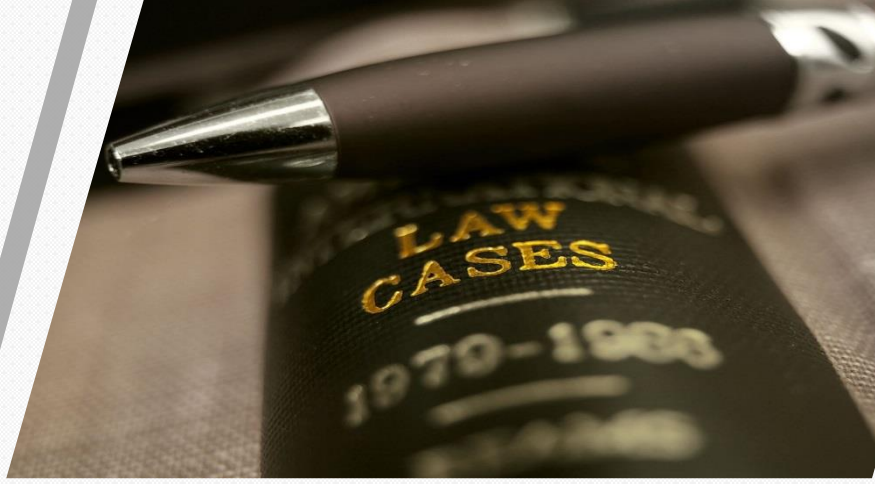
INTERNATIONAL BUSINESS ADVISORS

CONNEKT

October - 2017

Content

Direct Tax Case Laws



Case Law 1

Where tax has been deducted on strength of beneficial provisions of DTAA, provisions of section 206AA cannot be invoked by Assessing Officer to insist that tax deduction should be higher, i.e., 20 per cent

Facts

The assessee, Calderys France a foreign company, had received payment towards management services and IT support services for FY 2012-13 by an Indian company and offered the same for taxation in its return of income. While making payment to the assessee the Indian Company had withheld taxes at the rate of 20 per cent since it did not have any PAN at that Point of time. However, while filing return, the assessee claimed that the same was taxable at the rate of 10 per cent being royalty/FTS, as per Article 13 of India-France DTAA and claimed refund. The assessee contented that the PAN was obtained on 14-08-2012 and the income tax return was filed on 30-03-2013. Therefore, according to the applicable law, the Assessing Officer must apply the beneficial tax rate at the rate of 10 per cent under the DTAA and refund excess tax, if paid under the normal provisions of the law.

Decision

The provisions of section 206AA of the Income Tax Act, 1961 cannot override the provisions of charging sections 4 and 5 and also as per section 90(2), DTAA provisions would override domestic law, in cases where the provisions of DTAAs are more beneficial to the assessee. Accordingly, since the assessee had received PAN, it was obliged to pay the taxes as per DTAA, i.e., at the rate of 10 per cent of the payment received and if the payee had deducted the tax at the rate of 20 per cent under section 206AA, provisions of DTAA being more beneficial had to be applied.

Deputy Commissioner of Income tax (International Taxation), Circle-1 v. Calderys France [2017] 84 taxmann.com 301 (Pune - Trib.)

Case Law 2

Free air travels & hotel stay expenses to doctors for prescribing medicines of pharma-co. aren't deductible u/s 37

Facts

Assessee-company, OCHOA Laboratories Ltd. was engaged in the business of trading in pharmaceutical products claimed expenses on conference which included expenses on sponsoring of doctors as well as for registration and other advertising expenses during the conference. The Assessing Officer (AO) noted that the expenses were also incurred on the family members of the

Direct Tax : Case Laws

doctors and other non-business associates and thus held that the entire expenses were not toward business purpose. In the absence of any bifurcation of expenses towards business and non-business purposes, he disallowed 50 per cent of the total sales promotion expenses, as not being incurred wholly and exclusively for business purpose.

Decisions

Providing free air travel, local car conveyance, stay and food in hotels etc. for prescribing medicines of the assessee is certainly in contravention of public policy and will not be allowed as business deduction. Further, since no documentary evidence in support of the claim or any confirmation from any doctor for availing the services of assessee had been filed by the assessee before the AO, disallowance of 50 per cent of expenses was justified.

