

FinMin to Issue Rules for Norms under BEPS

The Finance ministry will issue rules and guidance to address some concerns and ambiguity over mandatory reporting norms with respect to transfer pricing for multinational companies whose consolidated annual revenue is over ₹5,000 crore. The government is also stepping up administrative systems to plug possible data leakage, said a senior tax officer at a conference. These rules and guidance will aim at clarity on documentation required under Base Erosion and Profit Shifting (BEPS) measures unveiled by the Paris-based OECD grouping in October last year, to address tax avoidance by MNCs. The concerns are on confidentiality of the data shared by companies with the tax authorities of various jurisdictions, beside the difference in accounting years and rules in different countries. Akhilesh Ranjan, a senior income tax officer, said: "The concerns on accounting years, joint ventures and permanent establishment are genuine and a guidance note is under preparation. That and the rules will be issued in a couple of months."

(Source: www.economictimes.com)

Submit Monthly Data of Appeals Disposed Of: CBDT to Officers

To fast-track disposal of tax cases, CBDT has started reviewing performance of its officers and asked commissioners to submit data on number of appeals they have disposed of every month against the given target. To fast-track disposal of tax cases, CBDT has started reviewing performance of its officers and asked commissioners to submit data on number of appeals they have disposed of every month against the given target. There are a total of nearly 2.59 lakh cases pending adjudication before commissioners income tax (appeal) and it is estimated that each would have some 400 cases pending before them. The Central Board of Direct Taxes has also asked CITs (A) to upload the data of all the appeals pending before them as on February 29, 2016, on its data collection portal. In a communication to all commissioners (appeal), CBDT has asked them to send details of the number of cases disposed of to the statistics (R&S) wing of the office of director general of income tax by 7th of every month.

(Source: *The Businessline*)

Direct Tax Mop-Up Jumps 9% in H1, Indirect Tax Up 26%

In 2016-17, the Centre has pegged the direct taxes collection at ₹8.47 lakh crore and ₹7.79 lakh crore from indirect taxes, including customs, excise and service tax. Net direct tax collections in April-September 2016 recorded a growth of 8.95 per cent, rising to ₹3.27 lakh crore, accounting for 38.65 per cent of the Budget estimates of direct taxes for 2016-17 (April-March). Net indirect tax mop-up during the first six months of the current financial year grew 25.9 per cent to ₹4.08 lakh crore mainly on account of 46 per cent jump in excise duty collections, finance ministry data showed. Refunds for direct taxes sharply increased by 26.99 per cent during April-September to ₹86,491 crore. The increase in refunds was reflected in corresponding decrease in net growth of corporate tax.

(Source: *Press Information Bureau*)

Redress TDS Mismatch Grievance of Taxpayers: CBDT

CBDT has instructed the Income Tax department to expedite cases of TDS mismatch and reduce taxpayers grievances in this regard. The instructions have been issued after a review of the Tax Deducted at Source (TDS) subject by Central Board of Direct Taxes Chairperson Atulesh Jindal sometime back. "The taxpayers are facing problems due to mismatch of TDS/other taxes. These problems may be due to the non-reporting of TDS and uploading the TDS details improperly by their deductors. As a result, demand notices are being sent to the taxpayers due to non-availability of the tax credits for claim in Income Tax Returns," a recent CBDT communication to the taxman said. A senior official said the Central Processing Centre (CPC) in Bengaluru is not able to process some refunds of taxpayers because of the pending mis-match entries.

(Source: www.profit.ndtv.com)

Government Doubles Limit of Excise Duty Evasion for Arrest and Prosecution

The government has doubled the limit of excise duty evasion for arrest and prosecution of accused to ₹2 crore and also asked officials not to resort to penal provision in cases of technical

nature. "It has been decided to revise the monetary limit for arrest and prosecution in Central Excise to maintain uniformity of practice in central excise and service tax," the Central Board of Excise and Customs (CBEC) said in an order. Arrest and prosecution of a person henceforth can be resorted only if the offence relating to evasion of central excise duty or misuse of CENVAT credit is equal to or more than ₹2 crore, CBEC said. In October 2015, the monetary limit for excise related offences was set at ₹1 crore. "It is again reiterated that arrest and prosecution should not be resorted to in cases of technical nature i.e where the additional demand of duty/tax is based on a difference of opinion regarding interpretation of law," the order said.

(Source: www.profit.ndtv.com)

RBI Cuts its Lending Rate via Monetary Policy Review

In the tenure of RBI chief Urjit Patel, a new era has began for the Central Bank. A six member Panel called Monetary Policy Committee or MPC has been formed for the purpose of policy decisions. All six members voted for a rate cut in a unanimous decision. The RBI in its monetary policy reviewed recently has decided to cut its key lending rate or the repo rate by 25 basis points to a six-year low of 6.25 per cent, from 6.5 per cent. As per RBI statement the committee expects that there would be strong improvement in supply management measures and sowing which will help to improve the food inflation outlook. Government has announced several measures to cool down food inflation pressures especially pulses. On economic growth, the RBI expects momentum "to quicken with a normal monsoon raising agricultural growth and rural demand, as well as by the stimulus to the urban consumption spending from the pay commission's award". The RBI retained its GDP growth projection for this fiscal year at 7.6 per cent.

(Source: www.financialexpress.com)

Payment of Income Tax on Time Will Play an Important Role in Nation Building: Finance Minister

The Union Finance Minister Arun Jaitley recently said that revival of the practice of acknowledging the tax payers for paying taxes within the prescribed time and promptly filing their Income Tax Returns,

will play an important role in nation building. Besides nation building, Jaitley said that this will also help in bringing about the necessary change in the people's attitude at large to pay their due taxes on time. The Finance Minister added that as the business will grow, there will also be change in attitudes with regards to payment of taxes. The Government acknowledges the contribution of individual tax payers in paying taxes within the prescribed time and prompt filing of Income Tax Returns. The Finance Minister, Arun Jaitley, who also handed over certificates of appreciation issued by Central Board of Taxes (CBDT) honouring select tax payers for such contribution, said that CBDT will be sending out more such certificates of appreciation to individual tax payers by e-mail in various categories on the basis of the level of taxes paid by them for the current Assessment Year 2016-17. The categories for individual taxpayers and the number of certificates being issued in the first round are Platinum: Tax contributed ₹1 crore and above. About 8.43 lakhs tax payers will be issued this Letter of Appreciation in different categories for paying their due taxes.

(Source: <http://www.business-standard.com/>)

India's Ranking in Global Competitiveness Index sharply Rises by 16 Places

The World Economic Forum (WEF) has recently published a Global Competitiveness Report 2016-17 according to which India has climbed, for the second year in a row, to 39th. Its 16-place improvement is the largest this year, thanks to improved monetary and fiscal policies as well as lower oil prices. It became possible due to improved monetary policy and recent reforms towards opening up the economy. The report describes the Indian economy has stabilised and now boasts of the highest growth among the G-20 countries. The report also highlighted that India happens to be the second-most competitive economy among the BRICS (Brazil, Russia, India, China and South Africa) countries, with China ahead at 28th spot. The report emphasised that updated business practices and investment in innovation are now as important as infrastructure, skills and efficient markets. Of the 15 segments assessed in the report, India has shown improvement in all categories except in health and primary education.

(Source: [Press Trust of India](http://Press.TrustofIndia))