after considering the material on record including suggestions for modification and reasons recorded by the PRU —</p> <ul style="list-style-type: none"> • In a case where the modifications suggested by the PRU are prejudicial to the interest of the taxpayer or any other person, as the case may be, as compared to the proposal of the PU, shall follow the prescribed procedure and prepare a revised draft order for imposition of penalty; or • In a case where the modification is not prejudicial to the interest of taxpayer or any other person, as the case may be, shall prepare a revised draft order for imposition of penalty; or • May propose non-imposition of penalty, for reasons to be recorded in writing, <p>and send such order or reasons to the NFPC</p>
20	Upon receipt of revised draft order from the PU, the NFPC shall pass the penalty order as per such draft and serve a copy thereof upon the taxpayer or any other person or not impose penalty under intimation to the taxpayer or any other person, as the case may be
21	Where in a case, the NFPC has passed a penalty order, or not initiated or imposed penalty, as the case may be, it shall send a copy of such order or reasons for not initiating or imposing penalty to the income-tax authority, or the NFAC, as the case may be, for such action as may be required under the Act

Direct Tax

E) Rectification Proceedings

Steps	Action
1	<p>The application for rectification of mistake may be filed with the NFPC by;</p> <ul style="list-style-type: none">• The taxpayer or any other person, as the case may be; or• PU which prepared the order; or• PRU which reviewed the order; or• Income-tax authority; or• NFAC
2	<p>Where an application, is received by the NFPC it shall assign such application to a specific PU in any one of the RFPC through an automated allocation system</p>
3	<p>The PU shall examine the application and prepare a notice for granting an opportunity</p> <ul style="list-style-type: none">• To the taxpayer or any other person, as the case may be, where the application has been filed by the authorities• To the authorities referred, where the application has been filed by the taxpayer or any other person, as the case may be, <p>and send the notice to the NFPC</p>
4	<p>The NFPC shall serve the notice, upon the taxpayer or any other person, as the case may be, or authorities to show cause as to why rectification of mistake should not be carried out under the relevant provisions of the Act, specifying the date and time for filing a response</p>
5	<p>The response to the show-cause notice shall be furnished within the specified date and time or such extended time as may be allowed on the basis of application made in this behalf, to the NFPC</p>
6	<p>Where a response, is filed, the NFPC shall send such response to the PU, or where no such response is filed, inform the PU.</p>
7	<p>The PU shall after considering the response, if any, prepare a draft order;</p> <ul style="list-style-type: none">• for rectification of the mistake; or• for rejection of application for rectification, citing reasons thereof, <p>and send the order to the NFPC</p>
8	<p>The NFPC shall upon receipt of draft order, pass an order as per such draft and communicate such order to, –</p> <ul style="list-style-type: none">• The taxpayer or any other person, as the case may be; and• NFAC or the income-tax authority having jurisdiction over the case, for such action as may be required under the Act

Direct Tax

F) Procedure for Appeal

An appeal against a penalty order made by the NFPC shall lie before the Commissioner (Appeals) having jurisdiction over the jurisdictional income-tax authority or before the NFAC

G) No personal appearance in the Centres or Units

- A person shall not be required to appear either personally or through authorised representative in connection with any proceedings under the Scheme before the income-tax authority at the NFPC or RFPC or PU or PRU
- The taxpayer or his authorised representative may request for personal hearing so as to make his oral submissions or present his case before the PU
- The Chief Commissioner of Income Tax (CCIT) or the Director General of Income Tax (DGIT), in charge of the RFPC, under which the concerned PU is set up, may approve the request for personal hearing if he is of the opinion that the request is covered by the circumstance
- Where the request for personal hearing has been approved, such hearing shall be conducted exclusively through video conferencing or video telephony, including use of any telecommunication application software which supports video conferencing or video telephony

Please [Click Here](#) to read Notification no.2 dated 12th January 2021.

Please [Click Here](#) to read Notification no.3 dated 12th January 2021.

Subsequent orders dated 20 January 2021 passed by CBDT

Subsequent to the above, CBDT has passed the following orders on 20 January 2021.

- Until the date on which NFPC, RFPC, PU, PRU under the FPS are set up, the NFAC / Regional Faceless Assessment Centres / Assessment Units / Review Units set up under Faceless Assessment Scheme, 2019 will also act as NFPC / RFPC / PU / PRU respectively. The Income-tax authorities of NFAC / Regional Faceless Assessment Centres / Assessment Units / Review Units (i.e., Principal Chief Commissioner of Income-tax / Chief Commissioner of Income-tax / Principal Commissioner of Income-tax / Commissioner of Income-tax / Additional Commissioner of Income-tax / Joint Commissioner of Income-tax / Deputy Commissioner of Income-tax / Assistant Commissioner of Income-tax / Income-tax Officer) shall act as and perform functions of the corresponding tax authorities of the NFPC / RFPC / PU / PRU respectively
- All penalty cases initiated under the Act, pending as well as initiated subsequently, is assigned to the NFPC to be disposed by the NFAC, except in following cases:
 - ✓ Penalty proceedings in cases assigned to Central charges
 - ✓ Penalty proceedings in cases assigned to International charges
 - ✓ Penalty proceedings arising in Tax Deduction at source (TDS) charges