Deputy Commissioner of Income-tax, Circle-13(1), New Delhi v. OCHOA Laboratories Ltd. [2017] 85 taxmann.com 168 (Delhi – Trib.)

Case Law 3

Exp. incurred by assessee engaged in business of setting-up of new hotel was allowable u/s 37(1)

Facts

Assessee-company was in the business of setting up of and making investments in new hotels. Before commencement of business, company derived interest income on debentures and Short Term Capital Gains (STCG) on redemption of mutual funds and considered it as Business Income and also claimed deduction of expenditures done on land purchase, consultation fees, registrar fees, etc. u/s 37(1). However, AO disallowed these expenditures as the business was not commenced, considering these expenses in the nature of pre-operative and capital and further taxed income from investments u/h income from other sources. Certain preliminary expenses such as expenditure pertaining to ROC fee was allowable under section 35D of the Act.

Decision

Though the business was not commenced the expenses incurred will be allowed as business expenditure u/s 37(1) and expenditure incurred on account of ROC charges, feasibility reports etc. would be allowed as per section 35D. In the instant case, revenue authorities have rightly taxed the expenses under the head income from other sources, but expenses that were directly related to these investments will be allowed undersection 56.

Samsara Hospitality (P.) Ltd. v. Income-tax Officer, 1 (3) (2), Mumbai [2017] 85 taxmann.com 36 (Mumbai - Trib.)

Case Law 4

No disallowance can made for belated TDS remittances applying non-discrimination article under tax treaty

Direct Tax : Case Laws

Facts

The assessee had made a payment to its Associated Enterprise (AE) under the head professional charges and corporate management charges and tax was deducted under section 195 on the same date (March 2003). However, it was remitted to the revenue department after eight months (November 2003) from filing of the return which was beyond the due date specified under section 200(1). The AO made an addition towards the abovementioned charges and CIT (Appeals) confirmed the addition made by the AO. The assessee is covered by the DTAA and as per the provisions of the same (Article-24 of the Indo-German Treaty and Article-26 of the Indo-UK Treaty), non-discrimination clause exists. However, the assessee took the reliance under the provisions of DTAA's non-discrimination clause which states that the nationals of one of the Treaty countries will not be subject to tax in other countries, which is more burdensome to those foreign nationals than the residents of that country.

Decision

For allowing the deduction of the expenditure, not only deduction of tax at source but also remittance to the revenue is a mandatory requirement. The proviso to section 40(a)(i) makes it very clear that expenditure is allowed in the year in which the tax has been remitted to the revenue's account. Thus, the assessee is entitled for claiming the expenditure in the year in which it was paid. In the instant case, though the tax was deducted but remitted to the revenue's account in the subsequent year. Therefore, the AO has rightly applied the disallowance under section 40(a)(i) and the CIT (Appeals) has confirmed the disallowance. The assessee's argument on this ground is not acceptable and the same is dismissed.

M/s. Cooper Standard Automotive India Pvt. Ltd. Vs The Asst. Commissioner of Income Tax, Company Circle-I (3) , Chennai

Direct Tax: Notifications

S.no	Notifications
1	**Procedure for filing statement of income from a country or specified territory outside India and Foreign Tax Credit** Any assessee who is resident of India shall be allowed a foreign tax credit for the amount of any foreign tax paid by the assessee in a country or specified territory outside India. In exercise of the powers delegated by CBDT under rule 12(4) of The Income Tax Rules, 1962, The Principal Director General of Income Tax hereby has come up with a defined procedure to avail foreign tax credit. https://incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF_News/Notification_Procedure_form_67.pdf

Indirect Tax : Case Laws

Case Law 1

Claim for Duty drawback is allowed, even where material received by one SEZ-unit and exported by another

