

EXECUTIVE PROGRAMME

(NEW SYLLABUS)

SUPPLEMENT

FOR

TAX LAWS

(Relevant for Students appearing in June, 2020 Examination)

MODULE 1- PAPER 4

Disclaimer-

This document has been prepared purely for academic purposes only and it does not necessarily reflect the views of ICSI. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.

Students appearing in June, 2020 Examination shall note the Following:

1. For Direct taxes, Finance Act, 2019 is applicable.
2. Applicable Assessment year is 2020-21 (Previous Year 2019-20).
3. For Indirect Taxes: Goods and Services Tax 'GST' & Customs Law is applicable for Executive Programme (New Syllabus)

Students are also required to update themselves on all the relevant Rules, Notifications, Circulars, Clarifications, etc. issued by the CBDT, CBIC & Central Government, on or before six months prior to the date of the examination.

The students who do not have the latest version of the study material may refer the latest study material available on the weblink:
https://www.icsi.edu/media/webmodules/TAX_LAWS_june2020.pdf for June, 2020 examination.

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INCOME TAX ACT, 1961 & RULES 1962

CIRCULARS

Sr. No.	Updates	Lesson No.
1.	<p>Circular No. 14 dated 3th July 2019</p> <p>Clarification regarding taxability of income earned by a non-resident investor from off-shore investments routed through an Alternate Investment Fund</p> <p>The incidence of tax arising from off-shore investment made by a non-resident investor through the AIFs would depend on determination of status of income of non-resident investor as per provisions of section 5(2) of the Income-tax Act, 1961 (Act). As per section 5(2) of the Act, the income of a person who is non-resident, is liable to be taxed in India if it is received or is deemed to be received in India in such year by or on behalf of such person; or accrues or arises or is deemed to accrue or arise to him in India.</p> <p>Section 115UB of the Act ("Tax on income of investment fund and its unit holders) is the applicable provision to determine the income and tax-liability of investment funds & their investors. In this context, investment fund "is defined to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II 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 (15 of 1992). Thus, provisions of section 115UB apply only to Category I or Category II AIFs, as defined in SEBIs regulations.</p> <p>By an overriding effect over other provisions of the Act, sub-section (1) of section 115UB of the Act provides that any income accruing or arising to, or received by, a person, being a unit holder of an investment fund, out of investments made in the investment fund, shall be chargeable to income-tax in the same manner as If it were the income accruing or arising to, or received by, such person had the investments made by the investment fund been made directly by him and not through the AIF.</p> <p>The matter has been considered by the Board. As section 115UB (1) of the Act provides that the investments made by Category I or Category II AIFs are deemed to have been made by the investor directly, it is hereby clarified that any income in the hands of the non-resident investor from off-shore investments routed through the Category I or Category II AIF, being a deemed</p>	Lesson 2

direct investment outside India by the non-resident investor, is not taxable in India under section 5(2) of the Act.

It is further clarified that loss arising from the off-shore investment relating to non-resident investor, being an exempt 1055, shall not be allowed to be set-off or carried-forward and set off against the income of the Category I or Category II AIF .

Further details: https://www.incometaxindia.gov.in/communications/circular/circular_no_14_2019.pdf

2. **Circular No. 17 Dated: 8th August 2019**

Lesson
10

Further Enhancement of Monetary limits for filing of appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court - Amendment to Circular 3 of 2018 - Measures for reducing litigation

Appeals/SLPs in Income-tax matters	Monetary Limit (Rs.)
Before Appellate Tribunal	50,00,000
Before High Court	1,00.00.000
Before Supreme Court	2.00.00,000

Further, with a view to provide parity in filing of appeals in scenarios where separate order is passed by higher appellate authorities for each assessment year vis-a-vis where composite order for more than one assessment years is passed. para 5 of the circular is substituted by the following para:

“The Assessing Officer shall calculate the tax effect separately for every assessment year in respect of the disputed issues in the case of every assessee. If, in the case of an assessee, the disputed issues arise in more than one assessment year, appeal can be filed in respect of such assessment year or years in which the tax effect in respect of the disputed issues exceeds the monetary limit specified in para 3. No appeal shall be filed in respect of an assessment year or years in which the tax effect is less than the monetary limit specified in para 3.

Further, even in the case of composite order of any High Court or appellate authority which involves more than one assessment year and common issues in more than one assessment year, no appeal shall be filed in respect of an assessment year or years in which the tax effect is less than the monetary limit specified in para 3. In case where a composite order / judgement involves more than one assessee, each assessee shall be dealt with separately.”