Direct Tax

CBDT extends due dates for filing Income-tax Returns (ITRs) for Assessment Year (AY) 2020-21 & passing of orders under Vivad (Dispute) se (to) Vishwas (Trust) Scheme

Earlier, CBDT vide Notification dated 29th October 2020 had extended the due dates for furnishing ITR forms and Tax Audit Reports for AY 2020-21 due to COVID-19. Vide Press Release dated 30th December 2020, CBDT has further extended the due dates as below:

Sr. no.	Particulars	Earlier due date	Extended due date
1.	<u>ITR</u>		
a.	Taxpayers who are required to get their accounts audited and Companies	31 st January 2021	15 th February 2021
b.	Taxpayers who are required to furnish Transfer Pricing Report in Form 3CEB	31 st January 2021	15 th February 2021
c.	Payment of self-assessment tax for above taxpayers whose liability is upto Rs.1 lakh	31 st January 2021	15 th February 2021
d.	Other taxpayers (including individuals)	31 st December 2020	10 th January 2021
e.	Payment of self-assessment tax for Other taxpayers whose liability is upto Rs.1lakh	31 st December 2020	10 th January 2021
f.	Tax Audit Report in Form 3CD	31 st December 2020	15 th January 2021
g.	Transfer Pricing Report in Form 3CEB	31 st December 2020	15 th January 2021
2.	<u>Vivad (Dispute) se (to) Vishwas (Trust) Scheme</u>		
a.	Filing of declaration by applicant	31 st December 2020	31 st January 2021
b.	Passing order by tax authorities	30 th January 2021	31 st January 2021
3.	Passing of order or issuance of notice by the authorities under the Direct Taxes and Benami Acts	30 th March 2021	31 st March 2021

Please [Click Here](#) to read the Press Release dated 30th December 2020.

Direct Tax

CBDT rejects representation for any further extension of due dates

The Gujarat High Court vide judgement dated 8th January 2021 in the case of 'All India Gujarat Federation of Tax Consultants Vs. Union of India, SCA 13653 of 2020' has directed the Ministry of Finance to look into the issue of extension of due dates for filing of Tax Audit Report more particularly the representation dated 12 October 2020 and take an appropriate decision in accordance with law.

CBDT after careful and detailed analysis has rejected the above representation quoting the below reasons:

- The due dates for filing of ITR / Tax Audit Report have already been extended on 3 occasions
- Internationally, the extension provided by India is more generous as compared to other countries
- The return filing statistics of the current year indicates that returns filed in this FY already far exceeds the returns filed which were due on the last date of filing ITRs

CBDT observed that any further extension would adversely affect the return filing discipline and shall also cause injustice to those who have taken pains to file the return before the due date. It would also postpone the collection of revenue thereby hampering the efforts of the Government to provide relief to the poor during these COVID-19 times.

CBDT has explained that Government has been proactive in analyzing the situation and providing relief to taxpayers. However, it should also be appreciated that filing of ITR / Tax Audit Reports are essential part of the obligations of taxpayer and cannot be delayed indefinitely. Many functions of the Income-tax department start only after the filing of ITR by the taxpayers. Filing of ITRs by taxpayers also results in collections of taxes either through payment of self-assessment tax or by the subsequent collection by the department post processing or assessment of the tax returns. The tax collections assume increased significance in these difficult times and Government of India needs revenue to carry out relief work for poor and other responsibilities. Any delay in filing returns affects collection of taxes and other welfare functions of the state for the vulnerable and weaker sections of society which is funded through the revenue collected. Sufficient time has already been given to taxpayers to file their tax returns and a large number of taxpayers have already filed their returns of income.

A look at the relaxation of similar nature provided by other economies globally makes it clear that the Government of India has been very empathetic to the needs of the taxpayers as compared various other countries. No other country has extended the due dates as much as India. Even countries which are comparatively worse hit by COVID-19, like the USA, UK etc., have provided no or lesser extensions in due dates.

Please [Click Here](#) to read CBDT's dated 11th January 2021.



