



A Tax & Advisory Firm



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GLOBAL PRESENCE NEXIA INTERNATIONAL

Nexia Our world in numbers

North America	Latin America	Europe, Middle East and Africa	Asia Pacific
51 Office	59 Office	335 Office	163 Office
387 Partners	125 Partners	1083 Partners	583 Partners

Audit. Tax. Advisory.

" Nexia is a leading global network of independent accounting and consulting firms. When you choose a Nexia firm, you get a more responsive, more personal, partner-led service, across the world "

 **\$2.8 bn**

Fee income for 2022

>250

Member firms

 **608**

Offices globally

>122

Countries

 **21**

Committees and business groups

25,941

People worldwide

nexia.com

Personal Taxes

- Rates, surcharge, rebate, etc. under old tax regime remain unchanged.
- Rebate, surcharge and cess under new regime remain unchanged.
- Standard deduction for salaried individuals increased from Rs. 50,000 to Rs. 75,000 under new tax regime
- Deduction to the family members of deceased employee from pension income increased from Rs. 15,000 to Rs. 25,000 under new tax regime
- It is proposed to amend section 80CCD of the Act to allow deduction to employees with respect to contribution to NPS by an employer (other than Central Government or State Government) up to 14% as against 10% under new tax regime

Personal Taxes

Slab Rates under New Tax Regime

Existing slab rates – AY 2024-25		Amended slab rates – AY 2025-26 onwards	
Income INR	Rates	Income INR	Rates
Up to 3,00,000	Nil	Up to 3,00,000	Nil
3,00,001 - 6,00,000	5%	3,00,001 - 7,00,000	5%
6,00,001 – 9,00,000	10%	7,00,001 – 10,00,000	10%
9,00,001 – 12,00,000	15%	10,00,001 – 12,00,000	15%
12,00,001 – 15,00,000	20%	12,00,001 – 15,00,000	20%
Above 15,00,000	30%	Above 15,00,000	30%

Personal Taxes

Slab Rates under Old Tax Regime (optional)

Income (INR)	Age less than 60 years	Age 60 years or more but less than 80 years	Age 80 years or more
Up to 2,50,000	Nil	Nil	Nil
2,50,001 - 3,00,000	5%	Nil	Nil
3,00,001 - 5,00,000	5%	5%	Nil
5,00,001 - 10,00,000	20%	20%	20%
Above 10,00,000	30%	30%	30%

Business / Corporate Taxation

- Income from letting out of **residential house** shall be chargeable under the head 'Income from house property' and not under 'PGBP'
- 'Settlement amounts' incurred due to an infraction of law (to be notified) and relate to contraventions to be disallowed under section 37
- Increase in allowable deduction of remuneration to working partners

	Book profit	Remuneration allowable
(a)	on the first INR 6,00,000 (revised from INR 3,00,000) of the book-profit or in case of a loss	INR 3,00,000 (revised from INR 1,50,000) or at the rate of 90 per cent of the book-profit, whichever is more;
(b)	on the balance of the book-profit	At the rate of 60 percent

Capital Gains (1/6)

New holding period in case of Capital Gains (applicable from July 23, 2024)

Sr. No.	Asset class	Holding Period
1	All listed securities	12 months
2	Unlisted securities, immovable properties, unlisted bonds, unlisted debentures, physical gold	24 months

Capital Gains (2/6)

New tax rates for following capital assets (applicable from July 23, 2024)

Sr. No.	Asset class	Period of holding	Applicable section	Tax rate
1	STT paid equity shares, units of equity-oriented funds, units of business trust	Short-term	111A	20%
2	STT paid equity shares, units of equity-oriented funds, units of business trust	Long-term (No Indexation Benefit Available)	112A	12.5% (on gains exceeding Rs. 1.25 lakhs)
	Equity shares (STT not paid including OFS), Listed bonds, Listed debentures, Immovable property*, Mutual funds (equity held more than 35% but less than 65%), Other assets	Long-term (No Indexation Benefit Available)	112	12.5%
3	Market-linked debentures, specified mutual funds (debt oriented i.e. more than 65% in debt), unlisted bonds & unlisted debentures.	Short-term (irrespective of holding period)	50AA	At slab rates applicable

**In case of immovable property, FM has clarified that properties bought before 2001 stand grandfathered i.e.. they will enjoy a valuation as of Apr 2001 to be claimed as cost. Indexation will however still not be available post 2001 even in such cases.*

Note: Parity for capital gains for NRIs in line with residents. Aforesaid changes with respect to tax rates being proposed in section 115AB (Units purchased in foreign currency), section 115AD (Foreign Institutional Investors), section 115AC, section 115ACA (Global Depository Receipts) and section 115E (Investment income for NRIs)

Capital Gains (3/6)

Capital Gains tax rates (Old vs. New):

Sr. No.	Particulars	Old	New
A	Short term capital gains		
1	Equity shares (STT paid), units of equity oriented mutual funds, units of business trust	15% (under section 111A)	20%
B	Long term capital gains (No indexation available)		
1	Equity shares (STT paid) and units of equity oriented mutual funds, units of business trust (REIT, INVIT)	10% (under section 112A)	12.5% (on gains exceeding Rs. 1.25 lakhs)
2	Listed bonds and debentures	10% (under section 112)	12.5%
3	Unlisted bonds and debentures	20% (under section 112)	Slab rates, short term – Irrespective of holding period (under section 50AA)

Capital Gains (4/6)

Capital Gains tax rates (Old vs. New) (cont'd):

Sr. No.	Particulars	Old	New
B	Long term capital gains (cont'd)		
4	Equity shares (STT not paid including OFS)	20% (under section 112)	12.5%
5	Immovable property*, other assets	20% (under section 112)	12.5%
6	Market Linked Debentures, specified mutual funds (debt oriented i.e. more than 65% in debt)	Slab rates, short term – Irrespective of holding period (under section 50AA)	Slab rates, short term – Irrespective of holding period (under section 50AA)
7	Mutual Funds (equity more than 35% but less than 65%)	20% (under section 112)	12.5%

**In case of immovable property, FM has clarified that properties bought before 2001 stand grandfathered i.e. they will enjoy a valuation as of Apr 2001 to be claimed as cost. Indexation will however still not be available post 2001 even in such cases.*

Capital Gains (5/6)