Further details: https://www.incometaxindia.gov.in/communications/circular/circular_17_2019.pdf

3.	<p>Circular No. 18 Dated: 8th August, 2019</p> <p>Clarification in respect of filling-up of the ITR forms for the Assessment Year 2019-20</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_18_2019.pdf</p>	Lesson 9
4.	<p>Circular No. 19 Dated: 14th August, 20 19</p> <p>Generation/Allotment/Quoting of Document Identification Number in Notice/Order/Summons/letter/correspondence issued by the Income-tax Department</p> <p>With the launch of various e-governance initiatives, Income-tax Department is moving toward total computerization of its work. This' has led to a significant improvement in delivery of services and has also brought greater transparency in the functioning of the tax-administration. Presently, almost all notices and orders are being generated electronically on the Income Tax Business Application (ITBA) platform. However, it has been brought to the notice of the Central Board of Direct Taxes (the Board) that there have been some instances in which the notice, order, summons, letter and any correspondence (hereinafter referred to as "communication") were found to have been issued manually, without maintaining a proper audit trail of such communication. In order to prevent such instances and to maintain proper audit trail of all communication, the Board in exercise of power under section 119 of the Income-tax Act, 1961 (hereinafter referred to as "the Act"), has decided that no communication shall be issued by any income-tax authority relating to assessment, appeals, orders, statutory or otherwise, exemptions, enquiry, investigation, verification of information, penalty, prosecution, rectification, approval etc.. to the assessee or any other person, on or after the 1st day of October, 20 19 unless a computer-generated Document Identification Number (DIN) has been allotted and is duly quoted in the body of such communication</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_19_2019.pdf</p>	Lesson 9
5.	<p>Circular No. 21 Dated: 27th August, 2019</p> <p>Clarifications in respect of filling-up of the ITR forms for the Assessment Year 2019-20</p> <p>The Income-tax Return (ITR) forms for the Assessment Year (A.Y.) 2019-20 were notified vide notification bearing G.S.R. 279(E) dated the 01st day of April, 2019. Subsequently, instructions for filing ITR forms were issued and the software utility for e-filing of all the ITR forms were also released. After notification of the ITR forms, various queries were raised by the stakeholders in respect of filling-up of the ITR forms. The queries were examined in the Board and a clarification was issued vide Circular No. 18 of 2019 dated 08.08.2019 to address the concerns raised.</p>	Lesson 9

	<p>Subsequently, further representations have been received on certain issues relating to filing of ITR Forms. Accordingly, clarifications are issued in partial modification of Circular No. 18 of 2019.</p> <p>In ITR Form-2 and ITR Form-3, in Part-A General, at column (h), the taxpayer is required to state whether he was Director in a company at any time during the previous year. In case of an affirmative answer, the taxpayer is further required to disclose following information relating to each company in which he was a Director:- Name of Company PAN Whether its shares are listed or unlisted Director Identification Number (DIN)</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_21_19.pdf</p>	
6.	<p>Circular No. 22 Dated: 30th August 2019</p> <p>Consolidated circular for assessment of Startups In order to provide hassle-free tax environment to the Startups, a series of announcements have been made by the Hon'ble Finance Minister in her Budget Speech of 2019 and also on 23rd August, 2019. To give effect to these announcements, the Central Board of Direct Taxes (CBDT) has issued various circulars/ clarifications in the matter. This circular consolidates all these circulars and further clarifies the following:</p> <ul style="list-style-type: none"> • Procedure for pending assessment of the Startups, • Time limit for Completion of pending assessments of the Startups, • Procedure for addition made U/S 56 (2)(vii b) in the past assessment • Constitution of Startup cell <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_22_2019.pdf</p>	Lesson 10
7.	<p>Circular No. 23 Dated 6th September 2019</p> <p>Exception to monetary limits for filing appeals specified in any Circular issued under Section 268A of the Income-tax Act, 1961</p> <p>Section 268A of the Income-tax Act,1961 (the Act), laying down monetary limits and other conditions for filing of departmental appeals before Income Tax Appellate Tribunal (ITA T), High Courts and SLPs/appeals before Supreme Court.</p> <p>Several references have been received by the Board that in large number of cases where organised tax-evasion scam is noticed through bogus Long-Term Capital Gain (LTCG)/Short Term Capital Loss (STCL) on penny stocks and department is unable to pursue the cases in higher judicial fora on account of enhanced monetary limits. It has been reported that in large number of cases, ITA Ts and High Court have recognized the unique modus operandi involved in such scam and have passed judgements in favour of the revenue. However, in</p>	Lesson 10

	<p>cases where some appellate fora have not given due consideration to position of law or facts investigated by the department, there is no remedy available with the department for filing further appeal in view of the prescribed monetary limits.</p> <p>In this context, Board has decided that notwithstanding anything contained in any circular issued U/S 268A specifying monetary limits for filing of departmental appeals before Income Tax Appellate Tribunal (IT AT), High Courts and SLPs/appeals before Supreme Court, appeals may be filed on merits as an exception to said circular, where Board, by way of special order direct filing of appeal on merit in cases involved in organised tax evasion activity.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_23_2019.pdf</p>	
8.	<p>Circular No. 24 Dated 9th September 2019</p> <p>Procedure for identification and processing of cases for prosecution under Direct Tax Laws</p> <p>Prosecution is a criminal proceeding. Therefore, based upon evidence gathered, offence and crime as defined in the relevant provision of the Act, the offence has to be proved beyond reasonable doubt. To ensure that only deserving cases get prosecuted the Central Board of Direct Taxes in exercise of powers under section 119 of the Act lays down the following criteria for launching prosecution in respect of the following categories of offences.</p> <p>I. Offences u/s 276B: Failure to pay tax to the credit of Central Government under Chapter XII-D or XVII-B Cases where non-payment of tax deducted at source is Rs. 25 Lakhs or below, and the delay in deposit is less than 60 days from the due date, shall not be processed for prosecution in normal circumstances. In case of exceptional cases like, habitual defaulters, based on particular facts and circumstances of each case, prosecution may be initiated only with the previous administrative approval of the Collegium of two CCIT/DGIT rank officers.</p> <p>II. Offences u/s 276BB: Failure to pay the tax collected at source. Same approach</p> <p>III. Offences u/s 276C(1): Willful attempt to evade tax, etc. Cases where the amount sought to be evaded or tax on under-reported income is Rs. 25 Lakhs or below, shall not be processed for prosecution except with the previous administrative approval of the Collegium of two CCIT/DGIT rank officers. Further, prosecution under this section shall be launched only after the confirmation of the order imposing penalty by the Income Tax Appellate Tribunal.</p> <p>IV. Offences u/s 276CC: Failure to furnish returns of income. Cases where the amount of tax, which would have been evaded if the failure had not been discovered, is Rs. 25 Lakhs or below, shall not be processed for prosecution except with the previous administrative</p>	Lesson 10

