

TAX CHAT - Updates



Monthly Newsletter from SSJCO

Email: sunil@ssjco.in

Website: www.ssjco.in

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Dear Madam / Sir,

The Cool Cool winter has just started and it's time to prepare for Christmas celebration and also preparing new year resolutions to be implemented from the new year day.

Just because we have not found our talent yet, does not mean we do not have one.

So, find out the hidden talent within us and see how we develop it in the coming new year.

As in the earlier months, in this edition of Tax Chat, we are attempting to summarize some of the updates in direct taxes.

Rishabh is enlightening us in his article on "Should you opt for a Cancer Insurance in addition to your medical policy?"

Trust you will find this edition useful and as in all these years, we will be happy to receive your valuable inputs for improvement.

Happy Reading!

Stay Safe, Connected & Updated

With Regards,

Team - S S Jhunhwala & Co.



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**Circulars, Notifications and Others:**

(Compiled by: Ms Sonakshi Jhunjhunwala)

1. UAE releases norms to determine tax residency: Cabinet Resolution No. (85) of 2022: Dated 2nd September, 2022:

The Federal Tax Authority of the United Arab Emirates (UAE) has released *Cabinet Resolution No. (85) of 2022*, stating the conditions for determining tax residency in the UAE. Earlier, there were no specific provisions for determining the residential status of natural and legal persons. The resolution is said to be effective from 1st March 2023.

(a) *Juridical Person*

A juridical person (entity or establishment) shall be considered a Tax Resident in the UAE if any of the following conditions are satisfied:

- It was incorporated, formed, or recognized as per UAE laws. However, it does not include a branch registered in UAE by a foreign juridical person.
- It is considered a Tax Resident in accordance with the Income-tax Law in force in the UAE.

(b) *Natural Person*

A natural person (individual) shall be considered a Tax Resident in the UAE if any of the following conditions are satisfied:

- His primary principal place of residence and the centre of financial and personal interests are in UAE, or he meets the conditions and criteria as specified by the minister;
- He has been physically present in the UAE for 183 days or more in the relevant 12 months period; or
- He has been physically present in the UAE for 90 days or more in the relevant 12 months period, and he is a UAE National and holding a valid Residence Permit or holding the nationality of any member state of the Gulf Cooperation Council and
 - He has a Permanent Place of Residence in the State; or
 - He carries on employment or business in the State.

2. Section 139 of the Income-Tax Act, 1961: Return of Income: CBDT extends due date for furnishing return of income for assessment year 2022-23: Press Release, dated 26th October, 2022 and Circular No. 20 of 2022 in F.No.225/49/2021/ITA-II dated 26th October, 2022:

The Central Board of Direct Taxes (CBDT) has extended the due date of furnishing of Return of Income under sub-section (1) of Section 139 of the Income-tax Act, 1961 (the Act) for the Assessment Year 2022-23, for the category of assesseees for whom the due date is 31st October, 2022, to 7th November, 2022.

3. Extension of due date for filing TDS Statement in Form 26Q for Second Quarter: Press Release, dated 27th October, 2022 and Circular No. 21 of 2022 [F.NO. 275/25/2022-IT (B)], dated 27th October, 2022:

Considering the difficulties in filing of TDS statement in the revised and updated Form 26Q, the Central Board of Direct Taxes (CBDT) has extended the due date of filing of Form 26Q for the second quarter of Financial Year 2022-23 from 31st October, 2022 to 30th November, 2022.

4. CBDT condones delay in filing of Form 10A which was required to be e-Filed by 31st March, 2022: Circular No. 22 of 2022, dated 1st November, 2022:

The Central Board of Direct Taxes (CBDT) received representation stating that Form no. 10A in some cases couldn't be filed by 31-03-2022 and thus delay in filing of Form 10A may be condoned.

Form 10A is required to be filed by a taxpayer for the following purposes.

- a) For filing of an application for re-registration of existing trust registered under Section 12A/12AA;
- b) For filing of an application for re-approval of existing trust or institution approved under Section 10(23C);
- c) For filing of an application for re-approval of an existing trust or institution approved under Section 80G;
- d) For filing of intimation by a research association or institution under Section 35;
- e) For filing of an application for provisional registrations or approval under the above provisions.