Buyback to be treated as dividend in the hands of shareholders

- Consideration received upon buyback of shares to be treated as dividend.
- Further, the cost of shares tendered for buyback to be claimed as capital loss since sales consideration shall be deemed to be Nil.
- This amendment shall be applicable from October 1, 2024

Capital Gains (6/6)

- Definition of 'Specified Mutual Fund' proposed to be amended from 1 April 2025 to mean:
 - a) Mutual Fund by whatever name called, which invests more than 65% of its proceeds in debt and money market instruments; or
 - b) a fund which invests 65% or more of its proceeds in units of the aforesaid fund.
- Exemption under section 47(iii) now available only to an **individual and HUF** in respect of transfer of capital asset under a gift or an irrevocable trust
- In a case where unlisted shares are held on January 31, 2018 and sold *via* an offer for sale, it has been clarified (with retrospective effect) that the cost shall be computed by indexing the original cost up to January 31, 2018. This amendment shall be applicable retrospectively from AY 2018-19 onwards

Other Sources

Abolishment of Angel Tax

- Currently, section 56(2)(viib) provide that where a privately held company receives any consideration for issue of shares which exceeds the fair market value, the same would be taxed as 'Income from other sources'.
- It is proposed section 56(2)(viib) shall not apply from 1 April 2024.

Rationalisation of re-assessment proceedings (1/5)

- Under the **existing provisions**, the AO issues a show cause notice under section 148A prescribing maximum 30 days to respond.
- After considering the response, the AO may pass an order under section 148A(d) and issue notice under section 148. Taxpayer must file an ITR within 3 months from end of month post which the AO commences reassessment.
- The AO must have such information for initiating reassessment:
 - Information from - Insight Portal, Audit Objections, Under DTAA, order of Court/Tribunal, etc.
 - Deemed information - From Searches, Surveys, Requisitions, etc
- In cases of information from Searches & Insight Portal, the AO can skip the show cause notice and directly require filing of ITR and commence reassessment by issuing notice under section 148.

Rationalisation of re-assessment proceedings (2/5)

What is Modified?

- The taxpayer cannot seek any extension in making his response or in filing ITR
- The reassessments relating to search is excluded from existing reassessment regime. This will now be governed under new provisions for search under Chapter XIV-B

Rationalisation of re-assessment proceedings (3/5)

Time limit for issuing show cause notice under section 148A

	Existing provision	Amended provision
Income escaping assessment < INR 50 Lakhs	Not specified	Up to 3 years from the end of the relevant assessment year.
Income escaping assessment > INR 50 Lakhs	Not specified	Up to 5 years from the end of the relevant assessment year

Rationalisation of re-assessment proceedings (4/5)

Time limit for issuing notice under section 148

	Existing provision	Amended provision
Income escaping assessment < INR 50 Lakhs	Up to 3 years from the end of the relevant assessment year.	Up to 3 years and 3 months from the end of the relevant assessment year.
Income escaping assessment > INR 50 Lakhs	Up to 10 years from the end of the relevant assessment year	Up to 5 years and 3 months , from the end of the relevant assessment year

Rationalisation of re-assessment proceedings (5/5)

Specified Authority under section 151 for issue of notice under section 148 or show cause notice under section 148A

	Existing provision	Amended provision
Up to 3 years	Principal CIT/DIT or CIT/DIT	Additional CIT/Director/ CIT/Director Joint
After 3 years	Principal CCIT/DG or CCIT/DG	Additional CIT/Director/ CIT/Director Joint

Old provisions will be applicable where a search, requisition or survey is conducted before September 1, 2024 or where notice under section 148 has been issued or an order under clause (d) of section 148A has been passed, prior to September 1, 2024

Assessment of search cases (1/2)

- New chapter has been introduced as '**Chapter XIV-B**' for Search & Seizure. Now assessed under the provisions of Section **158B to 158BI** of the Act.
- '**Block period**' has been defined which includes total 6 preceding assessment years and part of the year starting 1st April up to the conclusion of search.
- '**Undisclosed Income**' has been defined to include any money, bullion, jewellery or other valuable article or thing or **any expenditure** or any income based on any entry in the books of account or other documents or transactions, where such money, bullion, jewellery, valuable article, thing, entry in the books of account or other document or transaction represents wholly or partly income or property which has not been or would not have been disclosed for the purposes of this Act, or any expense, deduction or allowance claimed under this Act **which is found to be incorrect.**

Assessment of search cases (2/2)

- All the ongoing assessment/reassessment shall abate.
- The Total Income(other than Undisclosed Income) shall be assessed separately in accordance with the other provisions of the Act and Undisclosed Income would be assessed at the rate of 60% as per Section 158BB read with Section 113
- As per section 158BF, 'No additional surcharge or interest under section 234A, 234B or 234C or penalty under section 270A shall be levied
- Where ITR is not furnished or furnished after time specified in the Notice under section 158BC then interest @ 1.5% per month shall be levied from expiry of time specified in the Notice till completion of assessment proceedings
- Further, as per section 158BFA, 'Penalty shall be levied at fifty per cent of the tax on Undisclosed Income not offered in the return of income filed in compliance to the notice issued under section 158BC

Timeline for assessment of Specific Proceedings

Situation	Timeline
Return furnished in view of condonation by CBDT	12 months from the end of the financial year in which the return is furnished
Cases set-aside by CIT(A)	12 months from the end of the financial year in which the order u/s.250 is passed
Annulment of block proceedings	1 Year from the end of the month of revival

The above amendment shall be applicable from October 1, 2024

Penalties and Prosecution

- No prosecution where TDS is deposited till the due date of filing quarterly TDS Returns.
- Penalty of up to INR 50,000 prescribed for furnishing inaccurate SFT information and up to INR 1,00,000 for failure to furnish statement by Liaison Office

Appellate Proceedings

- Monetary thresholds for filing appeals increased to INR 60 lakhs for Tribunals, INR 2 crores for High Courts and INR 5 crores for Supreme Court.
- Commissioner (Appeals) and Joint Commissioner (Appeals) to have the power to set aside the case back to the Assessing Officer for fresh assessment where the order was passed in a best judgement case.
- Time limit to file appeal before ITAT increased to 2 months from end of the month in which order is received.