The assesse is a manufacturer and exporter of industrial wear, beach wear, jute bags etc., had set up 3 SEZ units and also had a unit in Domestic Tariff Area (DTA). During the period from April 2008 to March 2009, duty paid raw materials were transferred from the DTA unit to one of the SEZ unit. The assessee submitted duty drawback claim on the basis that finished goods were manufactured in and exported from SEZ unit, where duty paid raw materials were received. However, because in the shipping bills, the name of the exporter was mentioned as having the SEZ unit's name, the Revenue took the view that the goods were manufactured and exported from other SEZ units and accordingly, rejected the drawback claim. The case was then brought to the Hon'ble High Court of Calcutta. HC rejected the Revenue's stand that assessee's 2 units being separate legal entities, had violated Rules 22(2) and 34 of SEZ Rules, noting that proviso to Rule 34 and Rule 30(15) of SEZ Rules contemplate transfer of goods from one SEZ unit to another without payment of duty and filing of any Bill of Entry and HC stated that it is fully permissible for assessee to export in its own name, the goods manufactured in its business name and upon mentioning the particulars of Letter of Permission in export documents, as also to receive export proceeds in respect thereof. Further, HC also rejected the revenue's contention that payment for raw materials ought to have been made from Foreign Currency Account, states that even though assessee did not maintain such account, it could be said that the Rule had been substantially complied with by making payment for raw materials in foreign currency. Moreover, Regulation under Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) is only an enabling provision permitting an SEZ unit to open a Foreign Currency Account by own volition, and neither the realization of export proceeds would become invalid nor actual receipt of foreign currency could be ignored. In view thereof, HC allowed assessee's writ petition by setting aside the revisional order and directed the Revenue to allow the drawback claim as applicable.

Kariwala Industries Limited Vs. Development Commissioner, Falta Economic Zone & Ors. [TS-288-HC-2017(CAL)-CUST]

Case law 2

In absence of non-utilization of wrongly availed Cenvat credit, interest and penalty cannot be confirmed

During the disputed period 2008-09 to 2011-12, the appellant availed Cenvat credit on the basis of the debit notes issued by the service

Indirect Tax : Case Laws

provider. Since debit note is not a prescribed document under Rule 9 of the Cenvat Credit Rules, 2004. The Revenue disputed taking of such Cenvat credit by the appellant. Accordingly, after initiation of show cause proceedings, the ld. Adjudicating Authority through an order has confirmed the interest demand and also imposed penalty as prescribed under section 76 of the Finance Act, 1994.The appellant submits that the wrongly availed Cenvat credit was never utilized by the appellant and said credit was all along available in the Cenvat register till its reversal and also submits that there was no malafide intention on the part of appellant hence interest liability and penalty cannot be imposed. In this context, the CESTAT relied on the judgement by Hon'ble Karnataka High Court in the case of "Bill Forge Pvt. Ltd. (supra)" held that credit of excise duty in the register maintained for this purpose is only a book entry and before utilization of such credit if the entry is reversed, the same amounts to not taking of Cenvat credit. Accordingly, the Hon'ble High Court ruled that in absence of non-utilization of Cenvat credit, interest demand cannot be confirmed. The CESTAT in this case held that it is not the case of the Revenue that the wrongly availed Cenvat credit was utilized by the appellant for payment of Service Tax on the taxable services provided by it. Thus, in such an eventuality, the taking of irregular credit in the Cenvat account will be considered as a mere book entry and in absence of proof of its utilization, the interest liability cannot be fastened against the appellant and accordingly decided the appeal in favor of appellant.

M/s. Cushman & Wakefield Property, Management Service India Pvt. Ltd. Versus C.S.T., Delhi-II [2017 (10) TMI 25 - CESTAT NEW DELHI]

Case Law 3

In the absence of collusion or any willful mis-statement or suppression of facts penalty cannot be imposed

M/s Indian Oil Corpn. Ltd. (M/s I.O.C.L.) imported Superior Kerosene Oil (SKO) under Customs exemption Notification for ultimate sale through PDS. M/s I.O.C.L. being a canalizing agency supplied the materials to M/s Bharat Petroleum Corpn. Ltd. (M/s B.P.C.L.), the assesse herein. After investigation, it was found that M/s BPCL was selling imported SKO to other than PDS in violation to the exemption Notification. M/s IOCL by letter dated 11.10.01 informed to M/s BPCL for selling of SKO in violation of the Exemption Notification. After receipt of the letter from M/s IOCL, the assessee paid the differential amount of Customs duty before issuance of the Show-cause notice. Revenue by an order, Confirmed the demand of duty and appropriated the amount as deposited. Revenue has also imposed penalty on M/s IOCL and on assessee under the Customs Act, 1962.The assessee submitted that they sold the SKO other than PDS, due to utmost emergency to Govt. organization. The supplies were made to Indian Railways/Defense which are fully Govt. Organizations, due to their exigencies. The assesse also submitted that they had paid the duty as soon as it came to their knowledge regarding the violation of the Notification. The assesse urged that the