To avoid genuine hardship, the CBDT has condoned the delay up to 25-11-2022 in filing Form no. 10A under section 12A/section 10(23C)/Section 80G/section 35, which was required to be made electronically on or before 31-03-2022.

5. CBDT proposes common ITR by merging all existing forms except ITR-7; releases draft 'Common ITR': Notification F No 370133/16/2022-TPL, dated 1st November, 2022:

At present, taxpayers are required to furnish their Income-tax Returns in ITR-1 to ITR-7 depending upon the type of person and nature of income. The current ITRs are in the form of designated forms wherein the taxpayer is mandatorily required to go through all the schedules, irrespective of the fact whether that particular schedule is applicable or not, which increases the time taken to file the ITRs.

The proposed draft ITR takes a relook at the return filing system in tandem with international best practices. It proposes to introduce a common ITR by merging all the existing returns of income except ITR-7. However, the current ITR-1 and ITR-4 will continue. This will give an option to such taxpayers to file the return either in the existing form (ITR-1 or ITR-4), or the proposed common ITR, at their convenience. The scheme of the proposed common ITR is as follows:—

- a) Basic information (comprising parts A to E), Schedule for computation of total income (Schedule TI), Schedule for computation of tax (schedule

TTI), Details of bank accounts, and a schedule for the tax payments (schedule TXP) is applicable for all taxpayers.

- b) The ITR is customized for taxpayers with applicable schedules based on certain questions answered by the taxpayers (wizard questions).
- c) The questions have been designed in such a manner and order that if the answer to any question is 'no', the other questions linked to this question will not be shown to the taxpayer.
- d) Instructions have been added to assist the filing of the return containing the directions regarding the applicable schedules.
- e) The proposed ITR has been designed in such a manner that each row contains one distinct value only. This will simplify the return filing process.
- f) The utility for the ITR will be rolled out in such a manner that only applicable fields of the schedule will be visible and wherever necessary, the set of fields will appear more than once.

As evident from the above, the taxpayer will be required to answer questions which apply to it and fill the schedules linked to those questions where the answer has been given as 'yes'. This will increase ease of compliance. Once the common ITR Form is notified, after taking into account the inputs received from stakeholders, the online utility will be released by the Income-tax Department.

The draft common ITR, based on the above scheme, has been uploaded on www.incometaxindia.gov.in for inputs from stakeholders and general public <https://incometaxindia.gov.in/news/common-itr.pdf>. A sample ITR illustrating step by step approach for filing the ITR and two customised sample ITRs for firm and company have also been provided for illustration. The inputs on the draft ITR form may be sent electronically at the email address [dirtp14\[at\]nic\[dot\]in](mailto:dirtp14@nic.in) with a copy to [dirtp11\[at\]nic\[dot\]in](mailto:dirtp11@nic.in), latest by 15th December, 2022.

6. Monitoring of Dossier Cases: Re-fixation of Monetary Limits for various Income Tax Authorities: Instruction No. 1 of 2022 [F.NO.404/1/2022-ITCC], dated 3rd November, 2022:

In view of the very large number of Dossier cases requiring periodic reporting and review by various Income Tax Authorities and the fact that the monetary threshold for classification of cases of outstanding demand as a Dossier case has not been revised in the last many years, it has been decided by the Board to modify the threshold so as to facilitate focused monitoring and rationalization of workload.

