

IBA INTERNATIONAL
BUSINESS ADVISORS

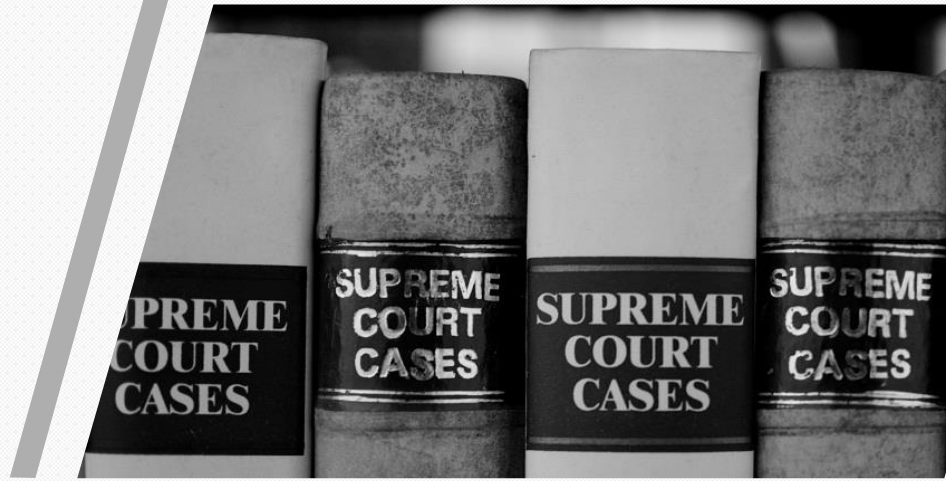
CONNEKT

July - 2018

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Direct Tax Case Laws



Case Law 1

In case of a difference between level of capacity utilization of assessee and level of capacity utilization of comparable, adjustments in this regard to profit margin of comparable were justified

The revenue's appeal in this case was against the judgement of appellate authority wherein it was held that the Assessing Officer ('AO') was correct by taking into consideration the adjustment of capacity utilization factor as it would materially affect the profit margin, even though it was not prescribed in section 92CA read with rules 10AB, 10B, 10C of the 1962 Rules. The HC ruled that the fixed overheads of any manufacturing concern will be constant, irrespective of the capacity utilization. Thus, the profit margin would be affected on account of the difference in capacity utilization. Less utilization of capacity would result in allocation fixed costs over a smaller number of final products. Thus, reducing the profit margin. The impugned order of the Tribunal with the aid of illustration, points out that higher capacity utilization would lead to higher profitability as fixed costs would be spread over in a larger number of units manufactured. It was further observed that Rule 10B(e)(iii) of the Income Tax Rules clearly lay that all aspects/difference between the international transactions and the comparable uncontrolled transactions which materially affect the net profit margin had to be taken into account so as to have the fair comparison while determining the

ALP of the tested party's transaction. Therefore, Hon'ble HC, upholding the judgement of ITAT, gave its ruling in favour of the assessee.

Commissioner of Income-tax-8 Vs. Petro Araldite (P.) Ltd., High Court of Bombay

Case Law 2

Additions to assessee's ALP on ground that it had not charged any interest from its AE on delayed realization of export proceeds, in view of fact that assessee had never charged such interest from AE in past years and, moreover, assessee had not charged interest on delayed realization of debts in case of non-AE institutions are not justified.

During the assessment proceedings, the TPO noted that the assessee had not charged any interest from its Associated Enterprise ('AE') on delayed realization of export proceeds. He thus made addition of notional interest to assessee's ALP. On appeal by assessee, Tribunal found that assessee had never charged such interest from AE in past years. Furthermore, it was noted that assessee had not charged interest on delayed realization of debts in case of non-AE institutions. Tribunal thus concluded that there could not be any occasion to make ALP adjustment for notional interest on delay in realisation of trade debts from AEs.

Direct Tax : Case Laws

It was held that the TPO has not brought any material on record to demonstrate and establish that the form and substance of transactions with AE are different from that with other parties. It was also observed that even on the amount received by the assessee in advance from its AE in earlier years, no interest was paid. The assessee had also never charged any interest from its export customers on delayed realization of its sales proceeds in the past. Hence, the contention of the assessee that it has not charged interest on the delayed realization of debts in non-AE institutions was rightly accepted by the ITAT because it is admitted position of the case that no interest is charged from non-AE/s, which is independent transaction as well, there cannot be any occasion to make ALP adjustment for notional interest on delay in realization of trade debts from AE/s.