	<p>approval of the Collegium of two CCIT/DGIT rank officers.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular-24-2019-11-09-2019.pdf</p>	
9.	<p>Circular No. 25 Dated 9th September 2019</p> <p>Relaxation of time-Compounding of Offences under Direct Tax Laws-One-time measure</p> <p>The Central Board of Direct Taxes (CBDT) has been issuing guidelines from time to time for compounding of offences under the Direct Tax Laws, prescribing the eligibility conditions. One of the conditions for filing of Compounding application is that, it should be filed within 12 months from filing of complaint in the court.</p> <p>Cases have been brought to the notice of CBDT where the taxpayers could not apply for Compounding of the Offence, as the compounding application was filed beyond 12 months, in view of para 8(vii) of the Guidelines for Compounding of Offences under Direct Tax Laws, 2014 dated 23.12.2014 or in view of para 7(ii) of the Guidelines for Compounding of Offences under Direct Tax Laws, 2019 dated 14.06.2019.</p> <p>With a view to mitigate unintended hardship to taxpayers in deserving cases, and to reduce the pendency of existing prosecution cases before the courts, the CBDT clarifies that as a one-time measure, the condition that compounding application shall be filed within 12 months, is hereby relaxed, under the following conditions:</p> <ol style="list-style-type: none"> i. Such application shall be tiled before the Competent Authority i.e. the Pro CCIT/CCIT/Pr. DGIT/DGIT concerned, on or before 31.12.2019. ii. Relaxation shall not be available in respect of an offence which is generally/normally not compoundable, in view of Para 8.1 of the Guidelines dated 14.06.2019. <p>For the purposes of this Circular, application can be filed in all such cases where-</p> <ol style="list-style-type: none"> a) prosecution proceedings are pending before any court of law for more than 12 months, or b) any compounding application for an offence filed previously was withdrawn by the applicant solely for the reason that such application was filed beyond 12 months, or c) any compounding application for an offence had been rejected previously solely for technical reasons. <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_25_2019.pdf</p>	Lesson 10

10.	<p>Circular No. 27 Dated: 26th September 2019</p> <p>Conduct of assessment proceedings through 'E-Proceeding' facility during financial year 2019-20</p> <p>The Central Board of Direct Taxes ('Board'), hereby directs as under:</p> <ol style="list-style-type: none"> i. In all cases (other than the cases covered under the E-Assessment scheme, 2019' notified by the Board), where assessment is to be framed under section 143(3) of the Act during the financial year 2019-20, it is hereby directed that such assessment proceedings shall be conducted electronically subject to exceptions in para below. Consequently, assesseees are required to produce/ cause to produce their response/evidence to any notice/ communication/ show-cause issued by the Assessing Officer electronically (unless specified otherwise) through their 'E-filing' account on the 'E-filing' portal. For smooth conduct of assessment proceedings through 'E-Proceeding', it is further directed that requisition of information in cases under ' E-Proceeding' should be sought after a careful scrutiny of case records. ii. In following cases, where assessment is to be framed during the financial year 2019- 20, 'E-Proceeding' shall not be mandatory: <ol style="list-style-type: none"> a. Where assessment is to be framed under section(s) 153A, 153C and 144 of the Act. In respect of assessments to be framed under section 147 of the Act, any relaxation from e-proceeding due to the difficulties in migration of data from ITO to ITBA etc. shall be dealt as per clause (f) below; b. In set-aside assessments; c. Assessments being framed in non-PAN cases; d. Cases where Income-tax return was filed in paper mode and the assessee concerned does not yet have an 'E-filing' account; e. In all cases at stations connected through the VSAT or with limited capacity of bandwidth (list of such stations shall be specified by the Pr. DGIT (System)); f. In cases covered under para 1 (i) above, the jurisdictional Pr. CIT/CIT, in extraordinary circumstances such as complexities of the case or administrative difficulties in conduct of assessment through 'E-Proceeding', can permit conduct of assessment proceedings through the conventional mode. It is hereby further directed that Pr.CIT/CIT is required to provide such relaxation only in extraordinary circumstances after examining the necessity for such relaxation and recording the reasons for providing such relaxations. <p>(i) The notices and departmental communications in such cases shall be strictly governed by the guidelines issued by CBDT vide its Circular No.19/2019 dated 14.08.2019 regarding generation/allotment/quoting of Document Identification Number (DIN).</p> <p>(ii) In cases where assessment proceedings are being carried out through the 'E- Proceeding' as per para 1 (i) above, personal hearing/ attendance may take place in following situation(s):</p>	Lesson 10
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- a. Where books of accounts have to be examined;
- b. Where Assessing Officer invokes provisions of section 131 of the Act;
- c. Where examination of witness is required to be made by the assessee or the Department;
- d. Where a show-cause notice contemplating any adverse view is issued by the Assessing Officer and assessee requests through their 'E-filing' account for personal hearing to explain the matter. However, the details pertaining to above shall be uploaded on ITBA subsequently.