International Tax

International Tax

Safe harbour rule against taxability in India of offshore fund managed by onshore fund manager – Relaxation to the offshore fund from requirement to pay minimum compensation for FY 2019-20 & 2020-21 & continue to be entitled for the tax benefit

Background

Section 9A of the Income-tax Act, 1961 provides safe harbour rules against taxability in India of offshore funds managed by an onshore fund manager, in terms of

- Creation of taxable business presence in India, and
- Qualifying as a tax resident in India (in case of a tax resident in India, worldwide income is taxable in India)

One of the conditions for being entitled to above tax benefit [as per section 9A(3)(m)] is that remuneration paid by the offshore fund to the onshore fund manager in respect of fund management activity undertaken by him must not be less than the amount to be calculated as per the manner prescribed in Rule 10V(12) of the Income-tax Rules, 1962. The said sub-rule (12) has been inserted in Rule 10V with effect from *1st April 2019* onwards, vide Notification No 29/2020 dated *27th May 2020*.

As per 2nd proviso to the said rule, in case the amount of remuneration paid falls short of the minimum threshold, the offshore fund may apply to CBDT seeking approval for exemption from the said obligation. In case CBDT is satisfied, it may approve such lower amount of remuneration.

Issue that arose

Reportedly, representations have been received by CBDT from industry expressing inability to comply with sub-rule 12 to Rule 10V for the FY 2019-20 as the said Notification No 29/2020 was notified after the said FY got over and the FY 2020-21 had already commenced.

Clarification issued by CBDT

In order to avoid genuine hardship in such cases, CBDT has decided to provide that for the FYs 2019-20 and 2020-21 in cases where the remuneration paid to the fund manager is lower than the amount of remuneration prescribed under Rule 10V(12) but is at arm's length, it shall be sufficient compliance with section 9A(3)(m).

Please [Click Here](#) to read Circular no. 1 dated 15th January 2021 issued by CBDT.



Company Law

Company Law

Ministry of Corporate Affairs (MCA) notifies provisions of Corporate Social Responsibility (CSR) in Companies (Amendment) Acts of 2019 & 2020

MCA vide notification dated 22nd January 2021 has notified section 21 of Companies (Amendment) Act, 2019 and section 27 of Companies (Amendment) Act, 2020 which deal with the provisions of CSR u/s 135 of the Companies Act, 2013 (Act).

Key highlights of the notified CSR provisions

Sr. no.	CSR provisions notified u/s 21 of Companies (Amendment) Act, 2019	CSR provisions notified u/s 27 of Companies (Amendment) Act, 2020
1	The Board of Directors of every company to which CSR is applicable, shall ensure that the company spends, in every FY, at least 2% of its average net profits during the 3 immediately preceding FYs or where the company has not completed 3 FYs since its incorporation, then during such immediately preceding financial years, in pursuance of its CSR Policy	Any excess amount spent by the company during a FY can be set off against its future CSR obligation within immediate 3 succeeding FYs in the prescribed manner
2	If the company fails to spend its CSR obligation, then the Board of Directors shall, in its report specify the reasons for not spending the said amount. Unless the unspent amount relates to any ongoing project, company is required to transfer such unspent amount to a Fund specified in Schedule VII of the Act (Schedule VII Fund), within 6 months from the expiry of the FY	<ul style="list-style-type: none">• A defaulting company under CSR shall be liable to a penalty of twice the amount required to be transferred by the company to the Schedule VII Fund or 'Unspent CSR Account' (meaning of 'Unspent CSR Account' explained in serial no.3 below), as the case may be, or Rs. 1 crore, whichever is less; and• A defaulting officer of the company shall be liable to a penalty of 1/10th of the amount required to be transferred by the company to the Schedule VII Fund or Unspent CSR Account, as the case may be, or Rs. 2 lakh, whichever is less.
3	Any unspent CSR amount which pertains to any ongoing project, undertaken by a company in pursuance of its CSR Policy, shall be either: <ul style="list-style-type: none">• Transferred by the company within 30 days from the end of the FY, to a special account to be opened by the company in any scheduled bank known as Unspent CSR Account. Such amount shall be spent by the company within 3 FYs from the date of such transfer;• If the company fails to do so, it shall then be required to transfer the unspent amount to Schedule VII Fund, within 30 days from the date of completion of the 3rd FY	Where the CSR expenditure of the company does not exceed Rs. 50 lakh, the requirement for constitution of the CSR Committee shall not be applicable. The functions of CSR Committee shall be discharged by the Board of Directors of such company.
4	The Central Government may give general or special directions to various class of companies as it considers necessary to ensure compliance of CSR provisions. Such companies shall be required to comply with the directions.	-

Please [Click Here](#) to read Notification dated 22nd January 2021 relating to CSR provisions under Companies (Amendment) Act, 2019.

Please [Click Here](#) to read Notification dated 22nd January 2020 relating to CSR provisions under Companies (Amendment) Act, 2020.

Company Law

MCA notifies Companies (CSR Policy) Amendment Rules, 2021

MCA vide notification dated 22nd January 2021 has notified Companies (CSR Policy) Amendment Rules, 2021.