Principal Commissioner of Income Tax, Ajmer v. Sharda Spuntex (P.) Ltd., High Court of Rajasthan

Case Law 3

Where assessee participated in reassessment proceedings without raising any objection before Assessing Officer to effect that there was no valid issuance or service of reassessment notice upon assessee, such an objection could not be raised before First Appellate Authority.

A reassessment notice u/s 148 was sent through Registered Post to the assessee but it came back un-served and the same was finally 'served' through affixture.

In response to such notice, assessee filed his return of income claiming exemption under section 54 in respect of long-term capital gain arising on sale of property. The Assessing Officer ('AO') disallowed same and completed assessment by making additions on account of long-term capital gain. The assessee challenged the service of notice under section 148 before the First Appellate Authority. However, the same did not find his favour, for the reason that no objection against the service of notice under section 148(1) was raised during the course of assessment proceedings, and therefore the same could not be raised before First Appellate Authority. The Tribunal reaffirmed the order passed by the CIT(A). It was held that since assessee had participated in reassessment proceeding and no objection regarding service of notice was raised by assessee before Assessing Officer, such objection could not be raised by him before First Appellate Authority.

Venkatesan Raghuram Prasad v. Income-tax Officer, Non-Corporate Ward-2(3), Chennai, High Court of Madras

Case Law 4

Reassessment on basis of disallowance in succeeding years was unjustified if there was no disclosure failure.

Direct Tax : Case Laws

The Assessing Officer on the basis of subsequent year order disallowing royalty, reopened the assessment under section 147 and made addition to the income of the assessee by treating the royalty paid by the assessee as capital expenses, as against revenue claimed by the assessee. The Commissioner (Appeals) upheld the validity of the order passed but at the same time decided the issue in favour of the assessee on merits. The revenue appealed before Tribunal, challenging the deletion of the addition made. The assessee further filed a cross objection challenging the action of the Commissioner (Appeals) in upholding the validity of the order passed under section 147. The assessee argued that the reassessment proceedings were initiated in violation of the conditions prescribed. It was observed by the ITAT that Notice under section 148 was issued after the expiry of 4 years and, it did not satisfy the requirement provided under section 147 to disclose fully and truly all material facts. All primary facts pertaining to the said expenses were reported by the assessee, and the revenue had not pointed out any suppression/misrepresentation or falsification of any fact in the initial assessment. Furthermore, even the reasons recorded for opening of reassessment did not reveal what material fact was not disclosed. Hence, the ruling was given in favour of the assessee and the order passed u/s 147 was held to be invalid.

**Deputy Commissioner of Income-tax,
Chandigarh v. DSM Sinochem
Pharmaceuticals (P.) Ltd., ITAT Chandigarh**

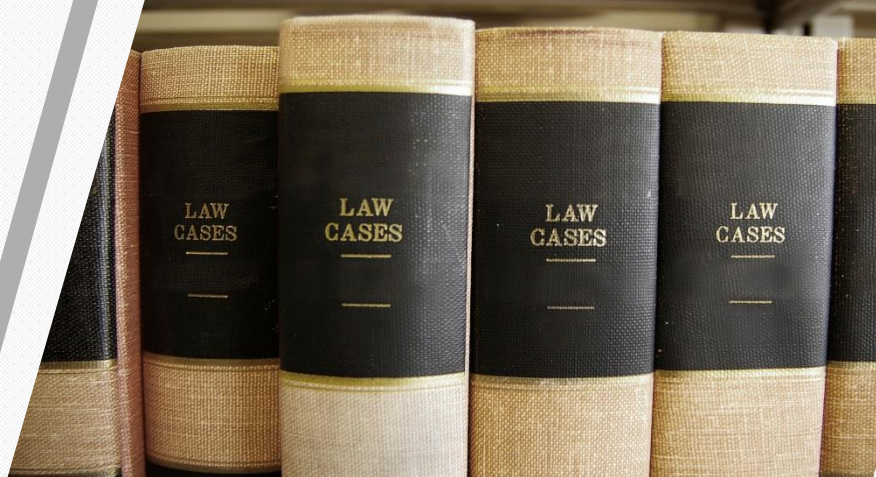
1. The Central Government rolled out the Cost Inflation Index for the FY 2018-19: '280'