Further details: https://www.incometaxindia.gov.in/communications/circular/circular_27_2019.pdf

11.	<p>Circular No. 29 Dated: 2nd October, 2019</p> <p>Clarification in respect of option under section 115BAA of the income tax Act , 1961 inserted through The Taxation Laws (Amendment) Ordinance 2019</p> <p>Section 115BAA in the Income-tax Act, 1961 provides that a domestic company shall, at its option, pay tax at a lower rate of 22 percent for any previous year relevant to the Assessment Year beginning on or after 1st April 2020 subject to certain conditions including that the total income should be computed without claiming any deduction or exemption:</p> <p>The option is required to be exercised by the company before the due date of furnishing return of income and the option once exercised, cannot be subsequently withdraw and shall apply to all subsequent assessment.</p> <p>The Ordinance also amended section 115JB of the Act relating to Minimum Alternate Tax (MAT) so as at inter alia provide that the provisions of said section shall not apply to a person who has exercised the option referred to under newly inserted section 115BAA.</p> <p>Representations have been received from the stakeholders seeking clarification on following issues relating to exercise of option under section 115BAA:</p> <ol style="list-style-type: none"> a) Allowability of brought forward loss on account of additional depreciation: and b) Allowability of brought forward MAT credit. <p>These issues have been examined in the board and in order to provide clarity in the matter, the clarifications are issued as under:</p> <p>As regards allowability of brought forward loss on account of additional depreciation, it may be noted that clause (i) of sub-section (2) of the newly inserted section 115 BAA inter alia, provides that the total income shall be computed without claiming any deduction under clause (iia) of sub-section (1) of section 32 (additional depreciation): and clause (ii) of the said sub - section provide that the total income shall be computed without claiming set off of any loss carried forward from any earlier assessment year if the same is</p>	Lesson 2 & 8
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	<p>attributable inter alia, to additional deprecation. Therefore, a domestic company which, would exercise option for availing benefit of lower tax rate under section 115BAA shall not be allowed to claim set off of any brought forward loss on account of additional depreciation for an Assessment Year for which the option has been exercised and for any subsequent Assessment Year. Further as there is no lime line within which option under section 115BAA can be exercised, it may be noted that a domestic company having brought forward losses on account of additional depreciation may if it so desires, exercise the option after set off of the losses so accumulated.</p> <p>As regards allowability of brought forward MAT credit, it may be noted that as the provisions of section 115JB relating to MAT itself shall not be applicable to the domestic company which exercises option under section 115BAA, it is hereby clarified that the tax credit of MAT paid by the domestic company exercising option under section 115BAA of the Act shall not be available consequent to exercising of such option.</p> <p>Further, as there is no lime line within which option under section 115BAA can be exercised, it may be noted that a domestic company having credit of MAT may, if it so desires, exercise the option after utilizing the said credit against the regular tax payable under the taxation regime existing prior to promulgation of the ordinance.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_29_2019.pdf</p>	
12.	<p>Circular No. 32 Dated: 30th December, 2019</p> <p>Clarifications in respect of prescribed electronic modes under section 269SU of the Income-tax Act, 1961</p> <p>In furtherance to the declared policy objective of the Government to encourage digital economy and move towards a less-cash economy, a new provision namely Section 269SU was inserted in the Income-tax Act, 1961 vide the Finance (No. 2) Act 2019, which provides that every person having a business turnover of more than Rs 50 Crore shall mandatorily provide facilities for accepting payments through prescribed electronic modes. The said electronic modes have been prescribed vide notification no. 105/2019 dated 30.12.2019. Further, Section 10A of the Payment and Settlement Systems Act 2007, inserted by the Finance Act, provides that no Bank or system provider shall impose any charge on a payer making payment, or a beneficiary receiving payment, through electronic modes prescribed under Section 269SU of the Act.</p> <p>In this connection, it may be noted that the Finance Act has also inserted section 271 DB in the Act, which provides for levy of penalty of five thousand rupees per day in case of failure by the specified person to comply with the provisions of section 269SU. In order to allow sufficient time to the specified person to install and operationalise the facility for accepting payment through the prescribed electronic modes, it is hereby clarified that the penalty under section 271 DB of the Act shall not be levied if the specified person installs and operationalises the facilities on or before 31" January, 2020.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_32_2019.pdf</p>	Lesson 10