Highlights of the notified CSR rules

Rule	Amendment
Rule 2	<p>Some of the definitions have been suitably amended such as:</p> <ul style="list-style-type: none">'CSR' definition has been amended to exclude sponsorship activities undertaken by company for deriving marketing benefits for its products or services'CSR policy' definition has been amended to widen the scope of the CSR committee to recommend formulation of annual action plan
Rule 4	<ul style="list-style-type: none">Company to undertake CSR activities either through itself or through eligible entities such as section 8 company or registered public trust or registered society having track record of at least 3 years in similar CSR activitiesEligible implementing intermediaries through which a company shall undertake CSR will be required to register themselves with Central Government by filing e-form CSR-1 with effect from 1st April 2021 onwardsResponsibility of the Board of Directors to ensure that funds are utilized for approved purposes and certification by Chief Finance Officer (CFO) or any personnel responsible for financial managementThe company shall have the power to make modifications in CSR projects to ensure smooth implementation of the project within permissible time limit
Rule 5	<ul style="list-style-type: none">CSR committee to formulate an annual action plan for CSR activitiesBoard of Directors may alter such plan based on recommendation of CSR Committee
Rule 7	<ul style="list-style-type: none">Surplus from CSR activities not to be treated as business profitAny excess amount spent during a FY can be set off against the future CSR obligation of the company within immediate 3 succeeding FYs subject to the prescribed conditionsCSR amount can also be spent for creation / acquisition of capital asset to be held in the prescribed manner
Rule 8	<ul style="list-style-type: none">Companies with average CSR obligation of minimum Rs. 10 crore during 3 immediately preceding FYs are required to undertake impact assessment through an independent agency for projects of Rs. 1 crore or more which have been completed not less than 1 year before impact studyReport to be placed before the Board of Directors and in the annual report
Rule 9	<ul style="list-style-type: none">Company to disclose composition of CSR Committee, CSR policy and projects approved by the Board of Directors on its websiteUntil Schedule VII Fund is specified, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the ActNew format is inserted for disclosure of 'Annual report on CSR activities' to be included in the Board's report

Please [Click Here](#) to read the notification dated 22nd January 2021.

Company Law

MCA notifies various sections of Companies (Amendment) Act, 2020

MCA vide notification dated 22nd January 2021 has notified following sections of Companies (Amendment) Act, 2020.

Notified provisions	Provision deals with
Section 2	Definition of Listed company
Section 11	Issue of further shares by way of right issue
Clause c of Section 18	Exemption to certain class of companies from declaration of beneficial interest
Clause (ii) of Section 22	Filing of resolutions u/s 117 of the Act
Section 25	Preparation and filing of financial results of prescribed classes of unlisted companies with Registrar of Companies (ROC) within the prescribed time period and fee
Section 53	Provisions dealing with Foreign companies in India
Section 55	Exempting certain class of companies from the provisions of chapter XXII of the Act dealing with Foreign companies
Sections 58, 59, 60	Constitution and powers of Appellate Tribunal
Section 62	Lesser penalties for One Person Companies (OPCs) or small companies
Sections 64, 65	Punishment for wrongful withholding of property and adjudication of penalties respectively

Please [Click Here](#) to read the notification dated 22nd January 2021.



Company Law

Companies Fresh Start Scheme, 2020 (CFSS) - Deployment of e-form CFSS-2020

What is CFSS?

In pursuance of Government's efforts to provide relief to law abiding companies in the wake of COVID-19, MCA had introduced CFSS to provide a one-time opportunity to companies to make good any filing related defaults, irrespective of duration of default, and make a fresh start as a fully compliant entity.

CFSS incentivized compliance and reduced compliance burden during the unprecedented public health situation caused by COVID-19. The attraction of the scheme was a one-time waiver of additional filing fees for delayed filings by companies with the ROC during 1st April 2020 to 31st December 2020.

E-form CFSS-2020

- For all the belated forms filed under CFSS the company is required to file an application for issue of immunity certificate by filing the prescribed e-form CFSS-2020
- The said e-form is deployed on MCA portal with effect from 16th January 2021 onwards and is required to be filed by a company after it's belated forms filed under CFSS 2020 are approved by ROC
- This e-form is required to be filed within 6 months from the date of closure of scheme i.e. on or before 30th June 2021. There is no filing fee for the said e-form
- Once the e-Form CFSS-2020 is processed by MCA, an immunity certificate will be generated and shall be conclusive proof of compliance for all belated filing defaults under the Act

Please [Click Here](#) to access E-form CFSS-2020 available on MCA portal for filing.

Scheme for condonation of delay for companies restored on the Register of Companies portal during December 2020

CFSS was introduced by MCA for making good any filing related defaults by providing a one-time waiver of additional filing fees for delayed filings by companies with the ROC during 1st April 2020 to 31st December 2020.