Direct Tax Notification



- 1.** The Central Government rolled out the Cost Inflation Index for the FY 2018-19: '280'
- 2.** Central Government vide its Notification no. 22/2018 dated 14th May 2018 have waived the late fees payable under section 47 of CGST Act, 2017 for the failure to furnish return in Form GSTR 3B by the due date for the months from October 2017 to April 2018 for the class of registered persons whose declaration in Form GST TRAN-1 was submitted but not filed on the common portal on or before 27th December 2017. Provided that such persons have filed Form GST Tran-1 on or before 10th May 2018 and Form GSTR-3B for the months mentioned above on or before 31st May 2018.

Indirect Tax : Case Laws



Case Law 1

Levy of GST on Health Care Services

The applicant M/s Sayre Therapeutics Pvt. Ltd. is a healthcare company involved in the diagnosis, pre and post counselling, therapy and prevention of diseases by providing relevant tests for the patients. The medical team of the counterpart is involved in the complete cycle of the testing parts. It is specifically working in precision diagnostics detecting the origin of cancer. The applicant has filed application seeking advance ruling claiming that the services provided by them are covered under health care services and hence as per Notification 12/2017(CGST Rate) dated 28th June 2017 it is a nil rated supply. It was held that as it plays the role of referral/physician and also advise doctors for line of treatment using the recognized "Allopathy" system of medicines, therefore it qualifies to be a clinical establishment. Also, as the applicant facilitate the diagnosis process, the services provided qualify to be health care services. In view of the same, the intra-state supply of said services attract NIL rate of GST.

**AUTHORITY FOR ADVANCE RULINGS,
KARNATAKA IN RE: M/S. SAYRE
THERAPEUTICS PVT. LTD. Advance Ruling
No. KAR ADRS 5/2018 Dated 21 March 2018**

Case Law 2

Levy of Administration Charges post GST considered as double taxation

The applicant is an Association of the Distillers situated in Uttar Pradesh and has filed this petition seeking to restrain the respondents from levying Administrative Charges on sale & supply of molasses under the provision of U.P. Sheera Niyam Adhiniyam, 1964. Earlier, the State was charging Administrative Charges under the 1964 Adhiniyam as also the Trade Tax under the U.P. Sales (Trade) Tax Act, 1948. Considering Administrative Charges as a tax, petitions were filed before the Court challenging the demand of Trade Tax along with Administrative Charges as being double taxation.

The demand of Trade Tax on purchase of molasses was arbitrary illegal and unjust and accordingly allowed the Writ Petition to that extent. As a result of enactment of CGST Act, 2017 & UPGST Act, 2017, GST alone is to be applied on supply or services of all goods. So, the contention before the court was the demand of GST by the respondents along with Administrative Charges would again amount to double taxation. It was stated that the respondents shall not demand any Administrative Charges, provided that the applicant(s) continue to deposit GST as demanded by both Central & State Governments. It was further provided that separate accounts for sale/supply/purchase of molasses shall be maintained by both the applicants as well as the State.

Indirect Tax : Case Laws

U.P. DISTILLERS' ASSOCIATION THROUGH IT'S SECRETARY GENERAL VERSUS UNION OF INDIA THROUGH SECY. FINANCE & REVENUE NEW DELHI & ORS.[2018 (5) TMI 274 - ALLAHABAD HIGH COURT]

Case Law 3

Valuation of Extra Duty Deposited(EDD)

The applicant M/s Hyundai Engineering Plastics India Pvt. Ltd. imported raw materials such as Polypropylene granules for manufacture of Polypropylene compound from M/s Guangdong Hyundai SK Advanced Polymer Company Limited., China. Since, both the importer and the foreign supplier were related, the case was referred to Special Valuation Branch(SVB) of the customs for investigation. The issue of accepting the invoice value of imported goods was examined twice by the Assistant Commissioner of SVB. During the said proceedings appellants produced copy of License and Technical Assistance Agreement which they had entered with Hyundai Engineering Plastics Co. Ltd., Korea. The Asst. Commissioner (SVB) by an order dt. 20.01.2015, inter alia held that Hyundai Engineering Plastics India Private Ltd., Chennai and M/s.Hyundai Engineering Plastic Co., Korea and M/s.Guangdong Hyundai SK Advanced Polymer Co. Ltd., China are related to each other; that declared invoice price may be accepted as transaction value *ibid*; that royalty amount of US\$ 3,25,000 shall be added to any one of the Bills of Entry of the appellant; that in addition to the above, running royalty of 4% is to be loaded to the invoice price of the

