

Tax Street

A flagship publication that captures key developments in the areas of Tax and Regulatory environment

October 2023

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Tax Street

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We are pleased to present the latest edition of Tax Street – our newsletter that covers all the key developments and updates in the realm of taxation in India and across the globe for the month of October 2023.

- The **'Focus Point'** covers the aspects surrounding the MFN clause under tax treaties.
- Under the **'From the Judiciary'** section, we provide in brief, the key rulings on important cases, and our take on the same.
- Our **'Tax Talk'** provides key updates on the important tax-related news from India and across the globe.
- Under **'Compliance Calendar'**, we list down the important due dates with regard to direct tax, transfer pricing and indirect tax in the month.

We hope you find our newsletter useful and we look forward to your feedback.

You can write to us at taxstreet@nexdigm.com. We would be happy to hear your thoughts on what more can we include in our newsletter and incorporate your feedback in our future editions.

Warm regards,
The Nexdigm Team

Focus Point

MFN clause under tax treaties and its current position

What is MFN clause?

In legal terms, the Most Favored Nation (MFN) clause in international trade agreements mandates that a country must treat all its trading partners equally, offering them the same trade benefits and concessions granted to its most favored trading partner. This principle upholds fairness and non-discrimination in international trade.

If, after the date of entry into force of the tax treaty between India and the original state, India enters into a tax treaty with a third state that is a member of the Organisation for Economic Co-operation and Development (OECD), providing a beneficial rate of tax/restrictive scope, then the MFN clause accords a similar benefit to the original state.

Issues with invoking MFN clause

The key questions that always revolved around the MFN clause inter alia included - whether a separate notification was required for the application of MFN clause and whether the third state would have to be an OECD member at the time of entry into force or at the time of the time of availing MFN benefit.

Position till now

The interpretation of the MFN clause has been a subject of dispute for some years, particularly concerning the issues discussed above. Some High Court rulings¹ favored taxpayers and concluded that the MFN clause is typically an inherent component of a treaty already notified, usually within a protocol and thus, a separate notification is not required.

Then, in February 2022, the Central Board of Direct Taxes (CBDT) issued a Circular² that contradicted all the rulings thus far and stated that to apply the MFN clause, the second treaty should be made with a third state that is an OECD member and signed after the initial treaty with the first state, accompanied by a separate notification under Section 90(1) of the Income-tax Act (ITA), 1961, from India.

However, even after the circular, certain rulings³ held that once notified, the Double Taxation Avoidance Agreement (DTAA) automatically includes all integral components, eliminating the need for additional notifications for the individual limbs of the DTAA.

Supreme Court's verdict

On 19 October 2023, the Honorable Supreme Court of India issued a landmark ruling regarding the applicability of the MFN clause, fundamentally altering the interpretation of Double Taxation Avoidance Agreements (DTAA). This decision marks a significant departure from established legal precedents.

The Supreme Court examined the MFN clause in the tax treaties between India and the Netherlands, India and France, and India and Switzerland, among other treaties. It established that **a separate notification under Section 90(1) of the ITA is necessary to implement a tax treaty or its Protocol** when it alters the existing provisions of the law, changing terms and conditions. It has also emphasized the existence of a pre-condition that the third state is required to be an OECD member as on the date of the signing of the treaty and not on any future date.

A unilateral notification issued by the second state will not bind Indian Revenue Authorities. The Swiss, Dutch and French authorities have issued such notifications.

1. W.P.(C) 4793/2014 dated 28 July 2016, (2016) 386 ITR 390 (Delhi): Judgment dated 22 April 2021 passed by Delhi HC in WP (C) No. 9051/2020 and connected matters, W.P.(C) No. 3243 of 2021 decided on 4 June 2021

2. Circular 3/2022 dated 3 February 2022

3. ITA No.202/PUN/2021

Repercussions of the Supreme Court's decision

The above judgment has unsettled the otherwise settled position for availment of the benefit of the MFN clause, has given rise to certain questions and has engendered legal inquiries that remain open-ended in nature, such as:

- Whether the decision will have retrospective implications?
- How should companies that have previously availed benefits under different terms respond?
- What will be the tax authorities' stance on previously resolved cases?
- Will taxpayers amend their tax filings to date and make additional tax payments in accordance with the revised decision?
- What about the settled position in cases where the decision of the High Court⁴ was ruled in favor of the assessee and the same was not challenged by the Revenue?