Accordingly, in supersession of [Instruction No. 10/2015](#), dated 16/09/2015, the revised jurisdiction of Income Tax Authorities in respect of dossier cases is as under: –

Monitoring Authority	Current Jurisdiction	Revised Jurisdiction
Range Head	Up to Rs. 30 lakh	Rs. 10 lakh to Rs. 1 crore
Pr.CIT	Above Rs. 30 lakh to Rs. 3 crore	Above Rs. 1 crore to Rs. 25 crore
CCIT	Above Rs. 3 crore to Rs. 15 crore	(i) For Delhi and Mumbai region: Above Rs. 25 crore to Rs. 250 crore (ii) For other regions: Above Rs. 25 crore to Rs. 100 crore
Pr. CCIT	Above Rs. 15 crore to Rs. 25 crore	(i) For Delhi and Mumbai region: Above Rs. 250 crore to Rs. 500 Crore (ii) For other regions: Above Rs. 100 crore to Rs. 500 crore
Pr. DGIT (Admin & TPS)	All dossiers above Rs. 25 crore by Pr. DGIT (Admin) with assistance of ADG (Recovery). Pr. DGIT (Admin) to monitor specific very high demand cases on the directions of Member (Revenue) with assistance of ADG (Recovery).	All dossiers above Rs. 500 crore by Pr. DGIT (Admin & TPS) with assistance of ADG (Recovery). Pr. DGIT (Admin & TPS) would submit proposals for monitoring very high demand cases for approval of Member (TPS).
Member (Revenue), CBDT		-

All other guidelines for reporting and review of Dossier cases issued from time to time shall remain the same.

7. **CBDT has issued Explanatory Notes to Provisions of the Finance Act, 2022: Circular No. 23 of 2022 [F. No. 370142/48/2022-TPL], Dated 3rd November, 2022.**
8. **SC directs authorities to adopt paperless tax litigation within three months: Dated 14th November, 2022:**

The Supreme Court on Monday directed the tax authorities to adapt digital filings in all appeals and pending cases across courts in India. The apex court has allowed a deadline of three months to implement the decision.

9. **OECD releases new mutual agreement procedure statistics and country awards on the resolution of international tax disputes: Dated 22nd November, 2022:**

The OECD releases today the latest mutual agreement procedure (MAP) statistics covering 127 jurisdictions and practically all MAP cases worldwide. These statistics form part of the BEPS Action 14 Minimum Standard and the wider G20/OECD tax certainty agenda to improve the effectiveness and timeliness of tax-related dispute resolution mechanisms.



The 2021 MAP Statistics show the following trends:

- **Significantly more MAP cases were closed in 2021.** Approximately 13% more MAP cases were closed in 2021 than in 2020, with both transfer pricing cases (+22%) and other cases (almost +7%) closed being significantly more than in 2020. Competent authorities were able to close more cases in 2021 due to the greater use of virtual meetings, the prioritisation of simpler cases and greater collaboration to solve common issues collectively that could be applied across multiple MAP cases. Further, jurisdictions noted that increases in

staff and the experience of these staff are now reflected in their ability to be able to resolve more cases.

- **Fewer new cases in 2021.** The number of new MAP cases opened in 2021 decreased (almost -3%) (see [trends since 2016](#)) compared to 2020. This is attributed to a significant decrease in new transfer pricing cases being opened (almost -10.5%), while the number of other cases opened increased (almost +4%) compared to 2020.
- **Outcomes remain generally positive.** Around 75% of the MAPs concluded in 2021 fully resolved the issue both for transfer pricing and other cases (similar to 76% for transfer pricing cases and 74% for other cases in 2020). Approximately 2% of MAP cases were closed with no agreement compared to 3% in 2020.
- **Cases still take a long time.** On average, MAP cases closed in 2021 took 32 months for transfer pricing cases (35 months in 2020) and approximately 21 months for other cases (18.5 months in 2020). Some jurisdictions experienced delays, especially for more complex cases, and the COVID-19 crisis affected the quality of their communication with some treaty partners.
- **Competent authorities have continued to adapt.** MAP continued to be available throughout the pandemic with several actions taken by competent authorities. Jurisdictions noted that, especially towards the end of 2021, there has been an increase in MAP engagement with treaty partners. Further, while jurisdictions welcomed the resumption of face-to-face meetings, the continued use of virtual meetings has allowed for opportunities to progress individual cases in between face-to-face meetings. This hybrid approach is a welcome practice that many jurisdictions continue to apply to expedite MAP resolutions and improve the efficiency and effectiveness of their MAP programmes.