INCOME TAX ACT, 1961 & RULES 1962

NOTIFICATIONS

Sr. No.	Updates	Lesson No.
1	<p>Notification No. 56 /2019 Dated 2nd August, 2019</p> <p>The Central Government hereby for the purpose of clause (46) of section 10 of the Income-tax Act, 1961 notifies ‘Bangalore Water Supply and Sewerage Board’, Bengaluru (PAN AAALB0015G) a Board constituted by the Government of Karnataka, in respect of the following specified income arising to that Board:</p> <ul style="list-style-type: none"> (a) Water Charges; (b) Sanitary and Borewell Charges; (c) Special Sanitary Charges; (d) Meter Charge; (e) Bulk Water Charges; (f) Rent; and (g) Interest on surplus amount earned out of the above. <p>This notification shall be effective subject to the conditions that Bangalore Water Supply and Sewerage Board, Bengaluru,-</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall apply with respect to the assessment year 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/notification/notification_56_2019.pdf</p>	Lesson 3
2.	<p>Notification No. 59/2019 Dated 30th August, 2019</p> <p>The Central Board of Direct Taxes hereby makes the Income–tax (Fifth Amendment) Rules, 2019 which shall come into force from the 1st day of September, 2019.</p> <p>In the Income-tax Rules, 1962, in rule 114,</p> <p>(i) after sub-rule (1), the following sub-rules shall be inserted, namely: _</p> <p>“(1A) Any person, who has not been allotted a permanent account number but possesses the Aadhaar number and has furnished or intimated or quoted his Aadhaar number in lieu of the permanent account number in accordance with sub-section (5E) of section 139A, shall be deemed to have applied for allotment</p>	Lesson 9

of permanent account number and he shall not be required to apply or submit any documents under this rule.

(1B) Any person, who has not been allotted a permanent account number but possesses the Aadhaar number may apply for allotment of the permanent account number under sub-section (1) or subsection (1A) or sub-section (3) of section 139A to the authorities mentioned in sub-rule (2) by intimating his Aadhaar number and he shall not be required to apply or submit any documents under this rule.

(1C) The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall on receipt of information under sub-rule (1A) or sub-rule (1B), as the case may be, authenticate the Aadhaar number for that purpose.”;

(ii) after sub-rule (6), the following sub-rule shall be inserted, namely:

“(7) The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall lay down the formats and standards along with procedure for,

- (a) furnishing or intimation or quoting of Aadhaar number under sub-rule (1A); or
- (b) intimation of Aadhaar number under sub-rule (1B); or
- (c) authentication of Aadhaar number under sub-rule (1C); or
- (d) obtaining demographic information of an individual from the Unique Identification Authority of India,

for ensuring secure capture and transmission of data and shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies in relation to furnishing or intimation or quoting or authentication of Aadhaar number or obtaining of demographic information of an individual from the Unique Identification Authority of India, for allotment of permanent account number and issue thereof.”

Further details: https://www.incometaxindia.gov.in/communications/notification/notification59_2019.pdf

3. Notification No. 62/2019 Dated 12th September, 2019

For the purposes of giving effect to the E-assessment Scheme, 2019 made under sub-section (3A) of section 143 of the Act, the Central Government hereby makes the following directions, namely:

The provisions of clause (7A) of section 2, section 92CA, section 120, section 124, section 127, section 129, section 131, section 133, section 133A, section 133C, section 134, section 142, section 142A, section 143, section 144A, section 144BA section 144C and Chapter XXI of the Act shall apply to the assessment made in accordance with the said Scheme subject to the following exceptions, modifications and adaptations, namely: -

“A. (1) The assessment shall be made as per the following procedure,

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namely:—

- (i) the National e-assessment Centre shall serve a notice on the assessee under sub-section (2) of section 143, specifying the issues for selection of his case for assessment;
- (ii) the assessee may, within fifteen days from the date of receipt of notice referred to in sub-clause (i), file his response to the National e-assessment Centre;
- (iii) the National e-assessment Centre shall assign the case selected for the purposes of assessment under this Scheme to a specific assessment unit in any one Regional e-assessment Centre through an automated allocation system;
- (iv) where a case is assigned to the assessment unit, it may make a request to the National e-assessment Centre for—
 - a. obtaining such further information, documents or evidence from the assessee or any other person, as it may specify;
 - b. conducting of certain enquiry or verification by verification unit; and
 - c. seeking technical assistance from the technical unit;
- (v) where a request for obtaining further information, documents or evidence from the assessee or any other person has been made by the assessment unit, the National e-assessment Centre shall issue appropriate notice or requisition to the assessee or any other person for obtaining the information, documents or evidence requisitioned by the assessment unit;
- (vi) where a request for conducting of certain enquiry or verification by the verification unit has been made by the assessment unit, the request shall be assigned by the National e-assessment Centre to a verification unit through an automated allocation system;
- (vii) where a request for seeking technical assistance from the technical unit has been made by the assessment unit, the request shall be assigned by the National e-assessment Centre to a technical unit in any one Regional e-assessment Centre through an automated allocation system;
- (viii) the assessment unit shall, after taking into account all the relevant material available on the record, make in writing, a draft assessment order either accepting the returned income of the assessee or modifying the returned income of the assessee, as the case may be, and send a copy of such order to the National e-assessment Centre;
- (ix) the Assessment unit shall, while making draft assessment order, provide details of the penalty proceedings to be initiated therein, if any;
- (x) the National e-assessment Centre shall examine the draft assessment order in accordance with the risk management strategy specified by the Board, including by way of an automated examination tool,