goods imported from the related supplier; that Customs duty is to be recovered accordingly. It was held that Rule 10(c) of the Valuation Rules provide for addition to the price actually paid or payable for imported goods royalties and license fees related to the imported goods. However, it also requires that such amounts are those that the buyer is required to pay, directly or indirectly as a condition of the sale of goods. The addition of royalties and license fees cannot be related to the imported goods, ergo, these amounts cannot be then made part of assessable value of such imported goods. The royalty and lump sum fees paid in relation to manufacture of goods in India cannot be padded on to the declared import value of the impugned goods. The appeal was allowed and decided in favour of the appellant.

M/S HYUNDAI PLASTICS INDIA PRIVATE LIMITED VERSUS COMMISSIONER OF CUSTOMS CHENNAI-III [2018(6) TMI 654-CESTAT CHENNAI]

Case Law 4

Anti-Profiteering Non-Discharge of GST

The application was filed from the Director General of Safeguards (DGSG) after detailed investigation under Rule 129(6) of the CGST Rules, 2017. It was alleged that M/s Abel Space Solutions LLP, the Respondent had not charged GST on the base price of the lift ordered by the applicant, after excluding the pre-GST Excise Duty on the material component and thus the applicant had been charged tax twice on the same material

Indirect Tax : Case Laws

The DGS after summoning both the parties, the buyer and the seller, had found that an order for supply of two lifts was placed in December 2016 and for the first lift, the invoice was raised by the Respondent on 26th June 2017, against which the full payment was made by the buyer and he had no objection in respect of this invoice. It was held that, it is clear from the perusal of the record that the buyer had paid advance for that lift and he was charged the Tax which was prevailing at the time of issue of the invoice on 28th June 2017 which was not disputed. However, in respect of the two invoices dated 27th July 2017 as the installation of the second lift had been completed after coming in to the force of CGST Act, 2017, he was liable to be charged GST at the rate which was prevalent on 27th July 2017.

**M/S ABEL SPACE SOLUTIONS LLP VERSUS
M/S SCHINDLER INDIA PRIVATE LIMITED
[2018(6) TMI 687-THE NATIONAL ANTI
PROFITEERING AUTHORITY]**

Indirect Tax Notification



1. GST Reverse Charge Mechanism (RCM) further Deferred/Suspended till 30th September 2018

CBIC has notified that the provisions relating to the reverse charge mechanism(RCM) under Section 9(4) of the CGST Act, 2017/ Section 5(4) of the IGST Act, 2017 have been deferred by the Government of India for 3 more months i.e. upto 30th September 2018.

2. Notification No. 12/2018-CGST Rate dated 29th June 2018

<http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-12-2018-cgst-rate-english.pdf;jsessionid=4E2AE14BD6123B1C98BC920053875EF1>

Press Release:

Extension of suspension of provisions relating to tax deduction at source (TDS) and collection of tax at source(TCS) till 30th September 2018

It has been decided vide press release dated 29th June 2018 that Section 51 and 52 of the Central Goods and Service Tax Act, 2017 relating to tax deduction at source(TDS) and collection of tax at source(TCS) respectively, shall remain suspended till 30.09.2018.

Press release dated 29th June 2018

http://www.cbic.gov.in/resources//htdocs-cbec/press-release/Press_Release_TDS_TCS.pdf;jsessionid=477342F0E9CCAE99A43DD6AF7D8CE0C2

