

Info Capsule

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THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

1. Report of the Competition Law Review Committee submitted to Union Finance and Corporate Affairs Minister

The Government constituted a Competition Law Review Committee on 1st October, 2018 to review the existing Competition law framework and make recommendations to further strengthen the framework to inter alia meet new economy challenges.

The Committee consulted various stakeholders, including industry chambers, professional institutes, Government Departments/ Ministries, NGOs and experts. The Committee focused on furthering ease of doing business, encouraging start-ups and meeting the challenges of the new economy. The key recommendations of the Competition Law Review Committee are:

- Introduction of a 'Green Channel' for combination notifications to enable fast-paced regulatory approvals for vast majority of mergers and acquisitions that may have no major concerns regarding appreciable adverse effects on competition. The aim is to move towards disclosure based regime with strict consequences for not providing accurate or complete information.
- Combinations arising out of the insolvency resolution process under the Insolvency and Bankruptcy Code will also be eligible for "Green Channel" approvals.
- Introducing a dedicated bench in NCLAT for hearing appeals under the Competition Act.
- Introduction of express provisions to identify 'hub and spoke' agreements as well as agreements that do not fit within typical horizontal or vertical anti-competitive structures to cover agreements related to business structures and models synonymous with new age markets.
- Additional enforcement mechanism of 'Settlement & Commitments" in the interests of speedier resolution of cases of anti-competitive conduct.
- Enabling provisions to prescribe necessary thresholds, inter alia, deal-value threshold for merger notifications.
- CCI to issue guidelines on imposition of penalty to ensure more transparency and faster decision making which will encourage compliance by businesses.
- Strengthening the governance structure of CCI with the introduction of a Governing Board to oversee advocacy and quasi-legislative functions, leaving adjudicatory functions to the Whole-time Members.
- Merging DG's Office with CCI as an 'Investigation Division' as it aids CCI in discharging an inquisitorial rather than adversarial mandate. However, functional autonomy must be protected.
- Opening of CCI offices at regional level to carry out non-adjudicatory functions such as research, advocacy etc. and interaction with State Governments and State regulators.

The detailed report is available at: http://www.mca.gov.in/Ministry/pdf/ReportCLRC_14082019.pdf

2. CBDT takes further steps to ensure transparency in Tax Administration by bringing in concept of Document Identification Number(Circular No. 19/2019 dated 14 August, 2019)

With a view to bringing greater transparency in the functioning of the tax-administration and improvement in service delivery, almost all notices and orders of Income Tax Department 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 (CBDT) 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 CBDT has, vide Circular No.19/2019 dated 14.08.2019 laid down parameters specifying the manner in which any communication 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 will be dealt with. All such communication issued on or after the 1st of October, 2019 shall carry a computer-generated Document Identification Number (DIN) duly quoted in the body of such communication.

CBDT has also specified exceptional circumstances where the communication may be issued manually but only after recording reasons in writing and with the prior written approval of the Chief Commissioner / Director General of Income-Tax concerned. In cases where manual communication is required to be issued, the reason for issue of manual communication without DIN has to be specified alongwith the date of obtaining written approval of the Chief Commissioner / Director General of Income-Tax in a particular format. Any communication which is not in conformity with the prescribed guidelines shall be treated as invalid and shall be deemed to have never been issued. Further, CBDT has also laid down the timelines and procedure by which such communication issued manually will have to be regularised and intimated to the Principal Director General of Income-tax (Systems).

In all pending assessment proceedings, where notices were issued manually, prior to issuance of the above referred Circular, all such cases would be identified and the notices so sent would be uploaded on ITBA by 31st October, 2019.

The detailed circular is available at:
https://www.incometaxindia.gov.in/communications/circular/circular_19_2019.pdf