10. The Central Government hereby notifies following Sovereign Wealth Fund as eligible under section 10(23FE) of the Income Tax Act, 1961:

<i>Sl. No</i>	<i>Name of the Entity</i>	<i>Notification No. and date</i>	<i>Period for which income is notified as exempt</i>
1	Norges Bank On Account Of The Government Pension Fund Global (PAN: AACCN1454E)	Notification S.O. 4893(E) [No. 115/2022/F.No.500 /SWF5/S10(23FE)/FT& TR-II(PT.2)], dated 14 th October, 2022	This notification shall come into force from the date of its publication in the Official Gazette.
2	Teacher Retirement System of Texas (PAN: AAATT9387R)	Notification No. 5080(E) [No. 119/2022/F. No. 500/PF4/S10(23FE)/FT &TR-II(2)], dated 31 st October, 2022	Notification shall come into force from the date of its publication in the Official Gazette

11. The Central Government hereby notifies following entity as eligible under section 10(46) of the Income Tax Act, 1961:

<i>Sl. No</i>	<i>Name of the Entity</i>	<i>Notification No. and date</i>	<i>Period for which income is notified as exempt</i>
1	Kerala State Electricity Regulatory Commission (PAN: AAALK1634N)	Notification No. S.O. 4936(E) [No. 117/2022/F. No. 300196 /33/2022-ITA-I], dated 19 th October, 2022	Notification shall be applicable for the financial years 2022-23, 2023-24, 2024-25, 2025-26 and 2026-27.
2	H P Electricity Regulatory Commission (PAN: AAAJH0378N)	Notification No. S.O. 4944 (E) [No. 116/2022/F. No. 300196/33/2021-ITA-I], dated 19 th October, 2022	Notification shall be applicable with respect to the financial years 2022-23, 2023-24, 2024-25, 2025-26 and 2026-27

ARTICLE:

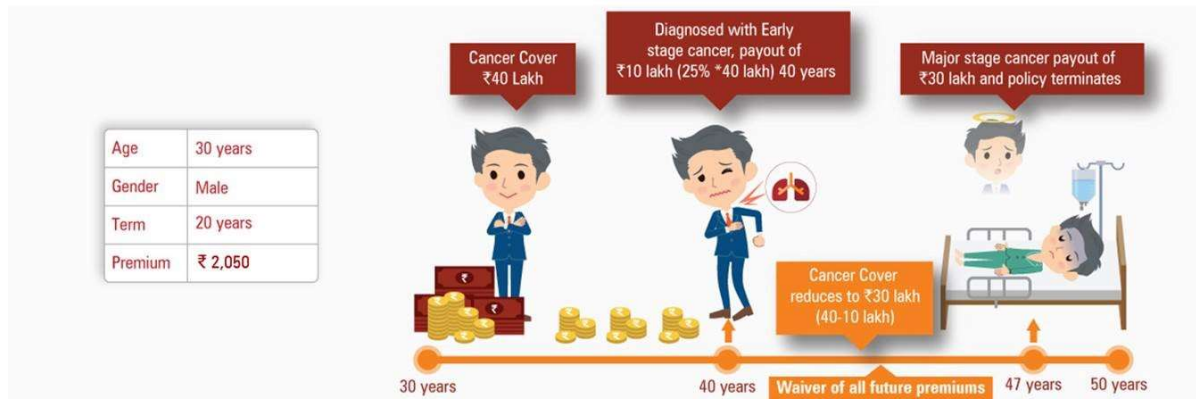
Should you opt for a Cancer Insurance in addition to your medical policy?

(by: CA Rishabh Adukia)

Cancer is one of the fastest rising health threats in the world. Reasons for rise in cancer incidences include, rising pollution, urban lifestyle, stress, food habits and many other things. Market reports point to not just the exponential growth in the number of patients but also in the number of cancers across the world and India. Around 2.25 million people in India are living with cancer today and more than 11 lakh cases are registered every year. Men and women are equally vulnerable to this deadly disease. Given this scenario and how the treatment cost of cancer is spiraling out of control, it is ideal to have cancer insurance in place.

Cancer insurance plans offer financial relief if diagnosed with minor or major stage cancer and help the patient and his family to better deal with the situation.