Indirect Tax : Case Laws

penalty imposed by the Revenue should be foregone by considering the facts and circumstances. CESTAT observed that there is no dispute that the appellant sold the imported SKO to the Govt. Organizations in extreme emergency. The Customs Act, 1962, provides penalty for short levied or non-levy of duty in certain cases where the duty has not been paid by reason of collusion or any willful mis-statement or suppression of facts. CESTAT observed that the assessee in the reply to Show-Cause Notice narrated in detail, the reasons/conditions of the selling of the SKO to the Railways/Defense. CESTAT held that it is a well settled law that in the matter of imposition of penalty, the conduct and/or attending extenuating circumstances are material and relevant. The conduct of the assessee could not show to invoke the ingredients as mentioned under the Customs Act, 1962. Therefore, CESTAT held that the imposition of penalty is not warranted. The appellant is directed to be more cautious on such situation in future. Accordingly, CESTAT set aside the penalty and decided the appeal in favor of assessee.

M/s B.P.C.L. Versus Commr. of Customs (Port), Kolkata [2017 (9) TMI 1569 - CESTAT KOLKATA]

Case Law 4

Refund of GTA services utilized for exporting goods out of India

Assessee was engaged in the business of extracting iron ores. Post extraction, iron ores are transported through truck / lorry from mines to the port side for which GTA services are availed by assessee. Since the assessee was a regular exporter of iron ores, it was allotted a plot by the Kolkata Port Trust for storing the export cargo to maintain uninterrupted supplies to the foreign buyers. Assessee filed a refund of taxes paid on inputs utilised for exporting goods and the same was partially accepted by Revenue rejecting the refund for service tax paid on GTA services availed. Revenue reasoned that the rejection was because of no one-to-one correlation between goods transported and the final export. Further, the conditions for refund of tax paid on GTA services as stipulated vide N/N 3/2008 – S.T. has not been complied with. Assessee contended that vide N/N 17 /2009- S.T., the exported can furnish a self-declaration or a C.A. certificate to prove co-relation between input services and exports. Further, assessee put forth that the basic purpose of allowing refund of input services was to avoid shifting of tax incidence on foreign buyers and to compete effectively in international markets. Hence, it requested to set aside the conditions stated in aforesaid notification. Held that the appeal filed by assessee is allowed, however the matter has been remanded back to Adjudicating Authority with respect to refund of GTA services.

Comm. of Central Excise, Customs & Service Tax, BBSR-II Versus M/s. East India Minerals Ltd. [2017 (9) TMI 1436 - CESTAT KOLKATA]

Indirect Tax: Notifications

S.no	Notifications
1	**Extension of time limit for intimation of details in Form GST CMP-03** Central govt. vide its order no. 04/2017-CGST have extended the time limit for intimation of details of stock held on the date preceding the date from which the option for levy of composition levy is exercised in Form GST CMP-03 till 31st October 2017. http://www.cbec.gov.in/resources//htdocs-cbec/gst/order4-cgst.pdf
2	**Extension of Time Limit for submitting Form GST Tran 01** Central Govt. vide its order no. 03/2017-CGST have extended the due date for submission of declaration of Form GST Tran 01 from 30th September 2017 to 31st October 2017. http://www.cbec.gov.in/resources//htdocs-cbec/gst/order3-cgst.pdf
3	**Eighth Amendment made to the CGST Rules 2017** Central govt. vide its notification no. 36/2017 dated 29th September 2017 have notified that the migrated tax payers can now apply for cancellation of the registration under Form GST Reg-29 which was earlier available for the cancellation of provisional registration. http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-36-central-tax-english.pdf
4	**Notification on extension of facility of LUT to all exporters issued** Central Govt. vide its notification no. 37/2017 dated 4th October 2017 have specified the conditions under which the registered person can furnish the Letter of undertaking who intends to make export without paying integrated tax in place of the Bond. http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-37-central-tax-english.pdf