It will be interesting to see time answer these questions as and when the position evolves and the authorities/ taxpayers take the next steps.

India's positions with various countries

India has an MFN clause under tax treaties with various countries, especially with European States and OECD members inter alia the Netherlands, France, the Swiss Confederation, Sweden, Spain, Hungary, etc.

Of the above, in countries with France & Netherlands, a separate notification has been issued has been issued by India in light of the MFN clause. For other countries, it will now have to be seen when and how India notifies the relevant MFN clauses by way of an independent notification under Section 90.

Our Comments

The Supreme Court's decision has now cast the die in Revenue's favor. Going forward, it appears that the taxpayers will not be able to invoke the MFN clause with countries where a separate notification has not been issued. Having said this, it is still unclear how the past cases will be dealt with and how the tax authorities will pursue the reliefs already availed based on past favorable rulings.

Upcoming Event

Free Zone Companies – How would they be taxed finally?

12 December 2023

Lokesh Gupta and Trupti Mehta

<https://bit.ly/3JTR9ge>

Events and Webinars

Preparing for implementation of UAE Corporate Tax and Transfer Pricing including Pillar

7 November 2023

Lokesh Gupta and Trupti Mehta

Taxsutra Summit

18 October 2023

Maulik Doshi

Financial Transactions - CT and Transfer Pricing Aspects You Need to Know

17 October 2023

Lokesh Gupta and Trupti Mehta

Masterclass on GST, Customs and Foreign Trade Policy

5 October 2023

Sanjay Chhabria



From the Judiciary

Direct Tax

Can group recharge be considered as Fees for Technical Services (FTS) in the absence of appropriate allocation keys to treat it as reimbursement of expenses?

**Kraft Foods Group Brands LLC
TS-577-ITAT-2023(Mum)**

Facts

The taxpayer is an entity incorporated in the USA. The taxpayer had provided support services through various cost centers and recharged the group entities. The taxpayer did not offer this to tax, claiming it was a 'Reimbursement of Expense' since no mark-up was involved.

The tax officer rejected the taxpayer's contention and argued that the mere mention of '0% mark-up' on the costs incurred in the agreement entered by the parties does not sum up to reimbursement. Also, the taxpayer had raised a single invoice for all the costs incurred instead of determining the allocable cost by adopting an allocation factor. The tax officer also held that the support services provided satisfy the make available criteria.

Held

The Tribunal disregarded the taxpayer's contention to treat the cost recharge as a 'reimbursement of expenses' since the taxpayer submitted no supporting evidence to substantiate the allocation keys, etc.

The Tribunal also noted that the taxpayer brought no basis on the record to justify the manner and way of allocation of various costs incurred.

Given the lack of evidence and supporting calculations to establish the incurrance of expenses and their allocation, the Tribunal concluded that the recharge could not be considered as a reimbursement of expense.

Our Comments

The Mumbai Tribunal held that there could be no presumption of reimbursement without the taxpayer first proving that the cost allocations fell under the category of reimbursement.

Can the provision of statistical and qualitative inputs be considered as FTS or business income?

**McKinsey & Company Singapore
Pte Ltd
TS-622-ITAT-2023(Mum)**

Facts

The taxpayer (McKinsey Singapore) is part of the McKinsey group of entities, the primary business of which is to provide strategic consultancy services to their clients, which includes the analysis of performance, developments, strengths and weaknesses of their clients, improving their profitability and productivity and similar other parameters. In order to analyze these parameters, the entities in various countries, McKinsey India, in this case, make use of certain data, information and other support that the taxpayer provides.