There are many cancer insurance products in the market, and so it is essential to know what you must look out for when you make your decision. Below is the illustration



Keep these five points in mind:

1. Know Your Options for Covering Cancer Treatment Costs

To help cover the costs, various health insurance plans are available in the market. Here's what each one offers:

- **Mediclaim plans:** This standard health insurance plans allows you to reimburse the expenses incurred in hospitalization on producing the bills

- **Critical Illness Insurance:** A plan where the insurer pays out a lump sum once the insured is diagnosed with critical illness specified in the policy
- **Standalone Cancer Insurance:** A cancer-specific insurance plan that provides coverage for minor to major stages of cancer diagnosis. The benefit can be used for the cost of treatment, hospitalization or even as income replacement during the period of treatment

2. Why add 'Cancer Insurance' to your financial plan?

Cancer insurance plans are available at extremely low cost, probably less than what you will pay for a meal at a restaurant with your family or your monthly bill for internet. You can easily add this plan to your basket without thinking too much about it. Cancer insurance premiums start as low as Rs 2 per day. Having a cover for will add to a financial ease and sense of security in the long run.

Mediclaim policy may not be sufficient to cover the high-cost burden of prolonged cancer treatment. Whereas the critical illness plans will cost you more as they are more provide more comprehensive cover which includes cancer as well but may have more detailed application process along with medical examination.

Cancer- insurance purchase is hassle free without any medical examination and best-suited to combat the increasing treatment cost of cancer as this disease is becoming a reality.

3. Opt for a higher Cover Amount (Sum Assured)

Considering the alarming rise in the health care costs, having insurance for cancer can make a huge difference. A life threatening illness like cancer can exhaust all your savings and put you under loans. Having a backup with adequate cancer insurance can not only cover your treatment cost but also protect your savings.

Why you should opt for a higher cover?

The average cost of cancer treatment is Rs. 5 to 6 lakhs, contributed by various cycles of chemotherapy, bone marrow tests, PET scans, endoscopy, radiation etc. Moreover, each chemotherapy cycle can cost anywhere between Rs 70,000-80,000, and this cost is only expected to rise in the future.

Opting for a lower cancer insurance cover will still leave you open to the financial risk inspite of having a cancer insurance plan in place.

4. Choose a plan that cover all stages of cancer

Pick a plan that offers a stage-based payout to suffice the treatment. Most of the cancer insurance plan covers minor and major stages of cancer.

Typically, cancer insurance plans offer 25% of the sum assured, which is payable at minor cancer conditions like carcinoma in situ (except skin and prostate). While for major conditions of lung cancer, breast cancer, colorectal cancer, kidney cancer etc., 100% of the sum assured is paid.

5. Look for Longer Policy Term

It is vital to consider the policy term before finalising your insurance for cancer. Check for the plan that covers you for maximum age. Few of the cancer insurance plans cover you till age of 75 years. The longer policy term will ensure that the risk is covered for a longer period of time.

Conclusion:

Given the above circumstances, it's a no brainer to take cancer cover today for a reasonable sum assured. The long and short of it is, getting a cancer cover is much cheaper than the money you spend on one-time entertainment or frequent dine-outs.

(The author Rishabh Adukia is a Chartered Accountant and qualified professional advising on wealth management to individuals, millennial's, emerging HNIs including others and can be reached on adukia.rishabh@gmail.com)

Action Points under Income Tax Act, 1961

For the Month of December 2022:

7th December	TDS Payment for November
15th December	Third Installment of Advance Tax for all the Assesseees for AY 2023-24

....STORY FOR THE MONTH....