Corporate Legal & Regulatory Notifications



S.no	Notifications
1	<p>LIMITED LIABILITY PARTNERSHIP (AMENDMENT) RULES, 2018 (MCA Notification dated June 12, 2018)</p> <p>The Ministry of Corporate Affairs (MCA) vide its notification dated June 13, 2018 have notified the Liability Partnership (Amendment) Rules, 2018 which shall come into force on the date of their publication in the Official Gazette.</p> <p>Through the amendment the MCA has finally introduced the process of availing DPIN for Designated Partners of LLP. Accordingly, every individual, who intends to be appointed as a designated partner of an existing limited liability partnership can now make an application electronically in Form DIR-3 for obtaining DPIN and such DIN shall be sufficient for being appointed as designated partner under the Limited Liability Partnership Act, 2008. Further, every individual who has been allotted a DPIN or DIN under these rules can make an application in Form DIR-6 in the event of any change in their particulars.</p> <p>http://www.mca.gov.in/Ministry/pdf/LLPAmndRule1206_13062018.pdf</p>
2	<p>COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) THIRD AMENDMENT RULES, 2018. (MCA Notification dated June 12, 2018)</p> <p>The Ministry of Corporate Affairs vide its notification dated June 12, 2018 has notified the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2018 which shall come into force on the date of their publication in the Official Gazette.</p> <p>The amendment revises Form DIR-3 to give effect to the the Liability Partnership (Amendment) Rules, 2018 to facilitate obtaining of DPIN/DIN by individuals who intend to be appointed as a Designated Partner of LLP.</p> <p>http://www.mca.gov.in/Ministry/pdf/Cmp3rdAmndRul31206_13062018.pdf \</p>

Legal & Regulatory

S.no	Notifications																					
3	<p>COMMENCEMENT NOTIFICATION (MCA Notification dated June 13, 2018)</p> <p>The Ministry of Corporate Affairs has notified various provisions of The Companies (Amendment) Act, 2017 which shall come into force on June 13, 2018. The sections which are notified are as follows:</p> <table border="1"><thead><tr><th>Section No. of the Companies (Amendment) Act, 2017</th><th>Corresponding Section under Companies Act, 2013</th><th>Section Title</th></tr></thead><tbody><tr><td>Clause (iii) of Section 21 and Section 22</td><td>Section 89(10)</td><td>Meaning of 'Significant Beneficial Owners'</td></tr><tr><td>Section 22</td><td>Section 90</td><td>Register of Significant Beneficial Owners in a company</td></tr><tr><td>Section 24</td><td>Section 93 (omitted)</td><td>Return to be filed with Registrar in case of promoter Stake changes</td></tr><tr><td>Section 25</td><td>Section 94</td><td>Place of keeping and inspection of registers and returns etc.</td></tr><tr><td>Section 26</td><td>Section 96</td><td>Annual General Meeting</td></tr><tr><td>Section 71</td><td>Section 216</td><td>Investigation of ownership of company</td></tr></tbody></table> <p>http://www.mca.gov.in/Ministry/pdf/CommNotificatio1306_14062018.pdf</p>	Section No. of the Companies (Amendment) Act, 2017	Corresponding Section under Companies Act, 2013	Section Title	Clause (iii) of Section 21 and Section 22	Section 89(10)	Meaning of 'Significant Beneficial Owners'	Section 22	Section 90	Register of Significant Beneficial Owners in a company	Section 24	Section 93 (omitted)	Return to be filed with Registrar in case of promoter Stake changes	Section 25	Section 94	Place of keeping and inspection of registers and returns etc.	Section 26	Section 96	Annual General Meeting	Section 71	Section 216	Investigation of ownership of company
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4	<p>COMPANIES (MANAGEMENT AND ADMINISTRATION) SECOND AMENDMENT RULES, 2018 (MCA Notification dated June 13, 2018)</p> <p>The Ministry of Corporate Affairs (MCA) vide its notification dated June 13, 2018 has notified the Companies (Management and Administration) Second Amendment Rules, 2018. Through this notification MCA has amended the corresponding Rules of amended provisions of the Companies Act, 2013 to give effect to the commencement notification.</p>																					