The taxpayer contended that all these services have been performed outside India and rendered in the ordinary course of business. As it was considered business income and the taxpayer did not have a Permanent Establishment (PE) in India, it was not offered to tax in India.

The Assessing Officer (AO) dismissed the taxpayer's claim and treated the income from the provision of borrowed services to its Indian counterpart as taxable as FTS and, therefore, made an addition to the taxpayer's income.

Held

It was observed that under Article 12 of the India-USA Treaty FTS only includes technical and consultancy services. The borrowed services fees were not technical or consultancy services, so they cannot be considered FTS under Article 12 of the India-USA Treaty. Furthermore, the taxpayer also submitted that services do not make available any knowledge or skills as per Article 12 of the India-USA Treaty. In similar companies as that of the taxpayer, the Mumbai ITAT has held that the borrowed service fees were considered as business income and were a typical business activity for the industry in which the taxpayer was involved.

Given the above, it was concluded that the provision of such services was a part of the taxpayer's business income and not FTS.

Our Comments

The Mumbai ITAT held that the borrowed service fees are not FTS as the same will be considered as business income and will not be taxable in India as per Article 7 of the India-Singapore DTAA in the absence of PE in India.

Indirect Tax

Whether the amendment to Rule 89(4) of the CGST Rules, 2017, introducing a comparison between values indicated in tax invoices and shipping bills for the purposes of GST refund, be treated as retrospective in nature?

Tata Steel Limited vs. Union of India
2023 (77) G.S.T.L. 350

Facts

- The petitioner had filed a refund claim of unutilized Input Tax Credit (ITC) on account of goods exported without payment of tax during the period January to February 2019.
- Since the price of the goods could not be determined with certainty at the time of clearance from the factory for export, the petitioner had reflected the 'cost price' of the goods as a "taxable value" in the invoices and in the GST returns. Subsequently, it amended the returns when it became aware of the final price/commercial value (as reflected in the shipping bills) at the time of actual exports.
- However, the refund claim of the petitioner was partially rejected by the GST authorities on the basis of Rule 89(4) of the CGST Rules, 2017 r/w Para 47 of Circular No. 125/44/2019-GST dated 18 November 2019, considering the lower of values indicated in the tax invoices vis-à-vis the shipping bills.
- Since the Commissioner (Appeals) upheld such rejection, stating that Para 47 of the Circular was in the form of directions/instructions, the petitioner approached the Jharkhand HC by way of a writ petition.
- It inter alia contested that the amendment brought in the aforesaid Rule vide Notification No. 14/2022-CT dated 5 July 2022 should have a prospective effect since it did not specify a retrospective applicability.

Ruling

- HC noted that the 2022 Amendment Rules inserted a new stipulation for comparison between two values. Such an exercise was not contemplated prior to the amendment as the actual transaction value was taken into account.
- Therefore, by way of the amendment, a substantive change was brought about in the law and hence, the amendment ought to operate prospectively.
- The Court further remarked, "mere use of the term "explanation" will not be indicative of the fact that the amendment is clarificatory/declaratory."
- Furthermore, it noted that the explanation inserted in Rule 89(4) was not on similar lines as Para 47 of the Circular. Resultantly, it observed that a policy could be changed only by way of an amendment under the parent Act and not by a Circular and that such policy change will be effective from the date of amendment.
- Moreover, it found that the legislature had expressly indicated the date of application of respective rules and for Rule 89(4), no retrospective date had been indicated in the Notification itself.
- Thus, the HC held that since the period involved in the instant case was prior to the amendment of 2022, the impugned rejection deserved to be quashed and set aside.

Our Comments

This judgment can be referred to by similarly placed exporters inasmuch as it has clarified that the amendments to Rule 89(4) would be applicable only to the exports undertaken after the date of amendment and not retrospectively.