Though CFSS is no longer applicable for filings by companies, MCA vide circular dated 15th January 2021 has introduced the *Scheme for condonation of delay for Companies restored on the Register of Companies between 01st December 2020 and 31st December 2020*.

Under the above Scheme, Government is providing the benefit of waiver of additional fee in respect of belated filings to be made by companies which after being struck off have once again been restored on the Register of Companies portal during the month of December 2020 u/s 252 of the Act.

Company Law

Details of the Scheme

- *Effective date:* 1st February 2021
- *Applicability:* The Scheme shall be applicable to all companies in respect of which appeal filed with the Tribunal u/s 252 of the Act for restoration of the name of the company was disposed off within December 2020, with an order for restoration of name
- *Tenure:* 1st February 2021 till 31st March 2021
- *Forms covered under Scheme:* All the E-forms filed under the Act are covered under the said Scheme except;
 - ✓ E-form SH-7 (increase in authorized share capital), and charge related E-forms such as below
 - ✓ E-form CHG-1 (creation / modification of charge),
 - ✓ E-form CHG-4 (satisfaction of charge),
 - ✓ E-form CHG-8 (extension of time for filing particulars of charge),
 - ✓ E-form CHG-9 (creation / modification of charge for debentures)
- *Applicable fee:* Normal / regular fee shall be payable. No additional fee is payable.

Please [Click Here](#) to read the Circular dated 15th January 2021.

Spending of funds for awareness campaigns / public outreach on COVID-19 vaccination is an eligible CSR activity

MCA vide circular dated 13th January 2021 has clarified that spending of CSR funds for carrying out awareness campaigns / programmes or public outreach campaigns on COVID-19 vaccination programme is an eligible CSR activity under the following items of Schedule VII of the Act:

Item no of Schedule VII	Particulars
(i)	Promotion of health care, including preventive health care and sanitization
(ii)	Promotion of education
(xii)	Disaster management (including relief, rehabilitation and reconstruction activities)

Accordingly, companies may undertake the aforesaid activities in due adherence with the Companies (CSR Policy) Rules, 2014 and circulars issued by MCA with respect to CSR from time to time.

Please [Click Here](#) to read the Circular dated 13th January 2021.

Company Law

Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)

Due to COVID-19, MCA vide circular dated 5th May 2020 had allowed companies to conduct their AGM during the calendar year 2020 through VC or OAVM. However due to the continued pandemic situation, MCA vide circular dated 13th January 2021 has further allowed companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before 31st December 2021 through VC or OAVM.

MCA has clarified that the above extension is limited to holding of AGM through VC or OAVM and in no way provides extension of time period for holding AGMs by companies under the Act. Thus, companies which have not adhered to the relevant timelines of holding AGM for the FY 2019-20 shall remain subject to legal action under the Act.

Please [Click Here](#) to read Circular dated 13th January 2021.

Retention of records relating to Corporate Insolvency Resolution Process (CIRP)

Insolvency and Bankruptcy Code 2016 (IBC) requires an Insolvency Professional (IP) to maintain several records in relation to the assignments conducted by him under the IBC. Accordingly, Insolvency and Bankruptcy Board of India (IBBI) vide its circular dated 4th January 2021 has stipulated the provisions for preservation of records by IP as below.

- An IP shall preserve copies of records generated in electronic form for a minimum period of 8 years, from the date of completion of the CIRP or the conclusion of any proceeding relating to CIRP, before the Adjudicating Authority (AA), Appellate Authority or Court, or any matter pending with the Board, whichever is later
- For records other than above, IP shall maintain copies for minimum period of 3 years in physical form, and for minimum period of 8 years in electronic form, from the date of completion of the CIRP or the conclusion of any proceeding relating to CIRP, before the AA, Appellate Authority or Court, or any matter pending with the IBBI, whichever is later
- An IP shall preserve the records at a secure place and ensure that unauthorised persons do not have access to the same. For example, he may store copies of records in electronic form with an Information Utility. Notwithstanding the place and manner of storage, the IP shall be under obligation to produce records as may be required under the IBC and the Regulations
- An IP shall preserve records relating to that period of a CIRP which he has handled, irrespective of the fact that he did not continue the assignment till its conclusion. For example, an IP served for 3 months as Resolution Professional (RP) before he was replaced by another IP, who served till conclusion of the CIRP. The former shall preserve records relating to the 1st 3 months, and the latter shall preserve records relating to the balance period of the CIRP

Company Law

- An IP, in the matter of a CIRP, shall preserve the following copies of records relating to/forming basis for
 - ✓ His appointment as IRP or RP, including the terms of appointment;
 - ✓ Handing over / taking over by him;
 - ✓ Admission of Corporate Debtor into CIRP
 - ✓ Public announcement
 - ✓ The constitution of Committee of Creditors (CoC) and CoC meetings;
 - ✓ Claims, verification of claims and list of creditors;
 - ✓ Engagement of professionals, registered valuers, and insolvency professional entity, including work done, reports etc., submitted by them;
 - ✓ Information memorandum;
 - ✓ All filings with the AA, Appellate Authority and their orders;
 - ✓ Invitation, consideration and approval of resolution plan;
 - ✓ Statutory filings with IBBI and Insolvency Professional Agency (IPA)
 - ✓ Correspondence during the CIRP;
 - ✓ Insolvency resolution process cost pertaining to CIRP;
 - ✓ Avoidance transactions or fraudulent trading;
 - ✓ Any other records, which is required to give a complete account of the CIRP

Please [Click Here](#) to read Circular dated 4th January 2021.