Direct Tax Vivad Se Vishwas Scheme, 2024 (1/2)

- In order to provide resolution to certain income tax disputes pending in appeal, Direct Tax Vivad Se Vishwas Scheme, 2024 is proposed
- Eligibility criteria

Sr No.	Dispute Pertains to	Filing of appeal	If disputed amount deposited by December 31, 2024	If disputed amount deposited after December 31, 2024
1	Tax	After January 31, 2020 but before July 23, 2024	100% of tax	110% of tax
2	Tax*	Prior to January 31, 2020	110% of tax	120% of tax
3	Interest or penalty or fees	After January 31, 2020 but before July 23, 2024	25% of interest/penalty/ fees	30% of interest/penalty/ fees
4	Interest or penalty or fees*	Prior to January 31, 2020	30% of interest/penalty/ fees	35% of interest/penalty/ fees

** Provided the appeal is pending at same forum as that of filing*

Direct Tax Vivad Se Vishwas Scheme, 2024 (2/2)

- Pendency of appeal should lie as on July 22, 2024
- If declarant wishes to settle a dispute where department is in appeal, then disputed tax shall be reduced to half of the above
- For covered matters - In case where the declarant has received any favourable order from CIT(A) or ITAT and such order is not reversed at higher stage then disputed amount shall be reduced to half of the above
- Not applicable to AYs in which assessment has been made pursuant to search, where prosecution has been instituted, tax arrears relating to undisclosed foreign income and asset/ cases where assessment is made based on information received from foreign countries
- Stringent timelines prescribed which will ensure that declaration would meet expeditious disposal

Charitable Trusts

- Single regime prescribed to govern taxation of **approved** charitable institutions/ tax exempt entities
- Existing approved institutions governed under the first regime [section 10(23C)] to be governed by extant provisions until validity of approval
- Applications may be filed until September 30, 2024 under the first regime
- Applications filed until September 30, 2024 would be processed under the extant provisions of the first regime itself
- Merger between approved institutions/ tax exempt entities will not be subject to exit tax (under section 115TD) upon fulfilment of conditions (to be prescribed)

TDS provisions (1/4)

- Certain TDS rates have been amended as below:

Provision	Old rates	New rates	Effective from
Payment of insurance commission (other than company)	5%	2%	April 1, 2025
Payment in respect of life insurance policy	5%	2%	October 1, 2024
Commission, etc. on sale of lottery tickets	5%	2%	October 1, 2024
Payment of commission or brokerage	5%	2%	October 1, 2024
Payment of rent by certain individuals or HUF	5%	2%	October 1, 2024

TDS provisions (2/4)

- Certain TDS rates have been amended as below:

Provision	Old rates	New rates	Effective from
Payment of certain sums by certain individuals or HUF	5%	2%	October 1, 2024
Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%	October 1, 2024
Payment of remuneration, salary, etc. to partners	NA	10%	April 1, 2025
Payments on account of repurchase of units by Mutual Fund or Unit Trust of India	20%	Proposed to be omitted	October 1, 2024

TDS provisions (3/4)

- It is proposed that credit of TCS shall be considered by the employer while deducting TDS under the head 'Salary'
- In case of acquisition of immovable property, individual limit of INR 50 lakhs is no longer required to be checked where there is more than one transferor or transferee and the aggregate amount is to be seen for the purpose of TDS
- Currently, there is no explicit exclusion from requirement to deduct tax under section 194C where tax is required to be deducted under section 194J. It is proposed to explicitly exclude any sum referred to in section 194J from the purview of 'work'.
- Where tax is paid outside India and FTC is available to an assessee, it shall be deemed to be income received

TDS provisions (4/4)

- It is proposed to amend TDS and TCS provisions to provide that no order shall be made deeming any person to be an assessee in default after 6 years (revised from 7 years) from the end of the FY in which payment is made or credit is given or tax was collectible or two years from the end of the FY in which the correction statement is delivered, whichever is later
- Certificates can now be issued for lower TDS deduction under section 194Q and lower TCS collection under section 206C(1H)
- TDS /TCS correction statements can be filed before the expiry of six years from the end of the financial year in which the original statements are filed – earlier no time limits were prescribed

IFSC

- Exemption of certain income currently available to Specified Funds in IFSCs now extended to Retail Schemes and Exchange Traded Funds registered in IFSCs
- Thin capitalization – restriction on deductibility of interest expense not applicable to finance companies in IFSC
- Source of funds (cash credits) received from Venture Capital Funds set-up in IFSC are not required to be explained
- Surcharge not applicable on dividend and interest income received by specified funds in IFSC (i.e. Category III AIFs, retail schemes and Exchange Traded Funds)

Cross Border Taxation

- The base tax rate in case of foreign companies has been reduced from 40% to 35%
- TPO can now include any other Specified Domestic Transactions in the Transfer Pricing assessment proceedings at his discretion even where the same is not referred to him/ not reported in Form No. 3CEB
- E-commerce Equalisation Levy (2%) abolished from August 1, 2024 – Applicable for transactions undertaken between April 1, 2020 and July 31, 2024
- DRP route will not be available to search/ block assessment cases
- Streamlining of TP procedure and expansion of Safe Harbour Rules to be a priority to the government (whose details are expected to be shared soon)

Other Provisions (1/2)

- New provisions introduced to deem 20% of carriage amount as profits in case of non-residents engaged in operation of cruise ships
 - Lease rent paid by such shipping company to a foreign fellow subsidiary shall be exempt in the hands of such fellow subsidiary until AY 2030-31
- The rates of STT are proposed to be revised as below:
 - In case of sale of options – 0.1% of premium (revised from 0.0625%)
 - In case of sale of futures – 0.02% of traded price (revised from 0.0125%)

Other Provisions (2/2)

- It is proposed that liabilities under BMA can be adjusted against assets seized under section 132/ 132A of the Income Tax Act
- Tax Clearance Certificate for specified persons domiciled in India required from tax authorities from a Black Money perspective as well before leaving Indian territory

Black Money Act, 2015

Immunity from penalty on non-reporting of small foreign assets

- With effect from 1 October 2024, it is proposed that foreign assets (other than immovable property) not disclosed in Return of Income having value up to INR 20 lakhs shall not attract penal provisions of sections 42 and 43 of BMA

Prohibition Of Benami Property Transactions Act, 1988 (1/2)