It may be pertinent to note that recently, the Delhi HC, in the case of Indian Herbal Store Pvt. Ltd. vs. Union of India & Ors. [TS-504-HC(DEL)-2023-GST] similarly accorded a prospective effect to the amendment to the definition of "Turnover of zero-rated supply of goods" under Rule 89(4)(C) of the CGST Rules, 2017, by holding that the right for a refund of accumulated ITC stands crystalized on the date when the goods are exported, which is also reflected in Section 54 of the CGST Act, 2017. The Court also noted that the Karnataka HC had struck down the said amendment in the case of Tonbo Imaging India Private Limited [TS-108-HC(KAR)-2023-GST].

Quotes and Coverage

GST Council lifts tax blockages for rupee trade

8 October 2023 | The Hindu

Sanjay Chhabria

<https://bit.ly/3PTkwBg>

Personal guarantee to attract 18% GST in exceptional considerations

8 October 2023 | Business Standard

Sanjay Chhabria

Sanjay Chhabria

<https://bit.ly/3rP1cgH>

GST Council meeting to look into tax exemption for millets, review roll out of levy on online gaming

4 October 2023 | Business Today

Sanjay Chhabria

<https://bit.ly/46MBecj>



Tax Talk

Indian Developments

Direct Tax

Extension of due date for filing form 56F for AY 2023-24

CBDT Order dated 20 October 2023

Considering the difficulties arising for taxpayers in timely filing of the report of the accountant (Form 56F) as required to be filed under clause (8) of Section 10AA read with clause (5) of Section 10A of the Act, the CBDT, in the exercise of its powers under Section 119(2)(b) of the Act has extended the due date of filing of the same for AY 2023-24 from the specified date under Section 44AB to 31 December 2023.

CBDT notifies final changes to Rule 11UA in respect of angel taxes

Notification G.S.R. 685(e) [no. 81/2023/f. No. 370142/9/2023-TPL and press release dated 26 September 2023

Following the earlier press release dated 19 May 2023 inviting suggestions from stakeholders on Draft Rule 11UA for the valuation of shares, CBDT has now notified the amendments to Rule 11UA. The changes to Rule 11UA have been

introduced pursuant to the amendment in Finance Act 2023 extending the applicability of Section 56(2)(viib) of the Act to share issue consideration received by unlisted companies from 'non-resident' investors. Some of the key changes to the earlier Rule 11UA are as follows:

- Five additional methods have been made available to non-resident investors for the valuation of shares, namely, Comparable Company Multiple Method, Probability Weighted Expected Return Method, Option Pricing Method, Milestone Analysis Method, and Replacement Cost Method) in addition to the existing Discounted Cash Flow (DCF) and Net Asset Value (NAV) methods.
- Where any consideration is received by a company for the issue of shares from any entity notified by the Central Government, the price of the equity shares corresponding to such consideration may be taken as the FMV of the equity shares issued to other resident and non-resident investors subject to the following:
 - the consideration from such FMV does not exceed the aggregate consideration that is received from the notified entity, and

- the company has received consideration from the notified entity within a period of 90 days of the date of issue of shares, which are the subject matter of valuation.

On similar lines, price matching for resident and non-resident investors would be available with reference to investment by Venture Capital Funds or Specified Funds.

- A safe harbor of 10% variation in value is provided to account for forex fluctuations and other economic indicators.
- A separate valuation mechanism has also been prescribed for Compulsorily Convertible Preference Shares (CCPS) issued to both residents and non-residents. Barring the NAV method, the mechanism for determining the FMV of CCPS is aligned with the mechanisms as made applicable to equity shares.
- The valuation report provided by a Merchant Banker would be acceptable if it is of a date not more than 90 days prior to the date of issue of shares.