बुजुर्ग महिला

एक बुजुर्ग शिक्षिका भीषण गर्मियों के दिनों में बस में सवार हुई, पैरों के दर्द से बेहाल, लेकिन बस में सीट न देख कर जैसे तैसे खड़ी हो गई। कुछ दूरी ही तय की थी बस ने कि एक उम्रदराज औरत ने बड़े सम्मानपूर्वक आवाज दी, "आ जाइये मैडम, आप यहां बैठ जाइए।" यह कहते हुए उसने उन्हें अपनी सीट पर बिठा दिया। खुद वह गरीब सी औरत बस में खड़ी हो गई। मैडम ने दुआ दी, "बहुत बहुत धन्यवाद, मेरी बुरी हालत थी सच में।"

उस गरीब महिला के चेहरे पर एक सुकून भरी मुस्कान फैल गई।

कुछ देर बाद शिक्षिका के पास वाली सीट खाली हो गई। लेकिन महिला ने एक और महिला को, जो एक छोटे बच्चे के साथ यात्रा कर रही थी और मुश्किल से बच्चे को ले जाने में सक्षम थी, को सीट पर बिठा दिया।

अगले पड़ाव पर बच्चे के साथ महिला भी उतर गई, सीट खाली हो गई, लेकिन नेक दिल महिला ने बैठने का लालच नहीं किया, बस में चढ़े एक कमजोर बूढ़े आदमी को बिठा दिया जो अभी अभी बस में चढ़ा था।

सीट फिर से खाली हो गई। बस अब गिनती की सवारियाँ रह गई थी। अब उस अध्यापिका ने महिला को अपने पास बिठाया और पूछा, "सीट कितनी बार खाली हुई है लेकिन आप लोगों को ही बैठाते रहे, खुद क्यों नहीं बैठे क्या बात है?"

महिला ने कहा, "मैडम, मैं एक मजदूर हूँ, मेरे पास इतने पैसे नहीं हैं कि मैं कुछ दान कर सकूँ।"

मैं क्या करती हूँ कि कहीं रास्ते में कोई पत्थर पड़ा हो तो उसे उठाकर एक तरफ रख देती हूँ, कभी बस में किसी के लिए सीट छोड़ देती हूँ, कभी किसी प्यासे को पानी पिला देती हूँ फिर जब सामने वाला मुझे दुआएं देता है तो मैं अपनी गरीबी भूल जाती हूँ। दिन भर की थकान दूर हो जाती है। और तो और, जब मैं दोपहर में रोटी खाने बैठती हूँ बाहर बेंच पर, तो ये पंछी चिड़िया पास आकर बैठ जाते हैं, रोटी डाल देती हूँ छोटे छोटे टुकड़े करके। जब वे खुशी से चिल्लाते हैं, तो उन भगवान के जीवों को देखकर मेरा पेट भर जाता है। पैसा धकेला न सही, सोचती हूँ दुआएं तो मिल ही जाती हैं ना मुफ्त में। फायदा ही है ना, और हमने लेकर भी क्या जाना है यहाँ से।

शिक्षिका आवाक रह गई, एक अनपढ़ सी दिखने वाली महिला इतना बड़ा पाठ जो पड़ा गई थी उसे। अगर दुनिया में आधे लोग भी ऐसी सोच को अपना लें तो धरती स्वर्ग बन जाएगी। लेकिन सच तो यह है कि सत्य बहुत सरल है, एक साधारण इच्छा की तरह।

कोई मेकअप नहीं, कोई तामझाम नहीं। लेकिन इसकी खूबसूरती यही है कि यह बहुत खूबसूरत होता है।

This Tax Chat is prepared only for information of our clients and colleagues in the office. In this Tax Chat an attempt has been made to summarize various changes / development in Direct Tax Law during previous months.

The information is of a general nature and is not intended to address specific facts and circumstances. Specific guidance may be obtained before acting on the same.

If you need full text of circular, notification, press release, etc., we will be happy to provide the same on hearing from you. We have compiled the information from Taxmann and Taxsutra websites and mails.

Compiled by:

S.S. Jhunjhunwala & Co.
305 & 306, Akruti Arcade,
J.P. Road, Opp. Wadia School,
Andheri (West), Mumbai-400053
Tel: 61277474 / 61277475
Website: www.ssjco.in

Email:

Sunil Jhunjhunwala	sunil@ssjco.in
Swati Gupta	cswati@ssjco.in
Samiksha Adukia	samiksha@ssjco.in
Sonakshi Jhunjhunwala	sonakshi@ssjco.in
Hiral Soni	hiralsoni@ssjco.in