whereupon it may decide to –

- a. finalise the assessment as per the draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, alongwith the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment; or
 - b. provide an opportunity to the assessee, in case a modification is proposed, by serving a notice calling upon him to show cause as to why the assessment should not be completed as per the draft assessment order; or
 - c. assign the draft assessment order to a review unit in any one Regional e-assessment Centre, through an automated allocation system, for conducting review of such order;
- (xi) the review unit shall conduct review of the draft assessment order, referred to it by the National e-assessment Centre whereupon it may decide to—
- a. concur with the draft assessment order and intimate the National e-assessment Centre about such concurrence; or
 - b. suggest such modification, as it may deem fit, to the draft assessment order and send its suggestions to the National e-assessment Centre;
- (xii) the National e-assessment Centre shall, upon receiving concurrence of the review unit, follow the procedure laid down in sub-paragraph (a) or sub-paragraph (b) of paragraph (x), as the case may be;
- (xiii) the National e-assessment Centre shall, upon receiving suggestions for modifications from the Review unit, communicate the same to the Assessment unit;
- (xiv) the assessment unit shall, after considering the modifications suggested by the Review unit, send the final draft assessment order to the National e-assessment Centre;
- (xv) The National e-assessment Centre shall, upon receiving final draft assessment order, follow the procedure laid down in sub-paragraph (a) or sub-paragraph (b) of paragraph (x), as the case may be;
- (xvi) The assessee may, in a case where show-cause notice under sub-paragraph (b) of paragraph (x) has been served upon him, furnish his response to the National e-assessment Centre on or before the date and time specified in the notice;
- (xvii) The National e-assessment Centre shall, -
- a. in a case where no response to the show-cause notice is received, finalise the assessment as per the draft assessment order, as per the procedure laid down in sub-paragraph (a) of paragraph (x); or
 - b. in any other case, send the response received from the assessee to the assessment unit;

	<p>(xviii) The assessment unit shall, after taking into account the response furnished by the assessee, make a revised draft assessment order and send it to the National e-assessment Centre;</p> <p>(xix) The National e-assessment Centre shall, upon receiving the revised draft assessment order, -</p> <ol style="list-style-type: none"> a. in case no modification prejudicial to the interest of the assessee is proposed with reference to the draft assessment order, finalise the assessment as per the procedure laid down in sub-paragraph (a) of paragraph (x); or b. in case a modification prejudicial to the interest of the assessee is proposed with reference to the draft assessment order, provide an opportunity to the assessee, as per the procedure laid down in sub-paragraph (b) of paragraph (x); c. the response furnished by the assessee shall be dealt with as per the procedure laid down in paragraphs (xvi), (xvii) and (xviii); <p>(xx) The National e-assessment Centre shall, after completion of assessment, transfer all the electronic records of the case to the Assessing Officer having jurisdiction over such case., for –</p> <ol style="list-style-type: none"> (a) imposition of penalty; (b) collection and recovery of demand; (c) rectification of mistake; (d) giving effect to appellate orders; (e) submission of remand report, or any other report to be furnished, or any representation to be made, or any record to be produced before the Commissioner (Appeals), Appellate Tribunal or Courts, as the case may be; (f) proposal seeking sanction for launch of prosecution and filing of complaint before the Court; <p>(xxi) Notwithstanding anything contained in paragraph (xx), the National e-assessment Centre may at any stage of the assessment, if considered necessary, transfer the case to the Assessing Officer having jurisdiction over such case.</p> <p>B. (1) A person shall not be required to appear either personally or through authorised representative in connection with any proceedings under this Scheme before the income-tax authority at the National e-assessment Centre or Regional e-assessment Centre or in any unit set-up under this Scheme.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/notification/notification_62_2019.pdf</p>	
<p>4.</p>	<p>Notification No. 63/2019/Dated 12th September, 2019</p> <p>The Central Government vide this notification hereby notifies the Cost Inflation Index for the FY 2019-20 as “289” This notification shall come into force with effect from the 1st day of April, 2020 and shall accordingly apply to the Assessment Year 2020-2021 and subsequent years.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/notification/notification_63_2019.pdf</p>	<p>Lesson 4</p>

5.	<p>Notification No. 70/2019 Dated New Delhi, the 20th September, 2019</p> <p>Exemption to Commission Agent or trading operating under APMC under clause (v) of the proviso to section 194N of the Income Tax Act, 1961</p> <p>The Central Government after consultation with the Reserve Bank of India, hereby specifies the commission agent or trader, operating under Agriculture Produce Market Committee (APMC), and registered under any Law relating to Agriculture Produce Market of the concerned State, who has intimated to the banking company or co-operative society or post office his account number through which he wishes to withdraw cash in excess of rupees one crore in the previous year along with his Permanent Account Number (PAN) and the details of the previous year and has certified to the banking company or co-operative society or post office that the withdrawal of cash from the account in excess of rupees one crore during the previous year is for the purpose of making payments to the farmers on account of purchase of agriculture produce and the banking company or co-operative society or post office has ensured that the PAN quoted is correct and the commission agent or trader is registered with the APMC, and for this purpose necessary evidences have been collected and placed on record.</p> <p>The notification shall be deemed to have come into force with effect from the 1st day of September, 2019.</p> <p>Explanatory Memorandum: It is certified that no person is being adversely affected by giving retrospective effect to this notification.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_70_2019.pdf</p>	Lesson 9
6.	<p>Notification No. 74/ 2019 Dated 27th September, 2019</p> <p>The Central Board of Direct Taxes, hereby makes the Income-tax (10th Amendment) Rules, 2019 which shall be deemed to have come into force with effect from the 1st day of September, 2019.</p> <p>In the Income-tax Rules, 1962, in rule 37BA, after sub-rule (3), the following sub-rule shall be inserted, namely:-</p> <p>“(3A) Notwithstanding anything contained in sub-rule (1), sub-rule (2) or sub-rule (3), for the purposes of section 194N, credit for tax deducted at source shall be given to the person from whose account tax is deducted and paid to the Central Government account for the assessment year relevant to the previous year in which such tax deduction is made”</p> <p>Explanatory Memorandum: It is certified that no person is being adversely affected by giving retrospective effect to the present rules.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_74_2019.pdf</p>	Lesson 9
7.	<p>Notification No. 78 /2019 Dated 9th October, 2019</p> <p>The Central Government hereby for the purpose of clause (46) of section 10 of the Income-tax Act, 1961 notifies ‘Kerala Bamboo, Kattuvalli and Pandanus Leaf Workers’ Welfare Fund Board’ (PAN AAJJK1244Q), a Board constituted</p>	Lesson 3

