

Circulars/Notifications

Given below are summarised important Circulars and Notifications issued by the CBDT, CBIC-GST, MCA, SEBI and FEMA since the publication of the last issue of the journal, for information and use of members. Readers are requested to use the citation/website or weblink to access the full text of desired circular/notification. Suggestions on this column can be submitted at eboard@icai.in

DIRECT TAXES



I. CIRCULARS

1. Income-tax Deduction from salaries during the Financial Year 2020-21 under section 192 of the Income-tax Act, 1961 -

Circular No. 20/2020, dated 03-12-2020

This CBDT Circular contains the rates for deduction of income-tax from the payment of income chargeable under the head "Salaries" during the financial year 2020-21 and explains certain provisions of the Income-tax Act, 1961 and Income-tax Rules, 1962, including the broad scheme of TDS from Salaries, persons responsible for deducting tax at source from Salaries and their duties, computation of income under the head "Salaries", etc.

Refer: https://www.incometaxindia.gov.in/communications/circular/circular_20_2020.pdf

2. Clarifications on provisions of the Direct Tax Vivad se Vishwas Act, 2020 - Circular No. 21/2020, dated 04-12-2020

Section 10 and 11 of the Direct Tax Vivad se Vishwas Act, 2020 empowers the CBDT/ Central Government to issue directions or orders in public interest or to remove difficulties. This circular is being issued in continuation of Circular No. 09/2020 dated 22.04.2020 (which covered Q. no. 1 - 55) under section 10 and 11 to provide answers to 34 more FAQs (Q. no. 56 - 89).

Refer: <https://www.incometaxindia.gov.in/communications/circular/circular-21-of-2020.pdf>

II. PRESS RELEASES/INSTRUCTIONS/OFFICE MEMORANDUM/ORDER

CBDT to validate Unique Document Identification Number (UDIN) generated from ICAI portal at the time of upload of Tax Audit Reports – Press Release, dated 26-11-2020

CBDT has specified that the Income-tax e-filing portal had already factored mandatory quoting of UDIN w.e.f. 27.04.2020 for documents certified/ attested in compliance with the Income-tax Act, 1961 by a Chartered Accountant. With this system level integration, UDIN provided for the audit reports/certificates submitted by the Chartered Accountants in the e-filing portal shall be validated online with the ICAI.

Refer: https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/878/validate_UDIN_generated_from_ICAI_portal_26_11_20.pdf



INDIRECT TAXES

I. Notifications

1. Penalty payable for non-compliance of QR Code provisions on B2C transactions waived off from 1st December 2020 to 31st March 2021

The CBIC vide *Notification No. 89/2020- Central Tax dated 29th November 2020* has waived off the general penalty payable by any registered person under section 125 of CGST Act for non-compliance of the provisions of Dynamic Quick Response (QR) code on B2C transactions between the period from 1st December 2020 till 31st March 2021 provided the said registered person complies with the provisions of QR Code from April 1, 2021.

2. Mentioning 8-digit HSN code mandatory on tax invoice in respect of certain chemicals and chemical based products

The CBIC vide *Notification No. 90/2020- Central Tax dated 1st December 2020* has notified 49 chemicals and chemical based products in respect of which it is mandatory for a registered person to mention 8 digit HSN code in the tax invoice issued by him.

3. Extension of due date for compliances and actions in respect of anti-profiteering proceedings under GST till 31.03.2021

The CBIC vide *Notification No. 91/2020- Central Tax dated 14th December 2020* has extended the time limit for completion or compliance of any action, by any authority, specified in, or prescribed or notified under section 171, i.e. anti-profiteering proceedings, which falls during the period from the 20th day of March, 2020 to the 30th day of March, 2021” till 31st day of March, 2021.

II. Circulars

1. Waiver from recording of UIN on the invoices for the months of April 2020 to March 2021

The CBIC vide *Circular No.144/14/2020- GST dated 15th December, 2020* has decided to grant waiver from recording of UIN on the invoices issued by the retailers/suppliers, pertaining to the refund claims from April 2020 to March 2021, subject to the condition that the copies of such invoices are attested by the authorized representative of the UIN entity and the same is submitted to the jurisdictional officer.

CUSTOMS

I. Circulars

1. Faceless Assessment - Clarification on issues raised by stakeholders

With a view to further enhance the efficiency of the process involved in Faceless Assessment, CBIC has issued instructions/guidelines vide *Circular No. 55/2020-Customs dated 17th November 2020* on certain key areas, which require immediate attention. The detailed instructions/guidelines can be accessed from www.cbic.gov.in.

2. Clarification regarding availment of exemption on temporary import of durable containers which do not conform to the standard marine container dimensions

The CBIC has issued *Circular No. 51/2020-Customs dt 20th November 2020* to prescribe the procedure for import and re-export

of durable containers which do not conform to the standard marine container dimensions, but which are intended for temporary import and eventual re-export. The detailed procedure can be accessed from www.cbic.gov.in. The procedure to be followed for import and re-export of marine containers is governed by guidelines provided in *Circular No. 31/2005-Cus., dated 25.07.2005*.

The Circular has also clarified that the containers that satisfy the following conditions are eligible for the duty exemption provided vide *Notification No. 104/94-Cus., dated 16.03.1994 (as amended)*:

- a) they are durable,
- b) capable of being re-used multiple times,
- c) capable of being identified at the time of re-export *vis a vis* the imported containers, and
- d) satisfy all the other stipulated conditions in the notification.

3. Clarification on export of Gems and Jewellery through Courier mode

The CBIC vide *Circular No. 52/2020-Customs dt 27th November 2020* has clarified that the extant Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 and the Courier Imports and Exports (Clearance) Regulations, 1988 do not restrict exports of gems and jewellery through the courier mode.



Discontinuance of Returns/Report under Foreign Exchange Management Act, 1999

A.P. (DIR Series) Circular No. 05 dated November 13, 2020

With a view to improve the ease of doing business and reduce cost of compliance, the existing forms and reports prescribed under FEMA, 1999 have been reviewed and it has been decided to discontinue 17 returns/reports as listed below with immediate effect: