

TAX CHAT - Updates



Monthly Newsletter from SSJCO

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August 2021

For Private Circulation only

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Dear Madam / Sir,
Namaste!

We hope you and your family are doing well during these crazy times.

India's rise on the medal tally of the Tokyo Olympics 2020 undoubtedly brings back the sense of pride and patriotism among countrymen.

While applauds and praises are pouring in for the medal holders of India, let us take a moment to appreciate the vigorous efforts of all players who could not win medals but won millions of hearts, who preferred pride over pain, who preferred defeat over lost spirit!!

One has rightly said, "*the strongest people aren't always the people who win, but the people who don't give up when they lose*".

As always, festival season and tax compliances have started and we all have to now keep balancing the two.

As discussed between teams of Finance Minister and Infosys Ltd., the New Tax Portal will start functioning smoothly during Ganapati festival days.

Ganapati Bappa Bless the New Portal and all the stakeholders.

As in earlier months, in this August 21 edition of Tax Chat, we are attempting to summarize the updates along with other important circulars / notifications/ instructions issued in this month. On 29th August, 2021 the Department has issued a Circular extending the due date of various forms, details of which is mentioned in Para 16 below. Rishabh has contributed his article titled as "NEW RBI Bank Locker Rules (100 times the locker rent as penalty)" in this edition.

With the Vighna harta's blessings, overcome every hurdle!
Ganapati Bappa Moriya!

Trust you will find the same useful.

Happy Reading!

With Regards,

Team - S S Jhunjunwala & Co

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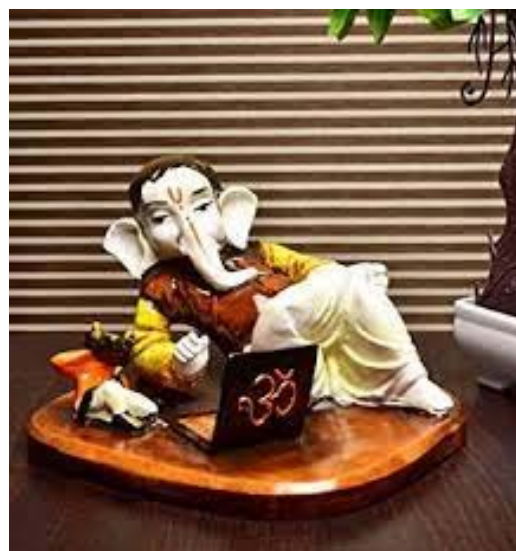
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Circulars, Notifications and Others:

(Compiled by: Ms Sonakshi Jhunjunwala)

- 1. NaFAC issues SOP for handling writ petitions challenging faceless assessment, penalty orders/proceedings: Letter F. No. AA (NAFAC)-1/58/2021-22/ 333, dated 26th July, 2021:**

National Faceless Assessment Centre has issued Standard Operating Procedure (SOP) for handling writ petitions against faceless assessment orders passed under Faceless Assessment Scheme, 2019 or Section 144B and for penalty orders under Faceless Penalty Scheme, 2021 where the CBDT/NaFAC are parties to the writ petition. It has been clarified that NaFAC has no primary role in defending the writ petition unless the scheme itself is under challenge involving a wider policy issue and thus, jurisdictional PCIT shall be authorised for defending the writ petitions;

2. CBDT amends IT Rules on return of income pursuant to amendment u/s 148: Notification No. 82 /2021/F. No. 370142/29/2021-TPL, dated 27th July, 2021:

CBDT notifies Income-tax (20th Amendment) Rules, 2021 in exercise of the powers conferred by sections 139 and 148 read with section 295 to amend Rule 12 of IT Rules, 1962 that deals with "*Return of income*"; Relevant portion of sub-rule (1) after amendment shall read as "*The return of income required to be furnished under sub-section (1) or sub-section (3) or sub-section (4A) or sub-section (4B) or sub-section (4C) or sub-section (4D) or sub-section (4E) or sub-section (4F) of section 139 or clause (i) of sub-section (1) of section 142 or section 148 or section 153A relating to the assessment year commencing on the 1st day of April, 2021 shall...* ".

Also amends Rule 12(5) which shall now read as "*Where a return of income relates to the assessment year commencing on the 1st day of April, 2020 or any earlier assessment year, it shall be furnished in the appropriate form as applicable in that assessment year*"

3. CBDT notifies omission of numerous Rules, Forms; Pr.DGIT / DGIT (Systems) to specify forms, procedure for e-filing: CBDT Notification No. 83 of 2021: Dated 29th July, 2021:

CBDT notifies Income-tax (21st Amendment) Rules, 2021 by Notification No. 83/2021. It inserts Rules 130 and 131 in the IT Rules. Rule 130 omits following rules and forms prescribed in Appendix II of the IT Rules

- Rules omitted: 5A, 5AB, 6ABB, 12B, 12BA, 16D, 16DD, 16E, 16F, 18B, 18BB, 18BBA, 18DD, 18DDA, 20AB, 29AA, 29D, 37, 37E, 37F, 44A, 48, 123 and 124.
- Forms from Appendix II omitted: ITR-8, 2B, 2C, 2E, 3AA, 3AAA, 3BA, 4, 5, 5A, 10AA, 10C, 10CC, 10CCA, 10CCAA, 10CCAB, 10CCABA, 10CCAC, 10CCAD, 10CCAE, 10CCAF, 10CCAG, 10CCAH, 10CCAI, 10CCBA, 10CCBB, 10CCBBA, 10CCBC, 10CCBD, 10DB, 10DC, 10G, 10HA, 11, 11A, 12, 12A, 15I, 15J, 16AA, 22, 24, 26, 27E, 30, 34A, 34B, 34BA, 37, 37EE, 37F, 37G, 37H, 37-I, 54, 55, 56A, 56AA, 56B, 56BA, 56C, 56CA, 56E, 56F, 56FF, 56G, 56H, 58A, 58B, 63, 63A and 63AA.

It also provides that notwithstanding the omission:

(i) any proceeding pending before any income-tax authority, Appellate Tribunal or any court in appeal, reference or revision, shall continue and be disposed of as if rules and forms have not been omitted, and

(ii) any agreement entered into, appointment made, approval given, recognition granted, direction, instruction, notification or order issued under the omitted rules and forms shall be deemed to continue in force as no omission has taken place;

Rule 131 prescribes that Pr. DGIT/DGIT (Systems) shall, with CBDT's approval:

(i) specify the forms, returns, statements, reports, orders which are to be furnished electronically,

(ii) lay down the data structure, standards and procedure for their furnishing and verification, modification and electronic compatibility, and

(iii) be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to the such forms, returns, statements, reports, orders.

4. CBDT extends due dates for electronic filing of certain Forms under the Income-tax Act,1961: Press Release dated 3rd August, 2021 and Circular No. 15 of 2021 dated 3rd August, 2021:

Central Board of Direct Taxes (CBDT) has decided to further extend the due dates for electronic filing of following Forms:

(i) The Quarterly statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on 30th June, 2021, required to be furnished on or before 15th July, 2021 under Rule 37BB of the Rules, as extended to 31st July, 2021 vide Circular No.12 of 2021 dated 25.06.2021, may be filed on or before 31st August, 2021;

(ii) The Equalization Levy Statement in Form No.1 for the Financial Year 2020-21, which was required to be filed on or before 30th June, 2021, as extended to 31st July, 2021 vide Circular No.12 of 2021 dated 25.06.2021, may be filed on or before 31st August, 2021;

(iii) The Statement of Income paid or credited by an investment fund to its unit holder in Form No. 64D for the Previous Year 2020-21, required to be furnished on or before 15th June, 2021 under Rule 12CB of the Rules, as extended to 15th July, 2021 vide Circular No.12 of 2021 dated 25.06.2021, may be furnished on or before 15th September,2021;

(iv) The Statement of Income paid or credited by an investment fund to its unit holder in Form No. 64C for the Previous Year 2020-21, required to be furnished on or before 30th June, 2021 under Rule 12CB of the Rules, as extended to 31st July, 2021 vide Circular No.12 of 2021 dated 25.06.2021, may be furnished on or before 30th September, 2021.

5. Government withdraws retrospective amendment to 'indirect transfers' made in 2012, to now apply prospectively: Introduced Taxation Law (Amendment) Bill, 2021 on 5th August, 2021:

On 5th August, 2021, the Hon'ble Finance Minister moved for leave to introduce a Taxation Law (Amendment) Bill, 2021 (the Bill) further to amend the Income Tax Act, 1961 and the Finance Act, 2012. It is in respect of diluting impact of retrospective effect on 'Indirect Transfer'.

1. The issue of taxability of gains arising from the transfer of assets located in India through the transfer of the shares of a foreign company (hereinafter referred to as "indirect transfer of Indian assets") was a subject matter of protracted litigation. Finally, the Supreme Court in 2012 had given a verdict that gains arising from indirect transfer of Indian assets are not taxable under the extant provisions of the Act.

2. As the verdict of the Supreme Court was inconsistent with the legislative intent, the provisions of the Income-tax Act, 1961 were amended by the Finance Act, 2012 with retrospective effect, to clarify that gains arising from sale of share of a foreign company is taxable in India if such share, directly or indirectly, derives its value substantially from the assets located in India. The Finance Act, 2012 also provided for validation of demand, etc., under the Income-tax Act, 1961 for cases relating to indirect transfer of Indian assets.

3. Pursuant thereto, income-tax demand had been raised in seventeen cases. In two cases assessments are pending due to stay granted by High Court. Out of the said seventeen cases, arbitration under Bilateral Investment Protection Treaty with United Kingdom and Netherlands had been invoked in four cases. In two cases, the Arbitration Tribunal ruled in favor of taxpayer and against the Income Tax Department.

4. The said clarificatory amendments made by the Finance Act, 2012 invited criticism from stakeholders mainly with respect to retrospective effect given to the amendments. It is argued that such retrospective amendments militate against the principle of tax certainty and damage India's reputation as

an attractive destination. In the past few years, major reforms have been initiated in the financial and infrastructure sector which has created a positive environment for investment in the country. However, this retrospective clarificatory amendment and consequent demand created in a few cases continues to be a sore point with potential investors. The country today stands at a juncture when quick recovery of the economy after the COVID-19 pandemic is the need of the hour and foreign investment has an important role to play in promoting faster economic growth and employment.

5. The Bill proposed to amend the Income-tax Act, 1961 so as to provide that no tax demand shall be raised in future on the basis of the said retrospective amendment for any indirect transfer of Indian assets if the transaction was undertaken before 28th May, 2012 (i.e., the date on which the Finance Bill, 2012 received the assent of the President). It was further proposed to provide that the demand raised for indirect transfer of Indian assets made before 28th May, 2012 shall be nullified on fulfilment of specified conditions such as withdrawal or furnishing of undertaking for withdrawal of pending litigation and furnishing of an undertaking to the effect that no claim for cost, damages, interest, etc., shall be filed. It is also proposed to refund the amount paid in these cases without any interest thereon. The Bill also proposes to amend the Finance Act, 2012 so as to provide that the validation of demand, etc., under section 119 of the Finance Act, 2012 shall cease to apply on fulfilment of specified conditions such as withdrawal or furnishing of undertaking for withdrawal of pending litigation and furnishing of an undertaking that no claim for cost, damages, interest, etc., shall be filed.

6. The Bill sought to achieve the aforesaid objectives.

The Bill is passed by both, Lok Sabha and Rajya Sabha and has received the assent of Hon'ble President of India on 13th August, 2021. This has now become Taxation Laws (Amendment) Act, 2021.

6. CBDT notifies rules to compute exemption and income taxable at concessional rates in hands of specified fund: Notification No. 90/2021, dated 9th August, 2021:

Section 10(4D) provides an exemption in respect of the following income accrued or arisen to or received by a specified fund:

(a) Income from transfer of a capital asset as referred to in Section 47(viiab);

(b) Income arising from transfer of securities (other than shares in a company resident in India);

(c) Income from securities issued by a non-resident (not being a PE of a non-resident in India) and where such income otherwise does not accrue or arise in India; or

(d) Income from a securitization trust which is chargeable under the head 'Profits and gains from business or profession'.

Exemption under this provision shall be limited to the income attributable to units held by a non-resident, not being the permanent establishment of a non-resident in India. It is provided in the section that the CBDT shall notify the rules to compute the income attributable to units held by non-residents.

Now, the board has notified Rule 21AI prescribing manner for computation of exempt income. The board has prescribed a formula to compute income attributable to units held by non-resident (not being the permanent establishment of a non-resident in India) in a specified fund. The specified fund is also required to furnish an annual statement of exempt income in Form No. 10IG electronically under digital signature.

Further, in case of specified funds, section 115AD(1A) provides that concessional tax provided by sub-section 1 to section 115AD shall only to the extent of income that is attributable to units held by non-resident (not being a permanent establishment of a non-resident in India) calculated in the prescribed manner.

The board has also notified Rule 21AJ determining income of a specified fund attributable to units held by non-residents. The income of a specified fund by way of short-term or long-term capital gains, referred to in section 115AD(1)(b), attributable to the units held by non-resident (not being the permanent establishment of a non-resident in India) shall be calculated in accordance with the specified formula.

The specified fund is also required to furnish an annual statement of income eligible for concessional taxation in Form No. 10IH electronically under digital signature.

Specified fund means:

1. a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate,

a) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 or International Financial Services Centre Authority Act, 2019;

b) which is located in any International Financial Services Centre; and

c) of which all the units other than unit held by a sponsor or manager are held by non-residents; or

2. Investment division of an offshore banking unit, which has been:

a) granted a certificate of registration as a Category-I foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 made under the Securities and Exchange Board of India Act, 1992 and which has commenced its operations on or before 31-03-2024; and

b) fulfils such conditions including maintenance of separate accounts for its investment division, as may be prescribed.

7. Rs. 99,756 Crores disputed tax amount settled under Vivad se Vishwas Scheme: Press Release, dated 9th August, 2021:

The scheme 'Vivad Se Vishwas' is a voluntary scheme for resolving pending direct tax disputes amicably with the taxpayers and no targets were fixed by the Government under the Scheme. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Lok Sabha today.

Giving more details, the Minister tabled data of cases settled and amount under the said scheme is as per table given below: –

<i>Current Status declarations filed under Vivad Se Vishwas Scheme</i>			
<i>Count of Form-1 Filed (cases settled)</i>	<i>Number of Disputes Addressed</i>	<i>Disputed Tax Amount Settled (as per Declaration filed) (Rs. Crores)</i>	<i>Payments against Disputed Tax (Rs. Crores)</i>
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
1,32,353	1,46,701	99,756	53,684

8. NFAC issues SOPs for Penalties under Faceless Penalty Scheme, 2021: Circular No. 1/2021-22/439, dated 9th August, 2021:

FPS was notified by CBDT Notification dated January 12, 2021 and mandates setting up of National Faceless Penalty Centre/Regional Faceless Penalty Centres (NFPC/RFPC) to conduct penalty proceedings in a faceless manner, and impose penalty in cases falling into its scope in a centralised manner similar to Faceless Assessment

Accordingly, National Faceless Assessment Centre, Delhi, has issued Standard Operating Procedures (SOPs) with the approval of CBDT for completing the penalties under the Faceless Penalty Scheme, 2021.

9. CBDT notifies rules for computation of MAT relief in secondary adjustment / APA cases: Notification No. 92 of 2021, dated 10th August, 2021:

CBDT vide Notification No. 92/2021 dated 10th August 2021 notifies Income-tax (23rd Amendment) Rules, 2021. It inserts Rule 10RB for computation of relief in MAT payable by an assessee due to operation of subsection (2D) of section 115JB. Sub-section (2D) to Section 115JB was inserted vide Finance Act, 2021 to provide relief in cases where previous year's income gets included in the current year due to an APA or a secondary adjustment under transfer pricing - in such cases, the taxpayer can make an application to the Assessing Officer (AO) requesting for the recomputation of book profit under section 115JB of the past year(s).

Rule 10RB, now inserted, provides for following formula based approach for computation of relief in MAT liability.

$(A-B) - (D-C)$, where,

A = tax payable by the assessee company under sub-section (1) of section 115JB on the book profit of the previous year including the past income;

B = tax payable by the assessee company under sub-section (1) of section 115JB on the book profit of the previous year after reducing the book profit with the past income;

C = Aggregate of tax payable by the assessee company under sub-section (1) of section 115JB on the book profit of those past year or years to which the past income belongs;

D = Aggregate of tax payable by the assessee company under sub-section (1) of section 115JB on the book profit of past year or years, referred to in item C, after increasing the book profit with the relevant past income of such year or years:

Provided that if the value of $(A-B)-(D-C)$ in the formula is negative, its value shall be deemed to be zero.

Rules also specify situations where each of the above-mentioned values (A, B, C or D) would be deemed to be zero.

It also notifies Form No. 3CEEA (to be filed electronically) for claiming such relief.

10. Revised Guidelines by Singapore IRAS: Publication dated 10th August, 2021:

Inland Revenue Authority of Singapore (IRAS) has released sixth edition of e-Tax guide on Transfer Pricing Guidelines. It has introduced a new Chapter 17 on Cost Contribution Arrangements (CCA) as well as expanded guidance on financial transaction dealt in Chapter 15.

11. Exemptions: Statutory Authority / Body / Commission: Notified Body or Authority: Section 10(46) of the Income Tax Act, 1961:

The Central Government hereby notifies following entities 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)	(2)	(3)	(4)
1	National Council of Science Museums, Kolkata (PAN AAAAN2541C)	Notification S.O. 3138(E) [NO. 85/2021 F. NO. 300196/1/2021-ITA-I], dated 4 th August, 2021	Notification shall apply with respect to the financial years 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26.
2	Real Estate Regulatory Authority, Himachal Pradesh, Shimla (PAN: AAAGR1176F)	Notification S.O. 3139(E) [NO. 86 /2021 F. NO. 300196/11/2020-ITA-I], dated 4 th August, 2021	Notification shall apply with respect to financial years 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25

The terms and conditions have been prescribed.

12. Maldives, Papua New Guinea and Rwanda join multilateral Convention to tackle tax evasion and avoidance: By OECD Headquarters in Paris: Dated 11th August, 2021:

Three countries have signed the multilateral Convention on Mutual Administrative Assistance in Tax Matters (the Convention), bringing the total number of jurisdictions that participate in the Convention to 144.

With this signing, Maldives, Papua New Guinea and Rwanda join the world's widest reaching multilateral treaty for international tax co-operation and exchange of information. The signings by Asian-Pacific and African countries further strengthen the global nature of the Convention. In addition to over 8000 exchange relationships in place, these signings will trigger 429 new exchange relationships under the Convention for the three signing jurisdictions following

their ratification, allowing them to engage in the exchange of information with 143 other jurisdictions, including all major financial centers.

13. Hong Kong's Inland Revenue Department issues guidance on TP, Tax Residency, PE in wake of COVID-19: Dated 12th August, 2021:

Inland Revenue Department (IRD) of Hong Kong issues guidance on tax and transfer pricing (TP) related issues arising from Covid-19. IRD, noting the significant disruptions caused by Covid-19 in people's live, changes to the ways in which businesses operate and the locations where people work. It opines that such changes also give rise to certain tax issues, including those relating to tax residence of companies and individuals, permanent establishment (PE), employment income of cross-border employees and TP. In this backdrop, IRD sets out general approach to tackle the same. Revenue further highlights that these Guidance should be read together with the Commentary on the Model Tax Convention on Income and on Capital (MTC) and OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. The Guidelines issued by the Hong Kong IRD are generally in line with the Updated Guidance on Tax Treaties and the Impact of the COVID-19 Pandemic and Guidance on the Transfer Pricing Implications of the COVID-19 Pandemic released by the OECD. With respect to TP, IRD follows the OECD COVID-19 TP Guidance which maintains that the arm's length principle remains the applicable standard for the purpose of evaluating the transfer pricing of controlled transactions in the face of the pandemic, though due regard must be given as to how the outcomes of the economically significant risks controlled by the parties to the transactions have been affected by the pandemic. IRD further in the light of Covid-19 pandemic impact on economic conditions, opines that *"it may be appropriate to have separate testing periods for the duration of the pandemic or to include loss-making comparable when performing a comparability analysis. A limited-risk entity could be accepted to have incurred losses if the losses are found to be incurred at arm's length"*. It also elucidates that receipt of government assistance may also affect the price of a controlled transaction. As far as APA's are concerned, IRD will uphold existing APAs, unless a condition leading to the revocation, cancellation or revision of the APA has occurred. It further states that where there are material changes in economic conditions which lead to the breach of critical assumptions, taxpayers should notify the IRD not later than one month after the breach occurs. Additionally, IRD also expresses its view with respect to certain non-TP tax issues such as Tax Residence of Companies, Tax Residence of Individuals, Permanent Establishment and Income from Employment in the light of Covid-19. It also clarifies that views

expressed by IRD are general information only and that treatment of each case will be determined on its own facts and circumstances.

14. CBDT notifies Rules prescribing 'any other person' to verify ITR & appear before authorities for Co./LLP: NOTIFICATION G.S.R. 578(E) [NO. 93/2021/F.NO. 370142/34/2021-TPL(PART III)] dated 19th August, 2021:

A return of income can be verified by a person prescribed under Section 140 of the Income-tax Act. In respect of companies, the return can be signed and verified by the company's Managing Director. However, suppose for any unavoidable reason the Managing Director cannot verify the return or where there is no Managing Director. In that case, the return may be verified by any director of the company. Similarly, in the case of an LLP, the return shall be verified by the designated partner thereof, or where for any unavoidable reason such designated partner is not able to verify the return, or where there is no designated partner as such, by any partner thereof. To remove the practical difficulties faced by taxpayers while filing of return of income, the Finance Act, 2020, has amended the provisions of Section 140 to enable any other person, as may be prescribed by the Board, to verify the return of income in the cases of a company and an LLP.

In exercise of such power, the CBDT has inserted a new Rule 12AA to prescribe the other person who can verify a company's return and an LLP. This rule provides that any other person shall be the person, appointed by the National Company Law Tribunal (NCLT) for discharging the duties and functions of an interim resolution professional, a resolution professional, or a liquidator, as the case may be.

Further, Section 288 provides the list of the persons who can appear before any Income-tax Authority or the Appellate Tribunal, on behalf of an assessee, as his "authorized representative" for any of his income-tax proceedings.

Insolvency and Bankruptcy Code, 2016 empowers the Insolvency Professional or the Administrator to exercise the powers of the Board of Directors or corporate debtor to act as an "authorised representative" in front of the Adjudicating Authorities. Thus, the Finance Act, 2020 amended Section 288 to empower the CBDT to prescribe any other person who can appear as an authorized representative before the Income-tax authority.

In exercise of such power, the CBDT has inserted a new Rule 51B to prescribe the other person who can appear as an authorised representative. This rule

provides that any other person, in respect of a company or an LLP shall be the person appointed by the NCLT for discharging the duties and functions of an interim resolution professional, a resolution professional, or a liquidator, as the case may be.

15. Finance Ministry meeting with Infosys on glitches in e-filing portal of Income Tax Department: Press Release Dated 23rd August, 2021:

Ministry of Finance emphasized that there is a need for putting in more resources and efforts on the part of Infosys so that the much delayed delivery of agreed services is ensured. Mr. Parekh was also sensitized on the difficulties that the taxpayers were facing and the problems that are arising on account of the delays in the functioning of the portal.

Hon'ble Finance Minister demanded that the issues faced by taxpayers on current functionalities of the portal should be resolved by the team by 15th September, 2021 so that taxpayers and professionals can work seamlessly on the portal.

16. CBDT extends the due dates for filing of various electronic forms: Circular 16/2021, dated 29th August, 2021,

CBDT has extended the following due dates for filing of various electronic forms:

1. The Application for registration or intimation or approval under Section 10(23C), 12A, 35(1i)/(1ay(ii) or 80G in Form No. 10A required to be filed on or before 30 June,2021, as extended to 31st August,2021 vide Circular No.12 of 2021 dated 25.06.2021, may be filed on or before 31st March, 2022.
2. The Application for registration or approval under Section 10(23C), 12A, or 80G in Form No.10AB, which was to be filed on or before 28h February, 2022 may be filed on or before 31March, 2022.
3. The Equalization Levy Statement in Form No.1 for the Financial Year 2020- 21, which was required to be filed on or before 30 June, 2021, as extended to 31st August, 2021 vide Circular No.15 of 2021 dated 03.08.2021, may be filed on or before 31st December, 2021.
4. The Quarterly statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on 30th June,

2021, required to be furnished on or before 15th July, 2021 under Rule 37BB of the Rules, as extended to 31s August, 2021 vide Circular No.15 of 2021 dated 03.08.2021, may be furnished on or before 30th November, 2021.

5. Quarterly statement in Form No. 15CC to be furnished by authorized dealer of remittances made for the quarter ending on 30th September, 2021 under Rule 37BB, required to be submitted before 31st October, may be furnished on or before 31s December, 2021.
6. Uploading of declarations received from recipients in Form No. 15G/15H which was originally required to be uploaded by the quarter ending 30th June, 2021, which were to be uploaded by 15th July and subsequently by 31 August,2021, dated 25.06.2021 as per Circular No.12 of 2021, may be uploaded by 30th November.
7. Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending 30th September, 2021, which is required to be uploaded on or before 15th October,2021, may be uploaded on or before 31st December,2021.
8. Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India in Form II SWF for the quarter ending on 30th June, 2021, required to be made on or before 31st July, 2021 as per Circular No.15 of 2020 dated 22.07.2020, as extended to 30th September,2021 vide Circular No. 15 of 2021 dated 03.08.2021, may be made on or before 30th November, 2021.
9. Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India in Form II SWF for the quarter ending on 30th September, 2021, required to be made on or before 31 October, 2021 as per Circular No.15 of 2020 dated 22.07.2020, may be made on or before 31st December, 2021
10. Intimation to be made by a Pension Fund in respect of each investment made by it in India in Form No. 10BBB for the quarter ending on 30th June, 2021, required to be made on or before 31st July, 2021 under Rule 2DB of the Rules, as extended to 30th September, 2021 vide Circular No. 15 of 2021 dated 03.08.2021, may be made on or before 30th November, 2021.

11. Intimation to be made by a Pension Fund in respect of each investment made by it in India in Form No. 10BBB for the quarter ending on 30th September, 2021, required to be made on or before 31st October, 2021 under Rule 2DB of the Rules, may be made on or before 31st December, 2021.
 12. Intimation by a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India, for the purposes of sub-section (1) of section 286 of the Act, in Form No.3CEAC, required to be made on or before 30th November, 2021 under Rule 10DB of the Rules, may be made on or before 31st December, 2021.
 13. Report by a parent entity or an alternate reporting entity or any other constituent entity, resident in India, for the purposes of sub-section (2) or sub-section (4) of section 286 of the Act, in Form No. 3CEAD, required to be furnished on or before 30th November, 2021 under Rule 10DB of the Rules, may be furnished on or before 31st December, 2021. Intimation on behalf of an international group for the purposes of the proviso to sub-section (4) of section 286 of the Act in Form No. 3CEAE, required to be made on or before 30th November, 2021 under Rule 10DB of the Rules, may be made on or before 31st December, 2021.
- 17. CBDT extends due date for payment under VsVs without additional payment to 30th September, 2021: Press Release dated 29th August, 2021**

Under The Direct Tax Vivad se Vishwas Act 2020 (hereinafter referred to as "Vivad se Vishwas Act"), the amount payable by the declarant is stated in the table under section 3 of the Vivad se Vishwas Act. As per the latest notification dated 25th June 2021, the last date of payment of the amount (without any additional amount) has been notified as 31st August 2021. Further the last date for payment of the amount (with additional amount) under Vivad se Vishwas Act has been notified as 31st October, 2021.