Extension of timeline till 31st December 2020 for companies to conduct Extraordinary General Meeting (EGM) or Board Meeting through VC or OAVM or transact items through postal ballot

MCA has issued Circular no. 14/2020 on 8th April 2020 and Circular no. 17/2020 on 13th April 2020 for providing clarifications on passing of ordinary and special resolutions by companies holding EGMs through VC or OAVM or passing of certain items only through postal ballot without convening general meeting.

The framework provided in above circulars allowed companies to hold relevant EGMs or transact relevant business through postal ballots, as per procedure specified therein, up to 30th June 2020. The said date was extended till 30th September 2020 vide circular dated 15th June 2020 and again till 31st December 2020 vide circular dated 28th September 2020.

Due to COVID-19, MCA has once again extended the above timeline till *30th June 2021*.

Please [Click Here](#) to read Circular dated 31st December 2020.

Similarly, the due date for Board Meetings through VC or OAVM (instead of physical presence of Directors) has also been extended from 31st December 2020 to 30th June 2021.

Please [Click Here](#) to read Notification dated 30th December 2020.

Deployment of revised e-form SH-7 (increase in authorized share capital) on MCA portal

MCA vide Companies (Share Capital and Debentures) 2nd amendment Rules 2020 has revised e-form SH-7 on its online filing portal. E-form SH-7 is required to be filed by companies in case of increase in authorized share capital. Accordingly revised E-form SH-7 has been deployed and made available for filing on MCA portal.

Please [Click Here](#) to read the notification dated 24th December 2020.

Extension of period for reservation of name on payment of additional fee

Every proposed company desirous of setting up a company in India is 1st and foremost required to apply for reservation of name by using web service 'SPICe+' under Rule 9 of Companies (Incorporation) Rules 2014. Once the application is approved by ROC, the approved name can be reserved (valid) only for 20 days from the date of approval.

MCA vide notification dated 24th December 2020 has prescribed that on payment of additional fee as mentioned below, ROC shall extend the period of name reservation beyond the stipulated period of 20 days.

- If an additional fee of Rs. 1,000/- is paid before the expiry of aforesaid 20 days, then the name can be reserved for a period upto 40 days from the date of approval;
- If an additional fee of Rs. 2,000/- is paid before the expiry of 40 days mentioned above, then the name can be reserved for a period upto 60 days from the date of approval;
- If the additional fee of Rs. 3000/- is paid before the expiry of aforesaid 20 days, then the name can be reserved for a period of 60 days from the date of approval.