Indirect Tax

Customs

CBIC notifies revised AIRs of Duty Drawback

Notification No. 77/2023-Cus (N.T.) dated 20 October 2023 r/w Circular No. 26/2023-Cus dated 26 October 2023

The Central Board of Indirect Taxes and Customs (CBIC) has notified the revised All Industry Rates (AIRs) w.e.f. 30 October 2023. Some salient features are listed below:

- AIRs have been increased for certain items pertaining to chemicals, finished and lining leather, leather articles and footwear, textiles and articles thereof made of silk/wool/cotton/MMF other than of nylon, carpets, glass and glassware and gold jewelry and silver jewelry/article.
- AIRs have been rationalized for various items, including textiles and articles thereof made of nylon.
- New tariff items have been introduced in the Schedule pertaining to sectors, viz. sugar confectionary, chemicals, pharma, plastic, leather articles and footwear, cotton and manmade fibers/fabrics, apparel, footwear, articles of stone, arms and ammunition and furniture.
- Appropriate caps of duty drawback amount have been provided wherever necessary to prescribe an upper limit of duty drawback.
- AIRs have been specified for items covered under Chapters 61 and 62 viz., articles of apparel and clothing accessories) exported under the Special Advance Authorization Scheme.

No IGST on Foreign Going Vessels converted for a coastal run

Notification No. 60/2023-Cus dated 19 October 2023

Pursuant to recommendations of GST Council during its 52nd meeting, the CBIC has notified the exemption from 5% IGST for Foreign Going Vessels converted for coastal run, subject to the condition that such vessel re-converts to Foreign Going Vessel within six months from the date of such conversion. Accordingly, Notification No. 50/2017-Cus stands amended w.e.f. 20 October 2023.

Foreign Trade Policy

DGFT exempts import licensing requirements for specified IT Hardware

Notification No. 38/2023 dated 19 October 2023 r/w Policy Circular No. 06/2023-24 dated 19 October 2023

Following the restrictions imposed on the import of Laptops, Tablets, All-in-one Personal Computers, Ultra Small Form Factor Computers, and Servers falling under HSN 8471 w.e.f. 1 November 2023, the Directorate General of Foreign Trade (DGFT) has extended exemption from Import Authorization in cases where:

- IT hardware manufactured in Special Economic Zones (SEZs) and imported into Domestic Tariff Area (DTA) on payment of applicable duties.
- Private entities importing IT hardware for supply to government agencies and undertakings owned and controlled by the government for defense or security purposes, subject to valid end-user certification.

- Imports for repair, return or replacement of IT Hardware sold earlier as well as re-import of such items repaired abroad on a self-certification basis.

Two-week 'Export Obligation Discharge Certificate (EODC) Camp' for Advance and EPCG Authorization holders

Trade Notice No. 29/2023-24 dated 13 October 2023

The DGFT has announced a two-week camp to expedite the disposal of pending EODC applications for Advance and EPCG authorizations, to be organized from 13 - 24 November 2023. Accordingly, exporters whose EODC applications are pending and whose license status is not reflected 'closed' on the DGFT website have been advised to participate in the drive to resolve unredeemed license issues.



Tax Talk

Global Developments

Direct Tax

OECD/G20 Inclusive Framework releases new Multilateral Convention to address tax challenges of globalization and digitalization

Excerpts from [oecd.org](https://www.oecd.org) dated 11 October 2023

The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (Inclusive Framework) has released the text of a new Multilateral Convention (MLC) that updates the international tax framework to coordinate a reallocation of taxing rights to market jurisdictions, improve tax certainty, and remove digital service taxes. The publication of the MLC moves the international community a step closer to the finalization of the Two-Pillar Solution to address the tax challenges arising from the digitalization and globalization of the economy.

The MLC to Implement Amount A of Pillar One published today reflects the current consensus achieved among members of the Inclusive Framework. Amount A of Pillar One coordinates a reallocation of taxing rights to market jurisdictions with respect to a share of the profits of the largest and most profitable Multinational Enterprises (MNEs) operating in their markets, regardless of their physical presence. It also ensures the repeal and prevents

the proliferation of digital services taxes and relevant similar measures, secures mechanisms to avoid double taxation, and enhances stability and certainty in the international tax system.