Amendments in time limits

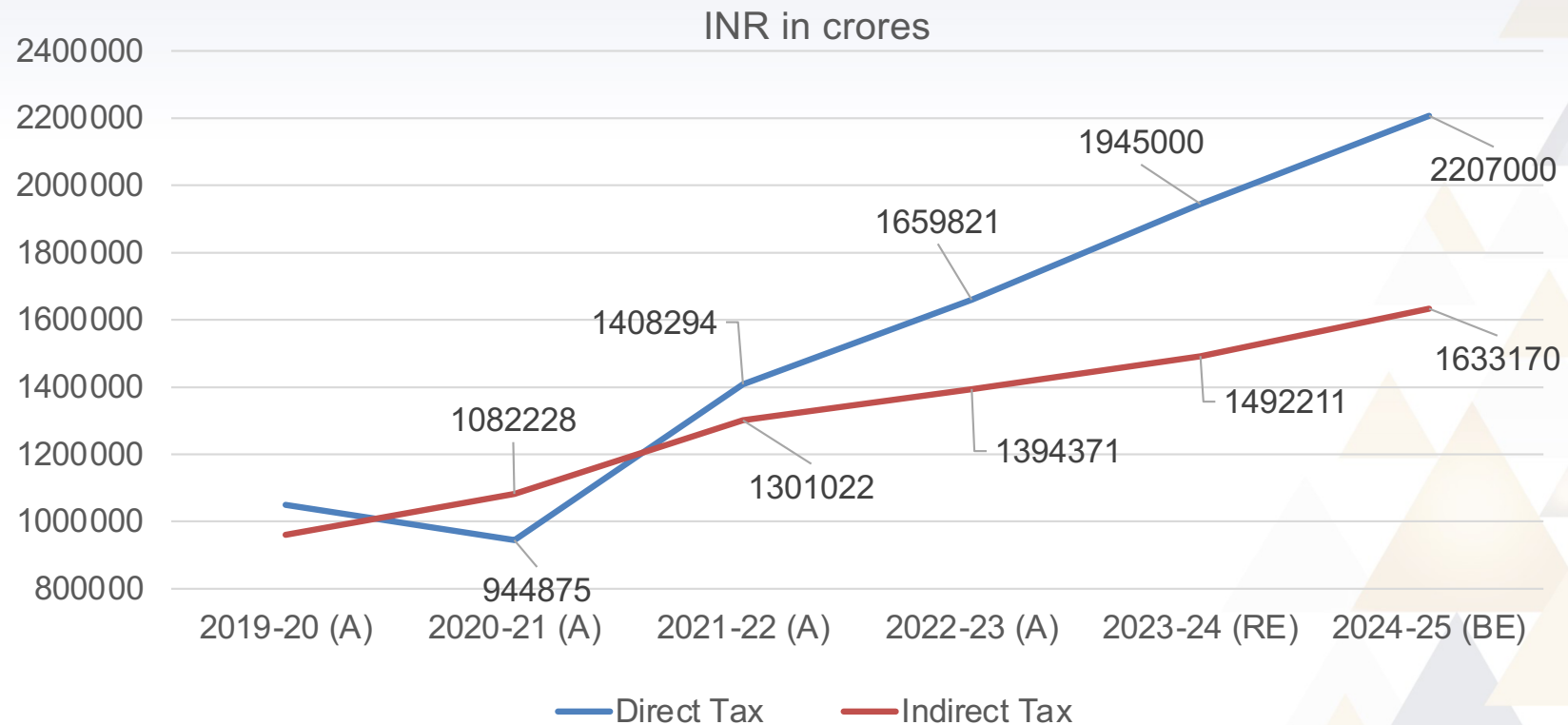
- Currently, provisions of the PBPT Act do not provide time limits to Benamidar and beneficial owner to respond to notices issued under section 24(1) and 24(2) of the PBPT Act.
- It is proposed that maximum 3 months should be allowed to Benamidar and beneficial owner to respond to such notices.
- It is proposed that time limit for Initiating Officer to pass an order under section 24(4) be increased to 4 months from the end of the month in which notice under section 24(1) was issued.
- It is also proposed that time limit under section 24(5) be increased to 1 month from the end of the month in which order under section 24(4) was passed.

Prohibition Of Benami Property Transactions Act, 1988 (2/2)