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S.no	Notifications
	<p>The amendment has omitted the below mentioned Rules:</p> <ul style="list-style-type: none">(i) Rule 13- Return of Changes in Shareholding Position of Promoters and Top Ten Shareholders(ii) Rule 15(6)- Filing of Form MGT-14 for proposed resolution to be passed at Annual General Meeting for keeping of registers and copies of Annual Return at any other place in India where more than one-tenth of the total number of members entered in the register of members reside; and;(iii) Rule 18(3), Explanation after clause (ix) to hold Extra-ordinary Meeting at any place in India, shall be omitted. <p>Further Rule 22(16) is amended to provide that any items of business, if required to be transacted by means of postal ballot, may also be transacted at a general meeting by a company which is required to provide the facility to the members to vote by electronic means under Section 108. Further, One Person Companies and other companies having members up to two hundred are not required to transact any business through postal ballot.</p> <p>http://www.mca.gov.in/Ministry/pdf/Company2ndAmndRule13062018_14062018.pdf</p>
5	<p>COMPANIES (REGISTERED VALUERS AND VALUATION) SECOND AMENDMENT RULES, 2018. (MCA Notification dated June 13, 2018)</p> <p>The Ministry of Corporate Affairs (MCA) vide its notification dated June 13, 2018 has amended the Companies (Registered Valuers and Valuation) Rules, 2017. Through this amendment, the Presidents of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost Accountants of India as ex-officio members have been made a part of the "Committee to advise on valuation matters" to make recommendations on formulation and laying down of valuation standards and policies for compliance by companies and registered valuers.</p> <p>http://www.mca.gov.in/Ministry/pdf/CompaniesRegisteredRule1306_14062018.pdf</p>

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S.no	Notifications
6	<p>INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (IBBI) (MCA Notification dated June 13, 2018)</p> <p>The Ministry of Corporate Affairs (MCA) vide its notification dated June 13, 2018 has notified rules regarding the Significant Beneficial Owners. Now every individual holding ultimate beneficial interest by way of holding 10 % or more or exercise any right of significant influence or control in a company but whose name is not entered in the register of members of company (Significant Beneficial Owners) is required to disclose necessary details to the Company.</p> <p>The key highlights of the notification are as follows:</p> <ul style="list-style-type: none">• The rules specify how to determine significant beneficial owner in cases where the member is company, partnership, trust etc.• Instruments in the form of global depository receipts, compulsorily convertible preference shares or compulsorily convertible debentures shall be treated as ‘shares’ for the purpose of this rules;• Beneficial owner shall file a declaration in Form BEN-1 to the company in which they holds the significant beneficial ownership on the date of commencement of these rules within 90 days from such commencement and within 30 days in case of any change in his significant beneficial ownership.• Every individual, who, after the commencement of these rules, acquires significant beneficial ownership in a company, shall file a declaration in Form BEN-1 to the company, within thirty days of acquiring such significant beneficial ownership or in case of any change in such ownership.• Company shall file return in Form BEN-2 to the Registrar with respect to declaration received by the Company in Form BEN -1• Register of significant beneficial owner shall be maintained in Form BEN-3.• Company shall give notice seeking information about significant beneficial owners in Form BEN-4. <p>http://www.mca.gov.in/Ministry/pdf/CompaniesSignificantBeneficial1306_14062018.pdf</p>
7	<p>LIBERALISED REMITTANCE SCHEME (LRS) – HARMONISATION OF DATA AND DEFINITIONS (RBI notification dated June 19, 2018)</p> <p>Reserve Bank of India vide its notification dated June 19, 2018 has made submission of PAN mandatory while applying for remittance of permissible current account transactions of up to USD 25,000. Also, with context of remittances allowed under LRS for maintenance of close relatives, the definition of “relative” provided under Companies Act, 2013 will be consider instead of Companies Act, 1956.</p> <p>https://rbidocs.rbi.org.in/rdocs/notification/PDFs/APDIR320977A84B400D4D3B93473300BCF12144.PDF</p>