The release of the MLC represents significant progress towards practical implementation of the October 2021 landmark agreement to bring international tax policy fully into the 21st Century. As noted in the MLC, there are different views on a handful of specific items noted in the footnotes by a few jurisdictions that are constructively engaged in resolving these differences.

The MLC will be delivered to G20 Finance Ministers and Central Bank Governors in a new OECD Secretary-General Tax Report ahead of their meeting in Morocco this week.

“The international community has been working closely to resolve the remaining technical issues behind their landmark agreement to reform international taxation,” OECD Secretary-General Mathias Cormann said. “The text of the Multilateral Convention released today provides governments with the basis for the coordinated implementation of this fundamental reform to the international tax system and represents significant progress towards opening the Convention for signature. Countries now have the means to swiftly move forward with the steps necessary to secure

signature and ratification, and we are ramping up our support for developing countries, to ensure we can deliver on our goal of making the international tax system fairer and work better in the digitalised world.”

Accompanied by an Explanatory Statement and the Understanding on the Application of Certainty of Amount A, the MLC provides for a coordinated system of taxation and sets out the substantive features necessary for it to be prepared for signature, including its scope and operation. The MLC also includes several provisions designed to address the unique circumstances of developing Inclusive Framework members.

Under Pillar One, taxing rights on about USD 200 billion in profits are expected to be reallocated to market jurisdictions each year. This is expected to lead to annual global tax revenue gains of between USD 17-32 billion, based on 2021 data. New analysis finds that low and middle-income countries are expected to gain the most as a share of existing corporate income tax revenues, underlining the importance of swift and widespread implementation of the reforms.

The Inclusive Framework is also making good progress on Pillar Two. With the opening for the signature of the multilateral instrument to implement the Subject to Tax Rule (STTR), the work on

the STTR is now largely complete. The STTR is a treaty-based rule that allows developing countries to “tax back” where certain intra-group payments are subject to nominal corporate income tax rates below 9%.

Pillar Two also introduces model rules for the global minimum tax that countries may implement into their domestic law, ensuring large MNEs are subject to an effective tax rate of 15% on their profits in every jurisdiction where they operate. The global minimum tax is expected to raise up to USD 200 billion in additional revenue annually. A new Minimum Tax Implementation Handbook will assist governments as they consider moving forward with the global minimum tax under Pillar Two. It provides an overview of the key provisions of the rules and the considerations to be taken into account by tax policy and administration officials and other stakeholders in assessing implementation options.

Indirect Tax

Malta reduced VAT rate to 12% on specified services

Excerpts from various sources

Consequent to the adoption of Council Directive (EU) 2022/542 of April 2022, Malta has introduced a 12% VAT rate (as against the standard rate of 18%) for the following services:

- Custody and management of securities.
- Management of credit and credit guarantees by a person or body other than those who grant the credit.
- Hiring of a pleasure boat provided that it is not rented for a period exceeding five weeks when adding up the time spent on rentals during the previous year.
- Services consisting of the care of the human body required to be delivered by a person in the exercise of any profession regulated by the Health Care Professions Act (Chapter 464 of the Laws of Malta), including services supplied in the course of a health studio business or similar business, but not including exempt supplies.

VAT exemption for specific training services and other indirect tax measures in Cyprus

Excerpts from various sources

The Cyprus VAT law has been amended w.e.f. 13 October 2023 to grant exemption to services for the education of all levels, vocational training, retraining, as well as supply of services and of goods closely related thereto, by “training providers, including vocational training centers, certified by the Cyprus Human Resources Development Authority (HRDA).”

Furthermore, the Cabinet of Ministers has approved a number of indirect tax measures, including:

- Reduction of excise duty on motor fuels.
- Reduction of excise duty on heating oil.
- Application of zero VAT rate on basic goods.