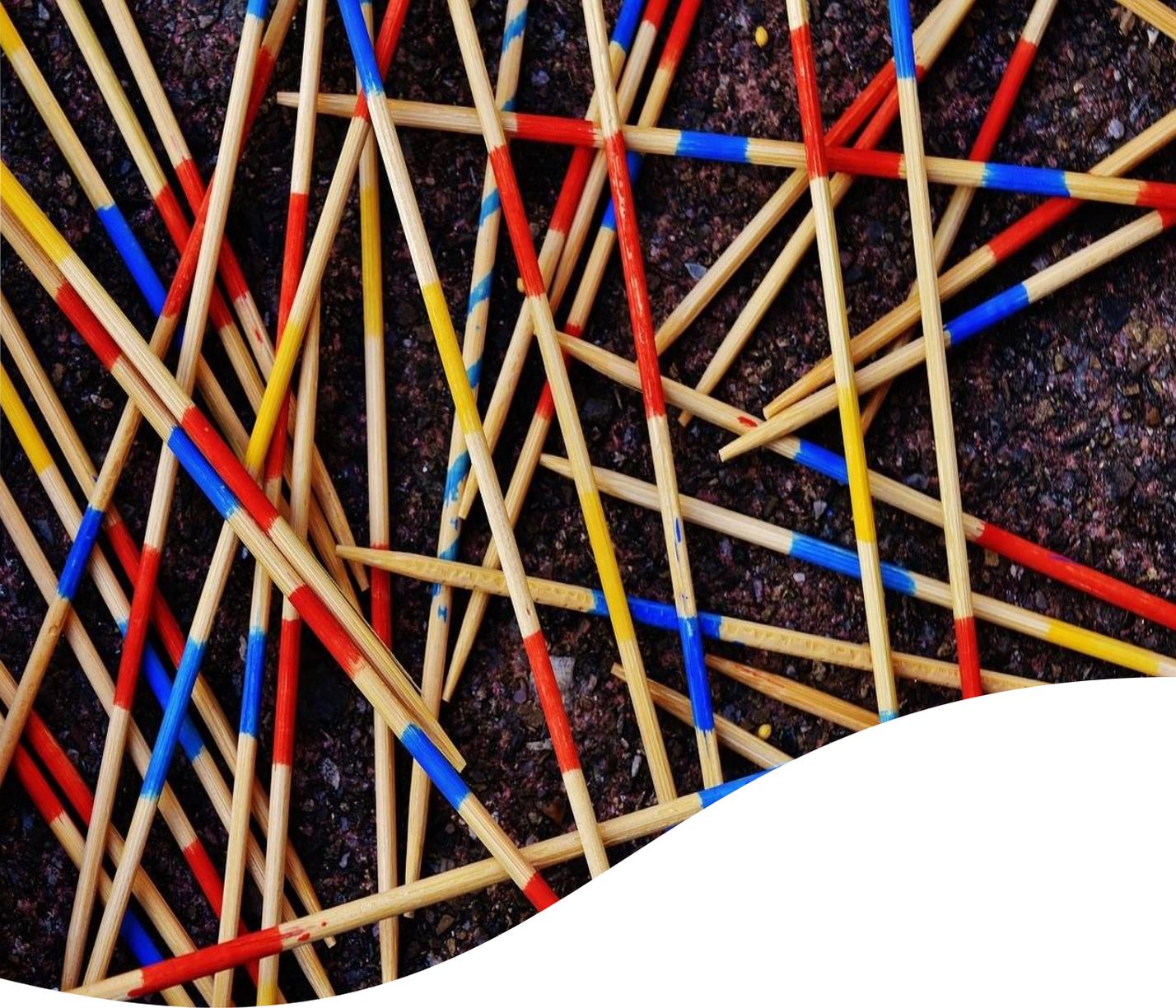
Accordingly, Part-A of 'SPICe+' form dealing with name reservation application has been duly substituted and revised on the MCA portal

Please [Click Here](#) to read Notification dated 24th December 2020.

Relaxation on levy of additional fees for financial statements to be filed for FY 2019-20 with Registrar of Companies

MCA vide circular dated 28th January 2021 has notified that no additional fees shall be levied upto 15th February 2021 for filing of financial statements for FY 2019-20 with ROC in the prescribed e-forms AOC-4, AOC-4(CFS), AOC-4 XBRL and AOC-4 Non-XBRL.

Please [Click Here](#) to read Circular dated 28th January 2021.



Reserve Bank of India (‘RBI’)

Introduction of Legal Entity Identifier (LEI) for large value transactions in centralized payment systems

LEI is a 20-digit number used to uniquely identify parties to financial transactions worldwide. LEI is conceived as a key measure to improve the quality and accuracy of financial data systems for better risk management. LEI has been introduced by RBI in a phased manner for participants in over the counter (OTC) derivative and non-derivative markets as also for large corporate borrowers.

Accordingly, RBI has now decided to introduce the LEI system for all payment transactions of Rs. 50 crore and above undertaken by entities (non-individuals) using RBI run centralized payment systems viz Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT).

In view of the above, effective from 1st April 2021 onwards banks are required to follow the prescribed guidelines such as:

- Advising the entities who undertake large value transactions (Rs. 50 crore and above) to obtain LEI in time if they do not already have one;
- Include remitter and beneficiary LEI information in RTGS and NEFT payment messages;
- Maintain records of all transactions of Rs. 50 crore and above through RTGS and/or NEFT;
- Entities can obtain LEI from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF), the body tasked to support the implementation and use of LEI.
- In India, LEI can be obtained from Legal Entity Identifier India Ltd (LEIL) which is also recognised as an issuer of LEI by the Reserve Bank under the Payment and Settlement Systems Act, 2007.

Please [Click Here](#) to read Notification dated 5th January 2021.



Securities Exchange Board of India ('SEBI')

Relaxation from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015

SEBI vide circular dated 12th May 2020 had provided certain relaxation to listed companies from the provisions of SEBI (LODR) Regulations. However, in line with the various relaxations granted by MCA to companies with respect to conducting their EGMs and AGMs through VC or OAVM till 30th June 2021 and 31st December 2021, SEBI has once again extended the aforesaid relaxations from the following provisions of SEBI (LODR) Regulations, 2015.

