National Update

Centralised Communication Scheme 2018 Aims to Issue Tax-Related Notices in a Centralised Manner

A new scheme, called the Centralised Communication Scheme (CCS) 2018, has been notified by the Central Board of Direct Taxes (CBDT). It aims to issue the tax-related notices in a centralised manner. The notices are likely be about furnishing information or documents and verifying the information. On receiving such notices, taxpayers may have to take remedial action by going to their tax e-filing account https://incometaxindiaefiling.gov.in.

CBDT has notified the scheme under section 133C of the Income-tax Act, 1961. It aims to make the department's interaction with the taxpayers paperless. However, there is no clarity on the type of notices that will be issued under this scheme. Under CCS, the notice will be served through email, on the registered email of the taxpayers, or by placing a copy in the e-filing account of the taxpayer on the website www.incometaxefiling.gov.in. Notice will be followed by an intimation through text messages on the registered mobile number of the assessee.

The notice will carry the details of information or documents that are required to be furnished for verification. It will also specify the date before which such information and documents are to be submitted. The scheme aims to eliminate person-to-person contacts with tax authorities. So, taxpayers would not need to appear personally or through their authorised representatives before the designated authority at the CCC.

***(Source:** www.livemint.com)*

E-way Relief, for Now, to e-Commerce, Courier Firms Sending Small Orders

Small orders that are part of a large consignment of multiple deliveries will not require generation of an electronic-way bill from April 1. A relief to e-commerce, courier companies and the like. Only, this relaxation might be temporary. Earlier, the Goods and Services Tax (GST) Council decided to make it mandatory for inter-state movement of goods worth over ₹50,000 to have e-way bills from April 1. The requirement for such bills in intra-state movement would be implemented in a phased manner.

Giving details of the decision, the finance ministry said, "At present (from April 1), there is no requirement to generate an e-way bill where an individual consignment value is less than ₹50,000, even if the transporter is carrying goods worth than ₹50,000 in a single conveyance."

This essentially means if a truck out for delivery is carrying 20 orders, of which four are priced over ₹50,000, only four e-way bills will need to be generated.

However, the ministry also said provisions for making the e-way bill mandatory for these small orders, contained in sub-rule (7) of rule 138, is to be notified from a later date.

***(Source:** www.thehindu.com)*

One GST Rate Not Possible, Next Reform after Compliance Improves: FM

Finance Minister Arun Jaitley recently said it is not possible to have one GST rate as the country has vast disparities, but assured investors that government will undertake further reforms after improvement in tax compliance standards.

A single rate of GST in India "can't work at the moment" due to vast disparities in the country's society, he said while replying to queries from the audience at the India-Korea Summit in New Delhi. The next stage of reforms will start once India becomes a significant tax compliant society, Jaitley said.

"After we are able to improve the compliance levels the other stage of reform will begin. For example, we have two standard rates and in the long run I do see them merging into one. For that to happen it will take some reasonable time that is when the compliance levels start moving up," said the minister.

On the compliance burden of the GST, Jaitley said it was a little heavy but the process would ease on account of the initiatives being undertaken by the revenue department.

"At the moment we are coming out (with norms). It is almost in the final stages of its preparation, where compliances are going to be made simpler itself," Jaitley said.

"The second factor is that in a society like India where you still have a significant population which is below poverty line or still deprived, a single rate in India can't work at the moment," he said.

He said that the reason behind India starting off with multiple rates was that the country had 17 taxes and 23 cesses which were amalgamated into the GST.

*(**Source:** Press Information Bureau)*

CBDT to Accept Transfer Pricing MAP sans Riders

India's apex direct taxes body has said it will accept transfer pricing applications for mutual agreement procedure (MAP) and bilateral advance pricing agreement regardless of presence of a specific provision in the double taxation avoidance agreements (DTAAs).Tax experts said it showed the country's commitment towards ease of doing business.

The Central Board of Direct Taxes said it had received a number of references if transfer pricing MAP cases and bilateral advance pricing agreements (APAs) applied when the associated enterprise (AE) of the Indian entity is resident of a country with which India has entered into a DTAA but the agreement does not contain a provision for these. "The matter has been examined by the 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 DTAAs," the statement said. Tax experts welcomed the clarification.

A few treaties have this article while others do not have. Authorities were taking a strict view and not accepting such applications where this specific article was missing. Now it has been clarified that India will take a more liberal interpretation.

*(**Source:** https://in.reuters.com)*

Signs of Revival in Rural India Predict Recovery for Economy

A Bloomberg Economics index that tracks the rural economy shows tractor and two-wheeler sales are up and the government is spending more. Monsoon rains are set for a third good year -- another sign of hope for an industry that was beset by back-to-back droughts followed by a disruptive cash ban in late 2016. "A revival in rural activity bodes well for the broader growth recovery," said Abhishek Gupta, an economist at Bloomberg Economics in Mumbai. "It is likely to boost the equity returns of agrarian and rural consumption stocks." With almost 70 per cent of India's 1.3 billion people living in rural villages and agriculture contributing about 16 per cent of gross domestic product, what happens in the sector determines growth prospects for the $2.3 trillion economy. The statistics office is forecasting expansion of 6.6 per cent in the year through March, slightly above its earlier estimate of 6.5 per cent, while the central bank expects government programmes to boost rural incomes and investment will help underpin demand.

*(**source:** https://economictimes.indiatimes.com)*

Government Pitches for National e-Commerce Policy

The government recently made a case for a national e-commerce policy and a related consolidated legal framework to address the challenges of the sector and realise the opportunities in the global business-to-consumer (B2C) space. "Most important for us at this point of time as policy-makers and also as stakeholders who are at the receiving end... We do not have a national e-commerce policy and we do not have a consolidated legal framework to deal with it. So if we look at the e-commerce...we do need a broad policy that looks at the broad elements, that we will use to realise the opportunities," Commerce Secretary Rita Teaotia said recently addressing a workshop on e-commerce in New Delhi. She said Department of Commerce was grappling with the issue of who owns the B2C e-commerce space as within the government, there are multiple policy-makers and regulators like departments of IT, industrial policy, revenue, posts, and RBI.

*(**Source:** https://economictimes.indiatimes.com)*