Australia imposes GST obligations for international sellers during the Holiday Season

Excerpts from various sources

The Australian Taxation Office has clarified GST obligations of international sellers of services, digital products and low-value goods for Black Friday and Cyber Monday, which are summarized as below:

- Mandatory GST registration if sale turnover from Australia is at least AUD 75,000 in a 12-month period.
- GST rate to be charged at 10% of the value of sale and sale price must be inclusive of GST.
- Taxpayers required to register include merchants, electronic platform operators, and re-deliverers.

Croatia declares correction of output VAT liability for uncollected receivables

Excerpts from various sources

The Croatian Parliament has amended the VAT law effective 1 January 2024 to allow taxpayers to reduce their output VAT liability for partially or fully uncollected receivables subject to the conditions below:

- More than one year has passed since the receivable due date.
- The defaulting debtor has been sued or other enforcement procedures have been initiated.
- Informing the tax authority of the performed corrections, etc.

Alerts

Government allows 'hybrid working' for SEZ employees until December 2024

9 November 2023

<https://bit.ly/3FVDEdi>

Key Highlights of GST Notifications and Clarification Circulars

2 November 2023

<https://bit.ly/46TIXpl>

Supreme Court refused to reconsider the position of tax dues under IBC

2 November 2023

<https://bit.ly/3QsCQ4C>

MCA notifies changes impacting beneficial ownership and dematerialization rules

30 October 2023

<https://bit.ly/47p9zyA>

Supreme Court rules on interpretation of the MFN clause in tax treaties

23 October 2023

<https://bit.ly/40ce8Kr>

Highlights of the 52nd GST Council Meeting

10 October 2023

<https://bit.ly/49pxYWJ>

Key Highlights of GST Notifications and Clarification Circulars

5 October 2023

<https://bit.ly/3tIP47n>

CBDT notifies final valuation rules for Angel Tax provisions

4 October 2023

<https://bit.ly/3ZMYTxs>

Online filing of Form 10F by non-resident without PAN

4 October 2023

<https://bit.ly/3ZKD1N4>



Compliance Calendar

- Direct Tax
- Indirect Tax

7 November 2023

- The due date for deposit of tax deducted/collected for October 2023. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day when tax is paid without the production of an Income-tax Challan.

11 November 2023

- GSTR-1 for October 2023 to be filed by all registered taxpayers not under the QRMP Scheme.

14 November 2023

- The due date for issuing of TDS Certificate for tax deducted under Section 194-IA/Section 194IB/Section 194M/Section 194S in September 2023.

Note: Applicable in case of a specified person as mentioned under Section 194S.

20 November 2023

- GSTR-5A for October 2023 to be filed by Non-Resident Service Providers of Online Database Access and Retrieval (OIDAR) services.
- GSTR-3B for October 2023 to be filed by all registered taxpayers not under the QRMP Scheme.

25 November 2023

- Payment of tax through GST PMT-06 by taxpayers under the QRMP Scheme for October 2023.

30 November 2023

- The due date to exercise option of safe harbor rules for specified domestic transaction by furnishing Form 3CEFB.
- The due date for filing of statement of income distributed by business trust to unit holders during the financial year 2022-23. This statement is required to be filed electronically to Principal CIT or CIT in form No. 64A.
- Submit a copy of audit of accounts to the Secretary, Department of Scientific and Industrial Research, in case the company is eligible for weighted deduction under Section 35(2AB) [if company has any international/specified domestic transaction].
- Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is 30 November 2023).

10 November 2023

- GSTR-7 for October 2023 to be filed by taxpayers liable to Tax Deducted at Source (TDS).
- GSTR-8 for October 2023 to be filed by taxpayers liable to Tax Collected at Source (TCS).

13 November 2023

- GSTR-6 for October 2023 to be filed by Input Service Distributors (ISDs).
- Uploading B2B invoices using Invoice Furnishing Facility (IFF) under the QRMP Scheme for October 2023 by taxpayers with aggregate turnover of up to INR 50 million.
- GSTR-5 for October 2023 to be filed by Non-Resident Foreign Taxpayers.