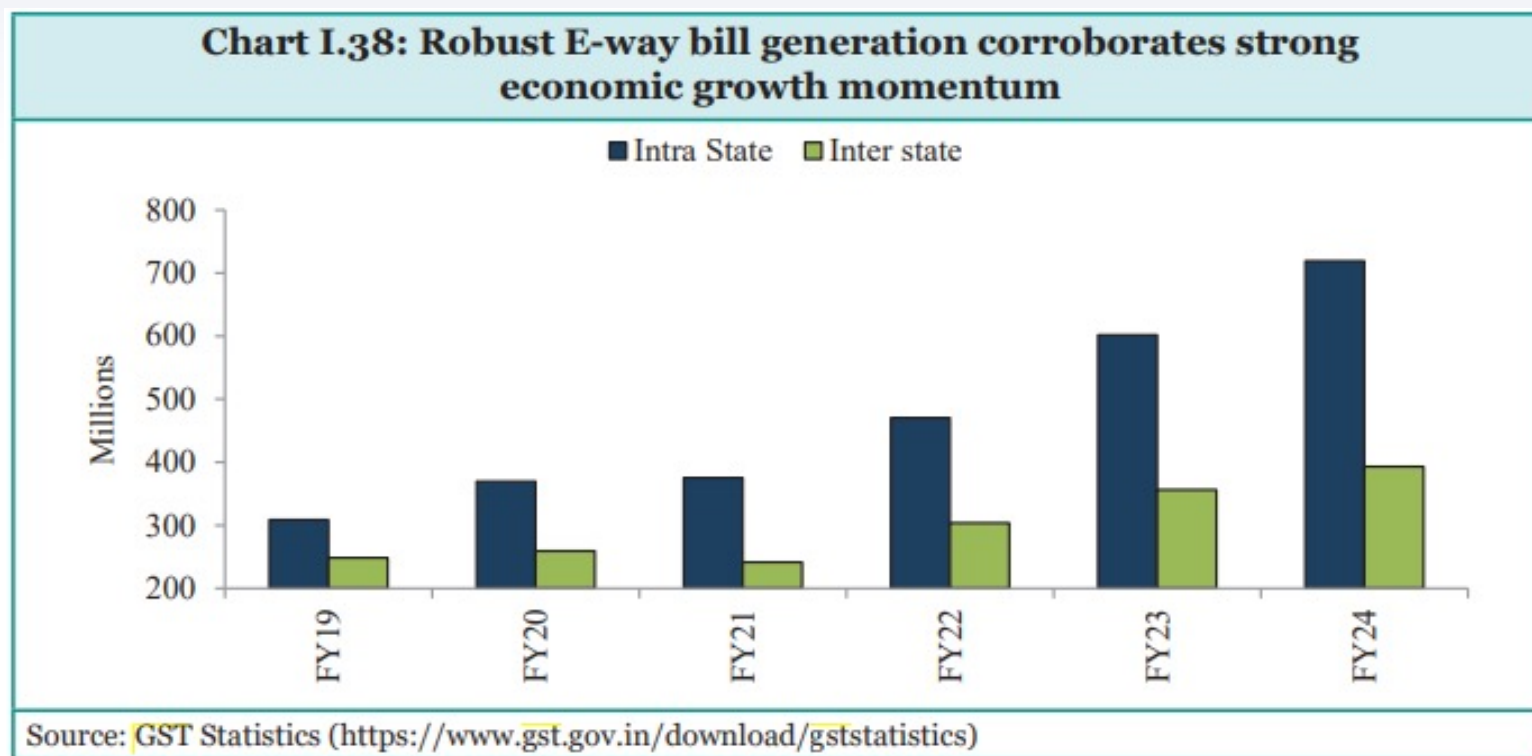
Immunity from penalty

- In order to incentivize Benamidar/ abeter to be the whistleblower/ witness on Benami transactions, a new section has been introduced wherein the Initiating Officer has power to tender immunity to Benamidar/ abeter from penalty under section 53 provided he is making true and full disclosure of the whole circumstances relating to the benami transaction.

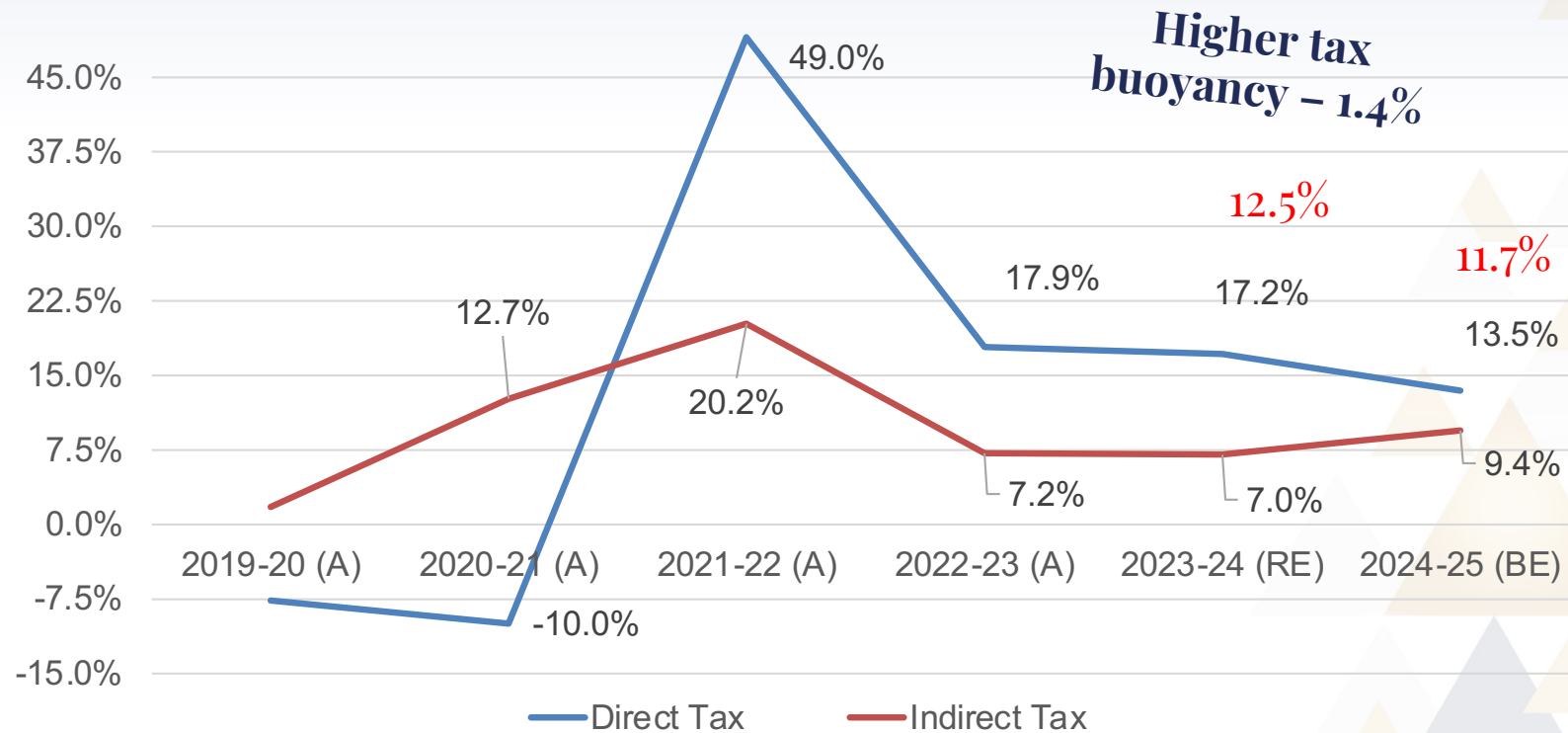
Central Government - Gross Tax Collections