SEBI LODR Regulation	Existing provision	COVID-19 relaxations
36(1)(b), 36(1)(c), 58(1)(b) and 58(1)(c)	A listed entity is required to send hard copy of the statement containing salient features of all the documents, as prescribed in section 136 of the Act to the shareholders who have not registered their email addresses with the company and hard copies of full annual reports to those shareholders, who request for the same	Vide circular dated 12 th May 2020, the said requirement of sending physical copies of annual report to shareholders was dispensed with for listed entities who conduct their AGMs during the calendar year 2020 (i.e. till 31 st December 2020). SEBI has again extended the above relaxation till 31 st December 2021.
44(4)	A listed entity is required to send proxy forms to holders of securities in all cases mentioning that a holder may vote either for or against a resolution.	Vide circular dated 12 th May 2020, the said requirement of proxy for general meetings was dispensed with in case of general meetings held through electronic mode only and for listed entities who conduct their AGMs through electronic mode during the calendar year 2020 (i.e. till 31 st December 2020). SEBI has again extended the aforesaid relaxation till 31 st December 2021.

Please [Click Here](#) to read Circular dated 15th January 2021.

SEBI issues timeline for release of security deposit by stock exchanges upon surrender of trading member's registration

Application made by following member for surrender of registration with SEBI	Timeline for release of security deposit by SEBI
Trading member engaged in trading on behalf of clients	Earlier of the following: <ul style="list-style-type: none"> • 3 years from the date of receipt of surrender application by the stock exchange (in order to meet any investor claims); or • 5 years from the date of disablement of the member's trading terminals by the stock exchange
Trading member engaged only in proprietary trading in last 3 years prior to the date of application	Earlier of the following: <ul style="list-style-type: none"> • 1 year from the date of receipt of surrender application by the stock exchange; or • 2 years from the date of disablement of the member's trading terminals by the stock exchange

Please [Click Here](#) to read the circular dated 6th January 2021.

Compliance Calendar

Compliance calendar for the month of February 2021

Compliance Due Date:	Concerned (Reporting) Period:	Compliance Detail:	Applicable To:
7 th February	January 2021	TDC/TCS deposit	Non-government Deductors
10 th February		Equalization Levy deposit	All Deductors
		a) GSTR-7 (TDS return under GST)	a) Person required to deduct TDS under GST
		b) GSTR-8 (TCS return under GST)	b) Person required to deduct TCS under GST
11 th February		GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 1.5 crore
13 th February		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
15 th February		Deposit of PF & ESI contribution	All Deductors
	October-December 2020	Issue of TDS/TCS certificate (non-salary)	
	FY 2019-20	ITR for AY 2020-21	<ul style="list-style-type: none"> Corporate-assesseees Non-corporate assesses who are required to get their accounts audited Assesseees who are required to furnish Transfer Pricing report in Form 3CEB
20 th February	January 2021	a) GSTR-5 (Return by Non-resident)	a) Non-resident taxable person
		b) GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	b) OIDAR services provider
		GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2019-20
22 nd February			All taxable persons (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
24 th February			All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in any other state.
28 th February	FY 2019-20	Form MGT-7 (Annual return)	All Companies are required to file Annual return with ROC within 60 days from conclusion of AGM
		a) Annual Return in Form GSTR-9	a) All taxpayers having aggregate turnover > Rs. 2 crore in FY 2019-20
		b) Reconciliation Statement in Form GSTR-9C.	b) All taxpayers having aggregate turnover > Rs. 5 crore in FY 2019-20
		c) Annual Return in Form GSTR-9A	c) For composition taxpayers (optional)

About KrayMan

KrayMan Consultants LLP is an Accounting and multi-disciplinary Advisory Firm founded in 2012 by professionals with Big-4 Consulting and Industry experience. Our forte lies in handholding foreign companies establishing presence in India by demystifying the complex Indian regulatory environment making it easy for them to do business in India. Since inception, we have been delivering value to a mix of multinational Clients from across the globe

The Leadership team comes with rich experience and is supported by a capable & efficient team of professionals including Chartered Accountants, Company Secretaries, Cost Accountants, Advocates and MBAs who are committed in providing timely, professional and quality services to our Clients

We believe that in today's dynamic and ever changing business environment, it is important for accounting, tax & legal professionals to operate with a global approach and mind set. In pursuit of extending global footprints, we have a Japan Desk and an EU Desk to support investments from these countries into India.

In addition, we are members of various associations and forums both at national as well as international levels viz. JCCII, IICCI, IFCCI, CBA, PAN, CII and TiE Delhi

Contact Us

India Head Office

1170 A, 11th Floor, Tower B1
Spaze i-Tech Park
Sector 49, Sohna Road
Gurugram – 122018 (India)
T +91 (124) 4309418; 4003418

Japan Office

2-11-2 O-toekkusukudou
Bld. 4F/5F Nihombashi Kakigaracho,
Chuo-ku, Tokyo,
103-0014, Japan

Italy Office

Corso Palestro,
50-25122 Brescia,
Italy

For any assistance, please write to us at:
communications@krayman.com

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