

Info Capsule

MEASURES TO CHECK CYBER CRIMES IN BANKING SYSTEM¹

As per data reported by the Reserve Bank of India (RBI), the number of Cyber-Crime pertaining to credit card, ATM, debit card and Internet banking shows a marginal increase of 4.4% from 13,083 in 2014-15, to 13,653 in 2016-17.

RBI has issued Cyber Security Framework in Banks, mandating banks to put in place a Board-approved cyber-security policy, which covers the risks from cyber threats and the measures to address/mitigate these risks.

RBI has issued instructions to banks for reversal of erroneous debits arising from fraudulent or other transactions, and for Board-approved bank policy to cover customer protection, the mechanism of compensating the customer for the unauthorised electronic banking transactions, and display of the same on the bank's website, along with the details of grievance-handling / escalation procedure. Under the Banking Ombudsman Scheme, if a customer does not receive any reply within a period of one month after receipt of representation by the bank or is not satisfied with the reply given, he can file a complaint before the Ombudsman, who can ask the bank to pay compensation of up to Rs. 20 lakh to the customer for loss, suffered by the customer due to an act of omission of the bank, and also compensation of up to Rs. 1 lakh for mental agony and harassment.

MANDATING AADHAAR LINKAGE TO PAN CARDS²

Permanent Account Number (PAN) is the key identifier of taxable entity and aggregator of all financial transactions undertaken by one person. One PAN for one person is the guiding principle for allotment of PAN. However, for achieving the objective of one PAN to one assessee it is required to maintain uniqueness of PAN. The uniqueness of PAN is achieved by conducting a de-duplication check on all already existing allotted PAN against the data furnished by new applicant. Under the existing system of PAN only demographic data is captured. Some instances are found where multiple PANs have been allotted to one person or one PAN has been allotted to multiple persons despite the application of de-duplication process based on demographic data. Linkage of Aadhaar number into PAN database will allow a robust way of de-duplication as Aadhaar number is based on biometric attributes of finger prints and iris images. Further seeding of Aadhaar will allow the Income-tax Department to weed out any undetected duplicate PANs. It will also facilitate resolution of cases of one PAN allotted to multiple persons.

As on July 27, 2017, **11,44,211** PANs have been identified and deleted or de-activated in cases where multiple PANs were found allotted to one person. Similarly, as on July 27, 2017, **1,566** PANs have been identified as 'Fake' which were allotted to either non-existent person or in the names of persons with false identities. In this regard, the PAN Service provider carries out onsite verification of PAN applications to verify identity and addresses of the applicant and share the report of such verification to the concerned Assessing Officer. On receipt of such report the assessing officer also conducts enquires and mark the PAN as "Fake". If information of allotment of more than one PAN is received, the facility to delete or de-activate the PAN is available with the Assessing Officer through

¹ Available at: <http://pib.nic.in/newsite/erelease.aspx>

² Available at: <http://pib.nic.in/newsite/erelease.aspx>

application software. Further, during 2004 to 2007, an exercise for de-duplication of PAN was conducted in the Department to identify probable duplicate PANs, which were consequently deleted or de-activated by the concerned assessing officers after examinations.

This was stated by Shri Santosh Kumar Gangwar, Minister of State for Finance in written reply to a question in Rajya Sabha on August 1, 2017.

JUSTICE SRIKRISHNA TO HEAD EXPERT GROUP ON DATA PROTECTION FRAMEWORK FOR INDIA³

Recognising the importance of data protection and keeping personal data of citizens secure and protected, Ministry of Electronics and Information Technology (MeitY), Government of India on July 31, 2017 has constituted a Committee of Experts under the Chairmanship of Justice B N Srikrishna, Former Judge, Supreme Court of India and comprising of members from Government, Academia and Industry to study and identify key data protection issues and recommend methods for addressing them. The committee will also suggest a draft Data Protection Bill. Protection of Data is expected to provide big boost to Digital economy of the country.

REDUCTION/EXEMPTION OF TAX RATES UNDER GST FOR SMALL BUSINESSES⁴

The Government has received representations from small businesses relating to exemption from GST, reduction in applicable rates of GST, and product and area wise exemptions. The GST rates on supply of goods and services have been notified based on the recommendations of the GST Council. The tax rates on goods have been fixed taking into consideration, inter alia, the total indirect tax incidence on goods prior to GST, which included the central excise duty rates / embedded central excise duty incidence, VAT rates or weighted average VAT rates, embedded VAT incidence, cascading of VAT over excise duty, incidence on account of CST, Octroi, entry tax, etc.

Keeping in view the interests of small business, any supplier in the State or Union territory, other than special category States, whose aggregate turnover in a financial year does not exceed Rs.20 lakh [Rs.10 lakh in the case of Special Category States] is not liable to be registered under the Central Goods and Services Tax Act, 2017.

Further, a composition scheme has been provided for the benefit of small business. An eligible registered person in the State or Union territory, other than Special Category States [other than Uttarakhand], can avail benefit of this scheme (Except those manufacturing ice-cream, pan masala and tobacco products) by paying an amount equal to 2% of turnover in the State in case of manufacturers and 1% equal to the turnover in the State in the case of trader dealers. The turnover limit for availing of composition levy initially was Rs. 50 lakhs in the preceding financial year. However, keeping in view the interests of small businesses, the same was increased to 75 lakhs [except in case of Special Category States]. The raised limit in case of Uttarakhand, however, is Rs. 75 lakhs. Thus, the interests of traders are not likely to be adversely affected in general.

³ Available at: <http://pib.nic.in/newsite/erelease.aspx>

⁴ Available at: <http://pib.nic.in/newsite/erelease.aspx>

GOVERNMENT SETS UP TWO CALL CENTRES TO CATER TO THE QUERIES RELATING TO GST⁵

Government has set up two call centres being run for the purpose of catering to queries of taxpayers and stakeholders in GST.

- Call Centre on GST Application software prepared by GSTN, is being run by GSTN. Phone number is 0120-4888999 and email id is helpdesk@gst.gov.in
- CBEC Mitra Helpdesk for replying to queries related to GST is being run by CBEC. Phone number is 1800-1200-232 and email id is cbecmitra.helpdesk@icegate.gov.in

The call centres are replying to queries of taxpayers and also providing information regarding guidelines and FAQs issued by CBEC from time to time.

The GSTN helpdesk and the CBEC Mitra Helpdesk have been contracted for a period of five years and seven years respectively.

Team ICSI

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⁵ Available at: <http://pib.nic.in/newsite/erelease.aspx>