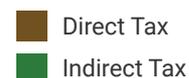
15 November 2023

- Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending 30 September 2023.
- The due date for furnishing of Form 24G by an office of the Government where TDS/TCS for October 2023 has been paid without the production of a Challan.
- The due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for October 2023.

30 November 2023

- The due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IB/194M/194S in October 2023.
Note: Applicable in case of specified person as mentioned under Section 194S.
- Return of income for the assessment year 2023-24 in the case of an assessee if he/it is required to submit a report under Section 92E pertaining to international or specified domestic transaction(s).
- Report in Form No. 3CEAA by a constituent entity of an international group for the accounting year 2022-23.
- Statement of income distribution by Venture Capital Company or venture capital fund in respect of income distributed during previous year 2022-23 (Form No. 64).
- Statement to be furnished in Form No. 64D by Alternative Investment Fund (AIF) to Principal CIT or CIT in respect of income distributed (during previous year 2022-23) to units holders.
- The due date to exercise option of safe harbor rules for international transaction by furnishing Form 3CEFA.

Compliance Calendar



30 November 2023

- The due date for e-filing of report (in Form No. 3CEJ) by an eligible investment fund in respect of arm's length price of the remuneration paid to the fund manager. (if the assessee is required to submit a return of income on 30 November 2023).
- The due date of furnishing of Return of Income in Form ITR-7 for the Assessment Year 202324 in the case of assessee referred to in clause (a) of Explanation 2 to Section 139(1).

Note: The due date has been extended from 31 October 2023 to 30 November 2023 vide Circular no. 16/2023, dated 18 September 2023.

11 December 2023

- GSTR-1 for November 2023 by all registered taxpayers not under the QRMP Scheme.

7 December 2023

- The due date for deposit of Tax deducted/collected is November 2023. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day when tax is paid without production of an Income-tax Challan.

10 December 2023

- GSTR-7 for November 2023 to be filed by taxpayers liable to TDS.
- GSTR-8 for November 2023 to be filed by taxpayers liable to TCS.

13 December 2023

- GSTR-6 for November 2023 to be filed by ISDs.
- Uploading B2B invoices using Invoice Furnishing Facility (IFF) under the QRMP Scheme for November 2023 by taxpayers with aggregate turnover of up to INR 50 million.
- GSTR-5 for November 2023 to be filed by Non-Resident Foreign Taxpayers.

Easy Remittance Tool

by Nexdigm



Form 15CA/CB Automation



Review of tax position by experts



Issuance of bulk certificates through Automated tool



Repository - Access to entire set of documents



Access to Detailed transaction wise reports



Representation Support



Generation 15CA bulk files & utility to generate Form A2

About Nexdigm

Nexdigm is an employee-owned, privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise enables us to provide customized solutions for our clients.

We provide integrated, digitally driven solutions encompassing Business and Professional Services that help companies navigate challenges across all stages of their life-cycle. Through our direct operations in the USA, Poland, UAE, and India, we serve a diverse range of clients, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries.

Our multidisciplinary teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

From inception, our founders have propagated a culture that values professional standards and personalized service. An emphasis on collaboration and ethical conduct drives us to serve our clients with integrity while delivering high quality, innovative results. We act as partners to our clients, and take a proactive stance in understanding their needs and constraints, to provide integrated solutions. Quality at Nexdigm is of utmost importance, and we are ISO/IEC 27001 certified for information security and ISO 9001 certified for quality management.

We have been recognized over the years by global organizations, like the International Accounting Bulletin and Euro Money Publications, World Commerce and Contracting, Everest Group Peak Matrix® Assessment 2022, for Procurement Outsourcing (PO) and Finance and Accounting Outsourcing (FAO), ISG Provider Lens™ Quadrant 2023 for Procurement BPO and Transformation Services and Global Sourcing Association (GSA) UK.

Nexdigm resonates with our plunge into a new paradigm of business; it is our commitment to *Think Next*.

USA Canada Poland UAE India Hong Kong Japan

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