	<p>by the Government of Kerala, in respect of the following specified income arising to that Board:</p> <ol style="list-style-type: none"> a. Government grant received for Scheme and Non Scheme Pension; b. Contributions received from Employees and Employers; c. Registration Fees; d. Passbook charges collected; e. Cost of duplicate identity card issued; f. Fine collected; and g. Interest earned on (a) to (f) above. <p>This notification shall be effective subject to the conditions that Kerala Bamboo, Kattuvalli and Pandanus Leaf Workers' Welfare Fund Board,-</p> <ol style="list-style-type: none"> a) shall not engage in any commercial activity; b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall apply with respect to the assessment years 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_78_2019.pdf</p>	
<p>8.</p>	<p>Notification No. 82/2019 Dated 21st October, 2019</p> <p>The Central Government hereby notifies the Core Settlement Guarantee Funds set up by the Multi Commodity Exchange Clearing Corporation Limited, Mumbai for the purposes of the clause (23EE) of section 10 of the Income-tax Act, 1961 for the assessment year 2019-2020 and subsequent years.</p> <p>For Details https://www.incometaxindia.gov.in/communications/notification/notification_no82_2019.pdf</p>	<p>Lesson 3</p>
<p>9.</p>	<p>Notification No. 83/2019 Dated 21st October, 2019</p> <p>The Central Government hereby notifies the infrastructure debt fund namely, the 'IDFC Infrastructure Finance Limited (PAN:AADCI5030Q)' for the purpose of clause (47) of section 10 of the Income Tax Act, 1961, for the assessment year 2020-2021 and subsequent assessment years subject to the following conditions, namely:—</p> <ol style="list-style-type: none"> i. that the infrastructure debt fund shall conform to and comply with the provisions of the Income-tax Act, 1961, rule 2F of the Income-tax Rules, 1962 and the conditions provided by the Reserve Bank of India in this regard; ii. that the infrastructure debt fund shall file its return of income as required by sub-section (4C) of section 139 of the Income-tax Act, 1961 on or before the due date. <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_no83_2019.pdf</p>	<p>Lesson 3</p>
<p>10.</p>	<p>Notification No. 88/2019 Dated 5th November, 2019</p> <p>The Central Board of Direct Taxes hereby makes the following amendments in</p>	<p>Lesson 1</p>

	<p>the notification published in the Official Gazette <i>vide</i> number S.O. 2752(E), dated the 22nd October, 2014 namely:- In the said notification, in Schedule-I, against the entries in serial number 67,-</p> <p>(i) in column (3), for the words “Jammu, Jammu and Kashmir”, the words “Jammu, the Union territory of Jammu and Kashmir and the Union territory of Ladakh” shall be substituted;</p> <p>(i) in column (4), for the words “All districts of State of Jammu and Kashmir”, the words “All districts of the Union territory of Jammu and Kashmir and of the Union territory of Ladakh” shall be substituted;</p> <p>In Schedule –II, against the entries in serial number 8, in column (4), for the words “State of Jammu and Kashmir” the words “the Union territory of Jammu and Kashmir and the Union territory of Ladakh” shall be substituted.</p> <p>This notification shall be deemed to have come into force with effect from the 31st day of October, 2019.</p> <p>Explanatory Memorandum: It is hereby certified that no person is being adversely affected by giving retrospective effect to this notification.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_88_2019.pdf</p>	
11.	<p>Notification No. 93 /2019 Dated 5th November, 2019</p> <p>The Central Board of Direct Taxes hereby makes the following amendments in the notification published in the Official Gazette <i>vide</i> number S.O. 2914(E), dated the 13th November, 2014 namely:-</p> <p>In the said notification, in the Schedule, against the entries in serial number 4, in column (6), for the words “Jammu and Kashmir”, the words “the Union territory of Jammu and Kashmir and the Union territory of Ladakh” shall be substituted.</p> <p>This notification shall be deemed to have come into force with effect from the 31st day of October, 2019.</p> <p>Explanatory Memorandum: It is hereby certified that no person is being adversely affected by giving retrospective effect to this notification.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_93_2019.pdf</p>	Lesson 1
12.	<p>Notification No. 94 /2019 Dated 5th November, 2019</p> <p>The Central Board of Direct Taxes hereby makes the following amendments in the notification published in the Official Gazette <i>vide</i> number S.O. 3125(E), dated the 10th December, 2014 namely: -</p> <p>In the said notification, in Schedule –II, against the entries in serial number 6, in column (4), for the words “Jammu and Kashmir”, the words “the Union territory of Jammu and Kashmir, Union territory of Ladakh” shall be substituted.</p> <p>This notification shall be deemed to have come into force with effect from the 31st day of October, 2019.</p>	Lesson 1