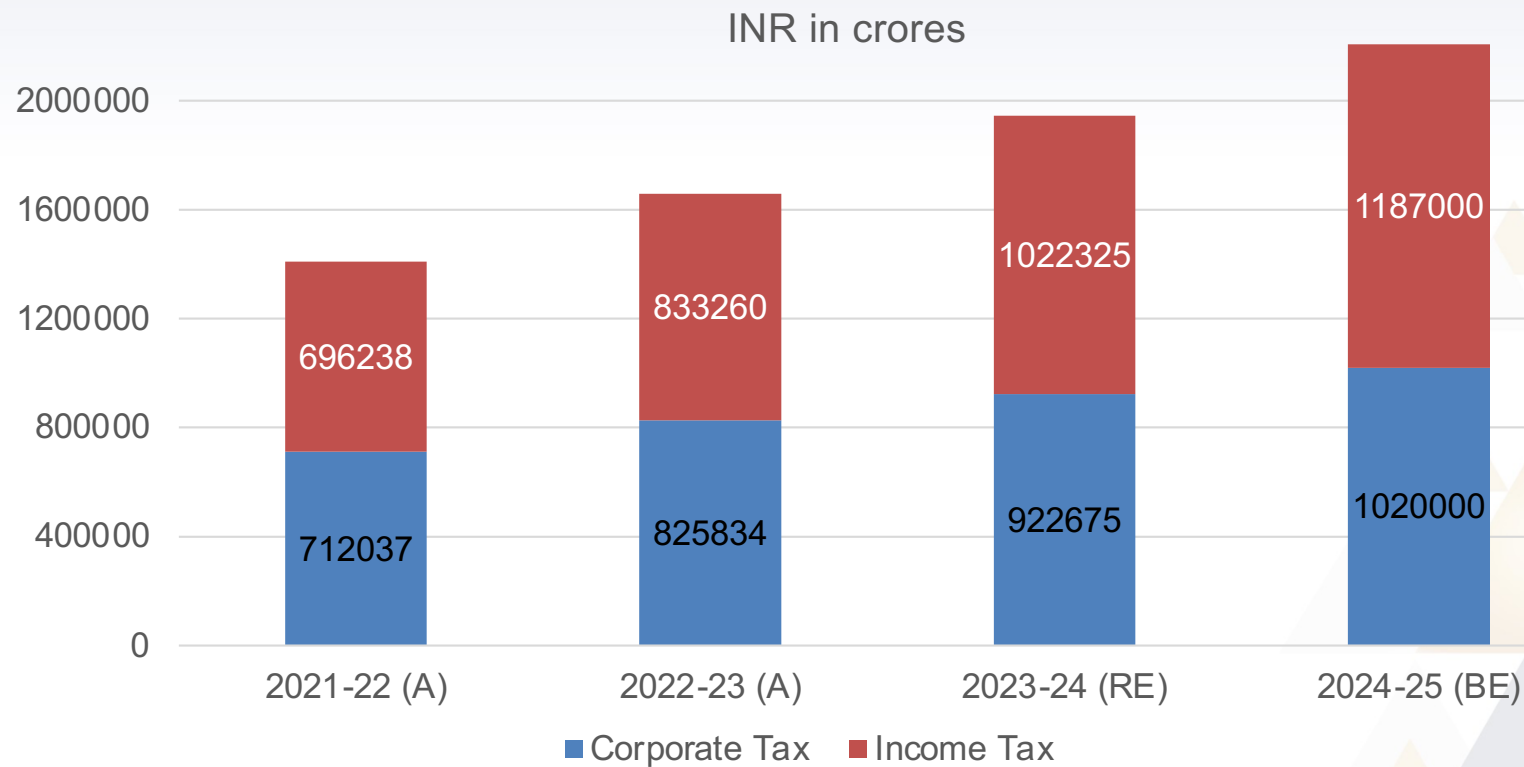
GST – a parameter for economic growth



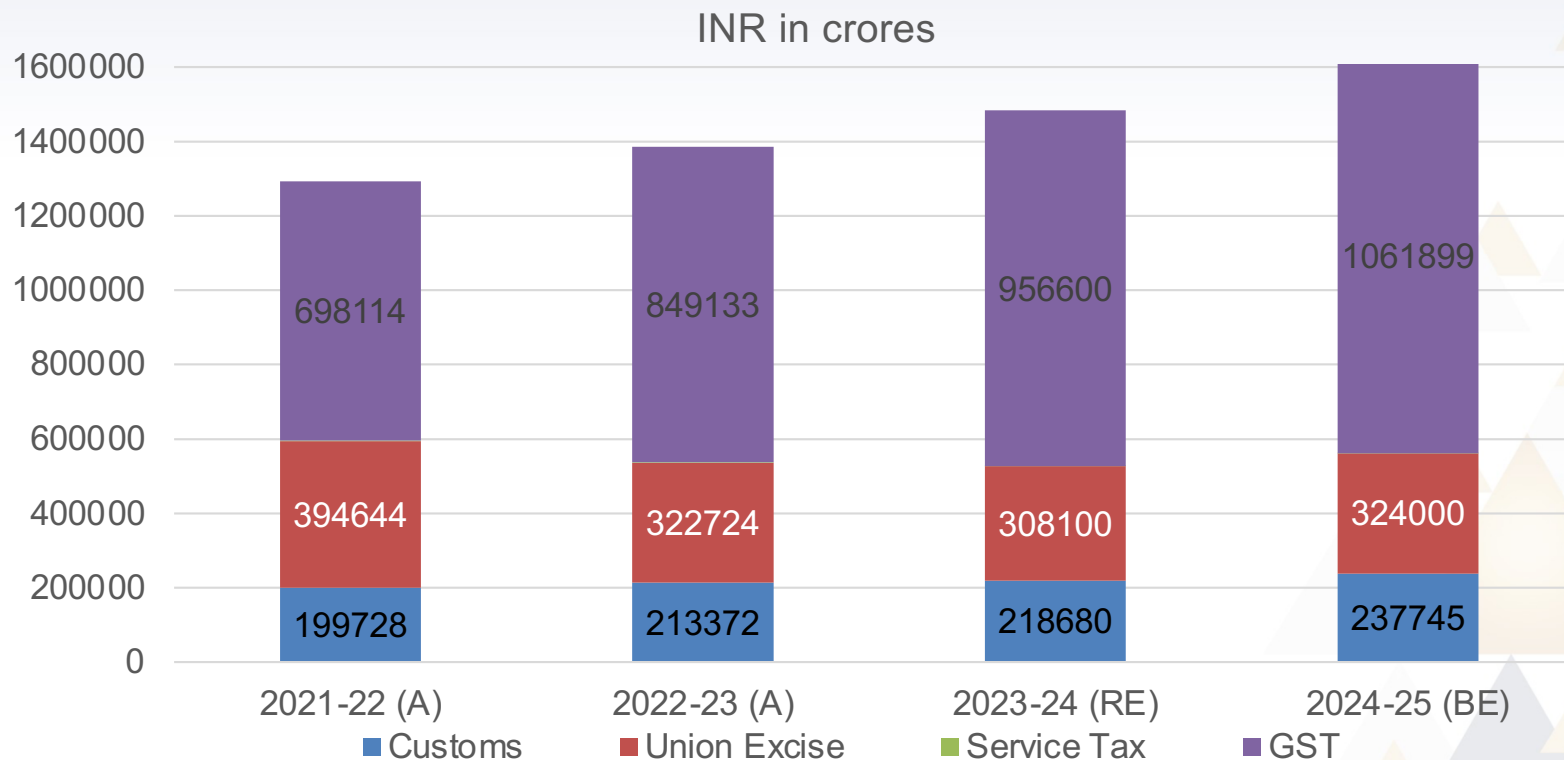
Central Government - Gross Tax Collections - Growth



