



Info Capsule

POST-GST RATES NOTIFIED TO BOOST EXPORTS AND EMPLOYMENT GENERATION IN THE LABOUR INTENSIVE TEXTILES AND APPAREL SECTOR¹

In order to support exports of readymade garments and made-ups, Government vide Notification No. 14/26/2010- IT dated 24th November 2017 has notified post-GST rates under the scheme for Remission of State Levies (RoSL) on exports of readymade garments, made-ups and under AA-RoSL for garments.

Post-GST rates of RoSL are upto a maximum of 1.70% for cotton garments, 1.25% for MMF, Silk and Woolen garments and 1.48% for apparel of blends. Rates are upto a maximum of 2.20% for cotton made-ups, 1.40% for MMF and silk made-ups and 1.80% for made-ups of blends. For sacks and bags made of jute, the rate is 0.60%. The RoSL rate for garments under AA-AIR combination is 0.66%.

Notification of post-GST RoSL rates for rebate of state levies/taxes is in pursuance of the decision of Government of India to boost exports and employment generation in the labour intensive textiles and apparel sector. The Notification is in supersession of Ministry of Textiles Notification No 14/26/2016-IT dated 28.9.2017. These rates shall be effective from 01.10.2017. Further, DGFT has enhanced the rates under the Merchandise Exports from India Scheme (MEIS) from 2% to 4% on readymade garments and made ups w.e.f 1st November 2017 till 30th June 2018. These measures are expected to boost the exports of garments and made-ups from India.

CONSTITUTION OF FIFTEENTH FINANCE COMMISSION NOTIFIED²

The Government of India, with the approval President of India, has constituted Fifteenth Finance Commission in pursuance of clause (1) of article 280 of the Constitution, read with the provisions of the Finance Commission (Miscellaneous Provisions) Act, 1951 w.e.f. 27th November, 2017. The Commission will make recommendations for the five years commencing on April 1, 2020.

This Commission will be headed by Shri. N.K.Singh, former Member of Parliament and former Secretary to the Government of India. Shri Shaktikanta Das, former Secretary to the Government of India and Dr. Anoop Singh, Adjunct Professor, Georgetown University shall be the members of the Commission. Dr. Ashok Lahiri, Chairman (Non-executive, part time), Bandhan Bank and Dr. Ramesh Chand, Member, NITI Aayog shall be the Part time members of the Commission. Shri Arvind Mehta shall be the Secretary to the Commission.

The Terms of Reference of the Commission has been issued vide notification Number S.O.3755(E). dated 27th November, 2017. The Notification is available at <http://www.egazette.nic.in/WriteReadData/2017/180483.pdf>

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

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

CLARIFICATION OF INDIA'S POSITION ON THE ACCEPTANCE OF MAP AND BILATERAL APA IN CASES OF COUNTRIES WHERE ARTICLE 9(2) OF OECD MODEL TAX COMMENTARY IS ABSENT³

A number of references have been received from time to time regarding the acceptance of applications pertaining to Transfer Pricing MAP cases and Bilateral Advance Pricing Agreements (APAs) where the Associated Enterprise (AE) of the Indian entity is resident of a country with which India has entered into a Double Taxation Avoidance Agreement (DTAA) but the Agreement does not contain Paragraph 2 of Article 9 (or its relevant equivalent Article) relating to 'Corresponding Adjustment'.

The matter has been examined by the Central Board of Direct Taxes (CBDT) and it has been decided to accept Transfer Pricing MAP and bilateral APA applications regardless of the presence or otherwise of Paragraph 2 of Article 9 (or its relevant equivalent Article) in the DTAAAs.

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