	<p>Explanatory Memorandum: It is hereby certified that no person is being adversely affected by giving retrospective effect to this notification.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_94_2019.pdf</p>	
13.	<p>Notification No. 96/2019 Dated 11th November, 2019</p> <p>The Central Government hereby makes the Income tax Amendment (13th Amendment), Rules, 2019 which shall come into force from the 1st day of April, 2020.</p> <p>In the Income-tax Rules, 1962, after rule 11UAB, the following rule shall be inserted from the 1st day of April, 2020 and shall be applicable for assessment year commencing on the 1st day of April, 2020 and subsequent assessment years, namely:</p> <p>Prescribed class of persons for the purpose of clause (XI) of the proviso to clause (x) of sub-section (2) section 56.</p> <p>11UAC.The provisions of clause (x) of sub-section (2) of section56 shall not apply to any immovable property, being land or building or both, received by a resident of an unauthorised colony in the National Capital Territory of Delhi, where the Central Government by notification in the Official Gazettee, regularised the transactions of such immovable property based on the latest Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration for conferring or recognising right of ownership or transfer or mortgage in regard to such immovable property in favour of such resident.</p> <p>Explanation. – For the purposes of this rule,—</p> <p>(a) “resident” means a person having physical possession of property on the basis of a registered sale deed or latest set of Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration in respect of a property in unauthorised colonies and includes their legal heirs but does not include tenant, licensee or permissive user;</p> <p>(b)“unauthorized colony” means a colony or development comprising of a contiguous area, where no permission has been obtained for approval of layout plan or building plans and has been identified for regularization of such colony in pursuance to the notification number S.O. 683(E), dated the 24th March, 2008, of the Delhi Development Authority, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), dated the 24th March, 2008.’.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_96_2019.pdf</p>	Lesson 4
14.	<p>Notification No, 99/2019 Dated 27th November, 2019</p> <p>M/s International Centre for Research in Agroforestry, South Asia Regional Programme, NASC Complex, Delhi (ICRAF) (PAN:- AAATI4803K) has been approved by the Central Government for the purpose of clause (ii) of sub-</p>	Lesson 4

	<p>section (I) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5D of the Income-tax Rules, 1962 (said Rules), from Assessment year 2019-2020 onwards in the category of 'Scientific Research Association' , subject to the certain conditions.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_no_99_2019.pdf</p>	
15.	<p>Notification No.100 Dated 27th November, 2019</p> <p>The Central Government hereby notifies M/s National Stock Exchange of India Limited, Mumbai (PAN: AAACN1797L) as a 'recognized association' for the purpose of clause (iii) in the Explanation of clause (e) of the proviso to sub-section (5) of Section 43 of the Income-tax Act, 1961 (43 of 1961) read with sub-rule (4) of Rule 6DDD of the Income-tax Rules, 1962, subject to fulfilment of certain conditions in respect of trading in derivatives.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_no_100_2019.pdf</p>	Lesson 4
16.	<p>Notification No. 103/2019 Dated 13th December, 2019</p> <p>The Central Government hereby specifies that the persons who have made a declaration under sub-section (1) of section 183, but have not made payment of the tax and surcharge payable under section 184 and penalty payable under section 185 of the said Act, in respect of the undisclosed income, on or before the due date notified by the Central Government vide notification number S.O. 1830 (E), dated the 19th May, 2016, (as subsequently amended vide notification number S.O. 2476 (E), dated the 20th July, 2016), may make the payment of such amount on or before the 31st day of January, 2020, along with interest on such amount, at the rate of 1% for every month or part of a month comprised in the period commencing on the date immediately following the said due date as so notified and ending on the date of such payment.</p> <p>This notification shall be deemed to have come into force with effect from the 1st day of June, 2016</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_103_2019.pdf</p>	Lesson 10
17.	<p>Notification No.105/2019 Dated 30th December, 2019</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (16th Amendment) Rules, 2019 which shall come into force from 1st day of January, 2020.</p> <p>In the Income-tax Rules, 1962, after rule 119A, the following rule shall be inserted, namely:</p> <p>“119AA. Modes of payment for the purpose of section 269SU. - Every person, carrying on business, if his total sales, turnover or gross receipts, as the case may be, in business exceeds fifty crore rupees during the immediately preceding previous year shall provide facility for accepting payment through following electronic modes, in addition to the facility for other electronic modes of payment, if any, being provided by such person, namely:—</p>	Lesson 4& 9

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| | <ul style="list-style-type: none">i Debit Card powered by RuPay;ii Unified Payments Interface (UPI) (BHIM-UPI); andiii Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code), | |
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For Details: https://www.incometaxindia.gov.in/communications/notification/notification_105_2019.pdf