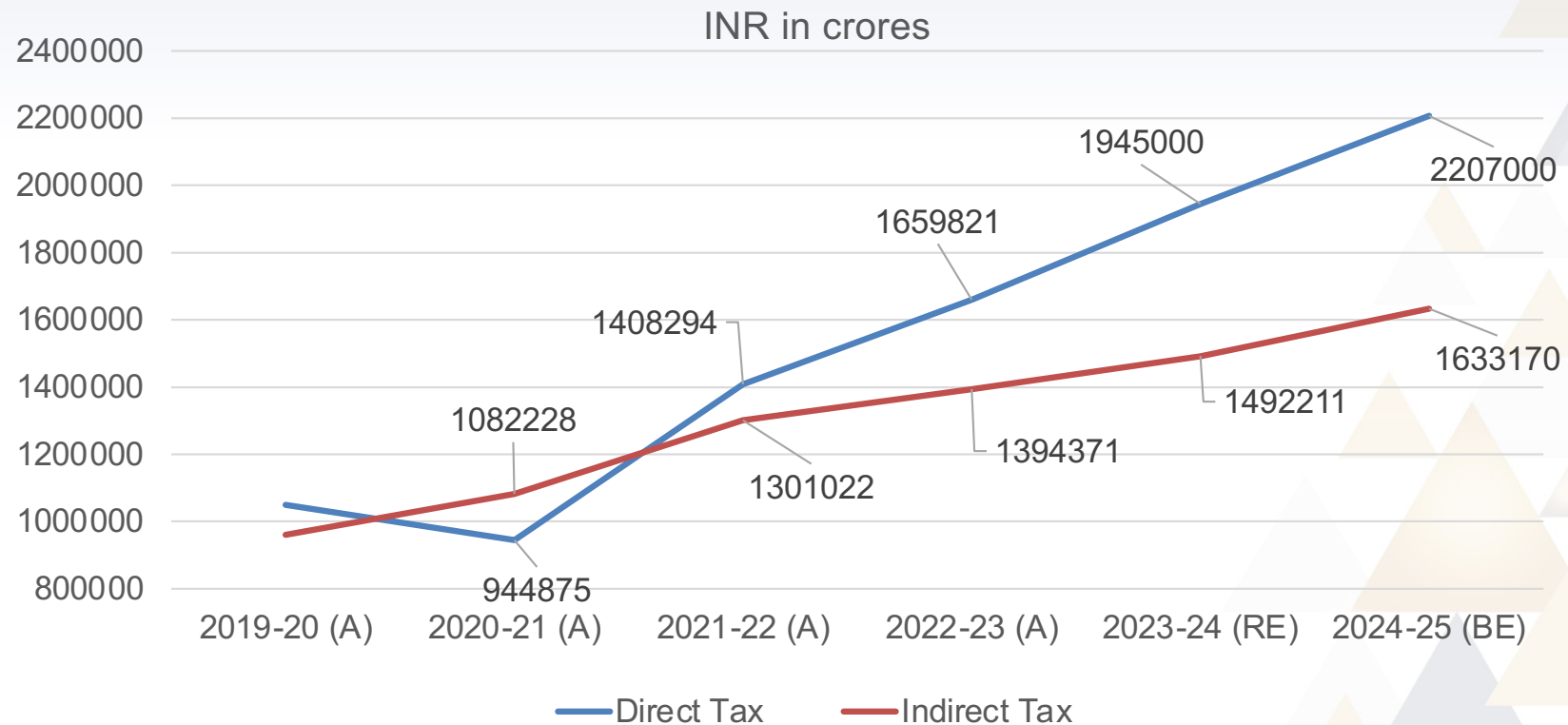
Central Government - Revenue – Direct taxes



Central Government - Revenue – Principal indirect taxes



Central Government - Gross Tax Collections



GST

Waiver of interest:

- Conditional waiver of interest and penalty relating to demand notices issued under Section 73 of CGST Act for period from July 1, 2017 to March 31, 2020 in cases where the taxpayer pays the full amount of GST demanded in the notice or statement or order upto the date as may be notified by the Government

[the GST Council had earlier recommended this date as March 31, 2025].

- Waiver shall not cover demand of erroneous refunds.
- Where interest and penalty have already been paid in respect of any demand for the said period, no refund shall be admissible for the same.
- No appeal can be filed for GST paid, pursuant to this waiver

*No end date for
this amnesty*

GST

Demands:

- From FY 2024-25 onwards, a common time limit is provided for issuance of demand notices and orders in respect of demands, in cases involving or not involving charges of fraud or wilful misstatement etc. [new section 74A]
- Currently, there is a difference in time limit, which has been restricted for applicability up to F.Y. 2023-24 [section 73 and section 74]
- Time limits:

	Section 73	Section 74	Section 74A
Issuance of notice	33 months	54 months	42 months
Passing of order	36 months	60 months	54 / 60 months

GST

Demands:

- The time limit for the taxpayers to avail the benefit of reduced penalty, by paying the GST demanded along with interest, increased from 30 days to 60 days.
- The penalty demanded in a notice invoking penal provisions with charges of fraud, wilful misstatement, or suppression of facts would be redetermined where such charges are not established.