Considering the difficulties being faced in issuing and amending Form no 3, which is a prerequisite for making payment by the declarant under Vivad se Vishwas Act, it has been decided to extend the last date of payment of the amount (without any additional amount) to 30th September, 2021. Necessary notification to this effect shall be issued shortly.

It is, however, clarified that the last date for payment of the amount (with additional amount) remains 31st October, 2021.

ARTICLE:

NEW RBI Bank Locker Rules (100 times the locker rent as penalty)

(by CA Rishabh Adukia)

Reserve Bank of India (RBI) has revised instructions for opening and maintaining bank lockers in banks through a notification issued on 18th August, 2021 which will come into effect from January 1, 2022.

RBI has been facing lots of customer grievances in respect of bank lockers, feedback from banks which has compelled them to come up with these new guidelines. Let's look at some of the most important points which really impact you!



- RBI has instructed all bank boards to frame an agreement for safe deposit lockers based on a model locker agreement to be framed by Indian Banks Association (IBA), with a direction to maintain a branch-wise list of vacant lockers as well as a wait-list for the purpose of allotment of lockers and ensure transparency in allotment of lockers.
- Further, regarding payment of locker rent, banks are allowed to obtain a Term Deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality. However, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative account.

So if locker rent is Rs 4,000, the FD – they can ask you shall be for Rs 12,000 + some more charges like Rs 500-1000. So in total, it shall surely not cross 4 times the rent in any situation. But if the bank official asks you to create an FD for 2-

3 lacs or forces you to buy any kind of insurance policy, then please tell them you are aware of rules and you will complain to RBI on this.

- If there is any loss of lockers content due to bank negligence or irresponsible behavior, then **bank locker holders will get 100 times of locker rent** as compensation. So if the yearly rent of the locker is Rs 4,000, then the compensation **will be Rs 4 lacs**.

However, if locker rent is collected in advance, the proportionate amount of advance rent collected shall be refunded to the customer in case of surrender of a locker by such customer. Even customers not having any banking relationship with the bank may also be given the facilities of safe deposit locker/safe custody article.

- Locker holder will get an email and SMS notification on the same day when the locker is accessed. This will help if there is any kind of fraud or unauthorized access (like someone from your family opens the locker without telling you)
- Banks will have to install CCTV to monitor the common areas and doors from where entry and exits happen inside the locker room. This CCTV footage has to be stored for the last 180 days.
- Now each locker application has to be duly acknowledged and a waitlist number has to be given to the customer. That waitlist number has to also get displayed in banks along with the number of vacant lockers. This is to ensure transparency. Right now the things are very opaque and customers don't get enough information and clarity about their locker applications

The revised instructions will be applicable from 1st January, 2022 (except where otherwise specified) and be applicable to both new and existing safe deposit lockers and the safe custody of articles facility with the banks. Kindly discuss with your bank when you visit the next time.

(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 September 2021:

7 th September	TDS Payment for August 2021
15 th September	Second Installment of Advance Tax for the year ended 31 st March, 2022 (A.Y. 2022-23)
30 th September (as extended)	Due date of Return of Income for non-audit cases for the A.Y. 2021-22

....STORY TO REMEMBER....

The Story of Parvati's Wounds:

This wonderful story is a great example of how the entire world is a single unit.

Ganesha was known to be a mischievous child and he would indulge in a number of naughty activities. One time, he came across a cat while he was playing, and proceeded to mess around with it. He picked up the cat and threw it on the ground, pulling its tail and having fun with it, while the cat meowed in pain. Ganesha failed to notice it and played around until he was tired and then came back home.

On reaching Mount Kailash, Ganesha was shocked to see Parvati lying down outside the home, with wounds all over her body, and crying in pain. Ganesha rushed to her and asked her who did this. To which Parvati replied that Ganesha himself had done this to her. The cat was actually a form of Parvati, and she wanted to play around with her son, but Ganesha treated her unfairly and ruthlessly and his actions on the cat have reflected on his own mother.

Ganesha was utterly sorry for his behaviour and took an oath to treat all animals in a gentle manner with care and affection.

Moral: This story gives a very important lesson that does unto others as you would want others to do unto you, and this also includes animals.

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.

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