Legal & Regulatory

S.no	Notifications
8	<p data-bbox="225 381 1027 415">INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (IBBI)</p> <p data-bbox="225 467 1453 580">Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (Press Release No. IBBI/PR/2018/21 dated July 04, 2018)</p> <p data-bbox="225 632 1453 705">IBBI makes the following amendments in Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016:</p> <ul data-bbox="225 757 1453 1952" style="list-style-type: none"><li data-bbox="225 757 1453 909">• The regulations provide that wherever the corporate debtor has classes of creditors having at least ten creditors in the class, the interim resolution professional shall offer a choice of three insolvency professionals in the public announcement to act as the authorised representative of creditors in each class.<li data-bbox="225 920 1453 1120">• An application for withdrawal of an application admitted under section 7, 9 or 10 of the Code (for closure of corporate insolvency resolution process) may be submitted to the interim resolution professional or the resolution professional, as the case may be, before issue of invitation for expression of interest, along with a bank guarantee towards estimated cost incurred for certain purposes under the process. Where rate of interest has not been agreed to between the parties in case of creditors in a class, the voting share of such a creditor shall be in proportion to the financial debt that includes an interest at the rate of eight per cent per annum.<li data-bbox="225 1256 1453 1408">• Where the appointment of resolution professional is delayed, the interim resolution professional shall perform the functions of the resolution professional from the fortieth day of the insolvency commencement date till a resolution professional is appointed.<li data-bbox="225 1419 1453 1492">• A meeting of the CoC shall be called by giving not less than five days' notice in writing to every participant.<li data-bbox="225 1503 1453 1703">• The resolution professional shall form an opinion whether the corporate debtor has been subjected to certain transactions (preferential transactions, undervalued transactions, extortionate transactions or fraudulent transactions) by 75th day and make a determination of the same by 115th day of the insolvency commencement date.<li data-bbox="225 1714 1453 1787">• The resolution professional shall publish an invitation for expression of interest (Eoi) by the 75th day from the insolvency commencement date.<li data-bbox="225 1798 1453 1952">• The resolution professional shall issue the information memorandum, the evaluation matrix and the request for resolution plans (RFRP), within five days of issue of the provisional list to the prospective resolution applicants and allow at least 30 days for submission of resolution plans. <p data-bbox="225 2004 1453 2156">The regulation also provides for a model timeline of the corporate insolvency resolution process assuming that the interim resolution professional is appointed on the date of commencement of the process and the time available is hundred and eighty days.</p> <p data-bbox="225 2168 1453 2240">http://ibbi.gov.in/webadmin/pdf/whatsnew/2018/Jul/CIRP%20Regulations%2003072018-16_2018-07-04%2016:43:17.pd</p>



Residential Status as per OECD Model Convention

By – Akshit Gulati – Direct Tax

IBA

A tax, simply put, is a consideration paid by any person to the government of a territory for exploiting its resources. There are two systems of levying tax by the government, namely Source Rule and Residence Rule. Under source rule, tax is levied in the country where the income is earned whereas it is levied in the country where the person earning income normally resides. Corporations have developed sophisticated techniques to alter the tax implications applicable to it under both the systems. Such companies have been able to avoid tax implication as a result of Residence Rule by channelizing investments through low tax regime. Furthermore, transfer pricing manipulations enables corporates to circumvent high taxes applicable from Source rule of taxation. Therefore, it would be safe to conclude that neither pure residence-based taxation nor pure source-based taxation should be acceptable in a cross-border investment. The OECD Model Convention has laid down conditions under which a person shall be deemed to be the resident of another territory. For detailed provisions, please [click here](#).

Upcoming Compliances

Date	Compliance
July 10, 2018	Due date for furnishing of Form GSTR-1 for the taxpayers having aggregate turnover of more than 1.5 crore for the month of June-2018
July 15, 2018	Quarterly statement of TCS deposited for the quarter ending June 30, 2018
July 18, 2018	Due date for furnishing of Form GSTR-4 for persons registered under Composition scheme for the quarter April 2018 to June 2018.
July 20, 2018	Due date for filing consolidated return in the Form GSTR-3B for the month of June-2018
July 31, 2018	Quarterly statement of TDS deposited for the quarter ending June 30, 2018
	Due date for furnishing of Form GSTR-1 for the taxpayers having aggregate turnover of up to than 1.5 crore for the quarter of April to June-2018
	Due date for furnishing of Form GSTR-6 for Input service distributor for the months from July 2017 to June 2018.
	Annual return of income for the assessment year 2018-19 for certain class of assessee

Editorial Team



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IBA is a leading Financial and legal advisory company with specialization in Assurance, Risk Consulting, Legal, Direct Tax, Indirect Tax(GST) and Corporate Advisory for midsize, SMEs and start-up firms. IBA constitute a young team of path breaking professionals, who believe in creating value through innovation and creativity to provide ultimate client satisfaction. Clients benefit from our fresh thinking, constructive challenge and practical understanding of the issues they face. We aim to alloy a perfect blend of professionalism with high standards of service, in our pursuit of excellence.

Founded in the Year 2003, the company witnessed immense growth from 2 members to currently a 100 members team, with its offices in Delhi, Mumbai and Bangalore and its clients from across states. IBA continues to offer wholesome service experience to boost highly valued client relationships by combining the technical and industry expertise at par with well-placed firms together with a personal commitment to optimize client service.

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