GST

Appeals:

- Pre-deposit for filing of appeals with the appellate authority - maximum amount to be reduced from INR 25 crores CGST and INR 25 crores SGST to INR 20 crores CGST and INR 20 crores SGST.
- Pre-deposit for filing appeal with GST Appellate Tribunal ('GSTAT') - to be reduced from 20% with a maximum amount of INR 50 crores CGST and INR 50 crores SGST to 10% with a maximum of INR 20 crores CGST and INR 20 crores SGST.
- Government to be empowered to notify the date for filing appeal before the GSTAT and to provide a revised time limit for filing appeals or application before the GSTAT. [this amendment is proposed to be made effective from August 1, 2024]
- Principal bench of GSTAT to be empowered for handling of anti-profiteering cases.

GST

Input tax credit:

- The restriction of non-availability of input tax credit of GST paid under section 74 would apply only for demands up to FY 2023-24.
- The restriction of non-availability of input tax credit of GST paid under section 129 and section 130 removed.
- Time limit to avail input tax credit in respect of any invoice or debit note under Section 16(4) of CGST Act, through any return in FORM GSTR 3B filed up to November 30, 2021 for FY 2017-18, 2018-19, 2019-20 and 2020-21, to be deemed to be November 30, 2021 (amendment to be effective from July 1, 2017).

Where the GST has been already paid or the input tax credit has been reversed, no refund can be claimed of the same. [Clause 146 of the Finance (No.) Bill, 2024]

GST

Input tax credit:

- The provisions of section 16(4) of CGST Act relaxed for availment of input tax credit in respect of any invoice or debit note in cases where returns for the period from the date of cancellation of registration or the effective date of cancellation of registration till the date of order of revocation of cancellation of the registration, are filed by the registered person within thirty days of the order of revocation of cancellation of registration. (amendment to be effective from July 1, 2017).

Where the GST has been already paid or the input tax credit has been reversed, no refund can be claimed of the same. [Clause 146 of the Finance (No.) Bill, 2024]

GST

Levy of GST:

- No levy of GST on un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor for human consumption.
- New provision to empower the Government to regularize non-levy or short levy of GST, where it is satisfied that such non-levy or short-levy was a result of general / common trade practices.
- Following activities to be treated as neither supply of goods nor supply of services –
 - activity of apportionment of co-insurance premium by the lead insurer to the co-insurer, provided that the lead insurer pays the GST liability on the entire amount
 - the services by the insurer to the re-insurer, for which the ceding commission or the reinsurance commission is deducted from reinsurance premium, provided that reinsurer pays GST liability on the gross reinsurance premium

GST

Other:

- *Time of supply* - The time of supply of services in cases where the invoice is required to be issued by the recipient of services in case of reverse charge supplies would be the date of issue of invoice by the recipient.
- *Invoice* - Government empowered to prescribe by rules the time limit for issuance of invoice by the recipient in case of supplies liable under reverse charge mechanism.
- *Return* - The registered person required to deduct GST at source will be required to mandatorily file the return for each month electronically, irrespective of whether any deduction has been made in the said month or not. Government empowered to prescribe by rules, the form, manner and the time within which such return shall be filed.

GST

Other:

- *Refunds* - Refund in respect of goods, which are subjected to export duty, is restricted, irrespective of whether the said goods are exported without payment of GST or with payment of GST, and such restrictions be also applicable, if such goods are supplied to a SEZ developer or a SEZ unit for authorized operations.
- *Summons* - An authorised representative will be allowed to appear on behalf of the summoned person before the proper officer in compliance of summons issued by the said officer.
- *Penalty* - Penal provision in section 122(1B) of CGST Act to apply only for those e-commerce operators, who are required to collect GST under section 52 of CGST Act, and not for other e-commerce operators. [this amendment is proposed to be made effective retrospectively from October 1, 2023]

GST

Other:

- *Transitional input tax credit* - Enable availment of the transitional credit of eligible CENVAT credit on account of input services received by an Input Services Distributor prior to the appointed day, for which invoices were also received prior to the appointed date. [this would be made effective retrospectively from July 1, 2017]
- *Anti-profiteering* - Government to notify the date from which the Authority shall not accept any application for anti-profiteering cases. [the GST Council had earlier recommended this date as April 1, 2025]

GST

Notifications / Circulars – pursuant to recommendation of 53rd GST Council Meeting:

Valuation of Corporate Guarantee:

- Valuation of corporate guarantee under Rule 28(2) of CGST Rules would not apply to export of such services – Rule amended retrospective, effective from October 26, 2023 to restrict the recipient to be 'located in India'

Hence, the value of such services exported would be continued to be valued under Rule 28(1) of CGST Rules

- Value at 'one per cent' amended to 'one per cent per annum', retrospectively
- Clarification – supply of service of providing corporate guarantee was always taxable

Customs Duty

- Hon'ble Finance Minister – *“I propose to undertake a comprehensive review of the rate structure over the next six months to rationalise and simplify it for ease of trade, removal of duty inversion and reduction of disputes.”*
- Section 28DA of the Customs Act is being amended, so as to enable the acceptance of different types of “proof of origin” provided in trade agreements to align the said provision with new trade agreements which provide for self-certification. (to come into force from the date of the enactment of the Finance Bill)
- Government empowered to specify certain manufacturing processes and other operations in relation to a class of goods that shall not be permitted in a warehouse. (to come into force from the date of the enactment of the Finance Bill)
- Notification providing for exemption from levy of compensation cess on imports in SEZ by SEZ unit or developer for authorised operations, validated to be made effective retrospectively with effect from July 1, 2017.

Customs Duty

- Changes have been made in import duty Tariff rates of number of items, some effective from July 24, 2024 and some from October 1, 2024.
- Changes has been made in export duty on specified items effective from October 1, 2024.
- Exemption in respect of certain items have been extended up to March 31, 2026 and some up to March 31, 2029. And in respect of few specified items the exemption being allowed to lapse with effect from September 30, 2024.
- Certain specified items are exempted from levy of Social Welfare Surcharge effective from July 24, 2024.
- Agriculture Infrastructure and Development Cess is reduced on specified precious metals effective from July 24, 2024.

Customs Duty

- Currently, articles of foreign origin can be imported into India for repairs subject to their re-exportation within six months extendable to one year. The duration for export in the case of aircraft and vessels imported for maintenance, repair and overhauling is increased from six months to one year, further extendable by one year. This is effective from July 24, 2024.
- The time-period of duty-free re-import of goods (other than those under export promotion schemes) exported out from India under warranty is increased from three years to five years, further extendable by two years. This is effective from July 24, 2024.