Legal & Regulatory Notifications

S.no	Notifications
1	**MINISTRY OF CORPORATE AFFAIRS** **Companies (Restriction on number of layers) Rules, 2017** (MCA notification dated September 20, 2017) The Central Government have made the Companies (Restriction on number of layers) Rules, 2017 which shall come into force after their publication in the official gazette. On and from the commencement of these rules, • No company other than the class of Companies specified in sub-rule (2) of rule 2 of these rules, shall have more than 2 layers of subsidiaries. • However, a company may acquire a company incorporated outside India with subsidiaries beyond 2 layers as per the local laws of such country. • Also, in computing the number of layers, one layer which consists of one or more wholly-owned subsidiary or subsidiaries shall not be taken into account. • The provisions of these rules shall not apply to certain Companies such as a Banking Company, a Non-Banking financial Company, etc. • Further, every Company other than the class of Companies specified in sub-rule (2) of rule 2 of these rules existing on or before the commencement of these rules and having number of layers of subsidiaries in excess of the layers specified in these rules and on which these rules shall be applicable shall file Form CRL-1 with the Registrar disclosing the details of the layers and shall not have any additional layer of subsidiaries after the commencement of these rules and if one or more layers are reduced by it subsequent to the commencement of these rules shall not have the number of layers beyond the number of layers it has after such reduction or maximum layers allowed in these rules, whichever is more. http://www.mca.gov.in/Ministry/pdf/CompaniesRestrictionOnNumberofLayersRule_22092017.pdf

Legal & Regulatory

S.no	Notifications
2	**Coming into force of the proviso to Section 2 (87) of the Companies Act, 2013** (MCA notification dated September 20, 2017) The Ministry of Corporate Affairs (MCA) has brought into force with effect from September 20, 2017 the provision to the definition of a "subsidiary company" or "subsidiary". The provision states that a holding company shall not have layers of subsidiaries beyond a prescribed number. The number of layers that a holding company can have is restricted to 2 layers as per the Companies (Restriction on number of layers) Rules, 2017. http://www.mca.gov.in/Ministry/pdf/CommencementNotification_22092017.pdf
3	**MCA RELEASES THE COMPANIES (ACCEPTANCE OF DEPOSIT) SECOND AMENDMENT RULES, 2017** (MCA Notification dated September 19, 2017) (The MCA has released the Companies (Acceptance of Deposits) Second Amendment Rules, 2017 thereby amending the Companies (Acceptance of Deposits) Rules, 2014 (hereinafter referred to as the "Principal Rules"). The Amendment Rules shall come into force after their publication in the official gazette. By means of the same, sub-rule (3) of rule 3 of the Principal Rules has been changed and shall after the publication be read as: "Provided that a Specified IFSC Public company and a private company may accept from its members monies not exceeding one hundred per cent of aggregate of the paid-up share capital, free reserves and securities premium account and such company shall file the details of monies so accepted to the Registrar in Form DPT-3." Also, all the companies accepting deposits shall file the details of monies so accepted to the Registrar in Form DPT-3. The explanation provided for the same specifies that for the purpose of this rule, a Specified IFSC Public company means an unlisted public company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone

Legal & Regulatory

S.no	Notifications
	set-up under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006. Further, the maximum limit in respect of deposits to be accepted from members shall not apply to following classes of private companies, namely: • a private company which is a start-up, for five years from the date of its incorporation; • a private company which fulfils all of the following conditions, namely: (a) which is not an associate or a subsidiary company of any other company; (b) the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is less; and (c) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under section 73. http://www.mca.gov.in/Ministry/pdf/CompaniesAcceptanceofDepositSecondAmendmentRule_22092017.pdf
4	**MCA issues clarification regarding the timelines for making available of E-Form DPT-3** (MCA Circular dated September 27, 2017) MCA, has issued the Companies (Acceptance of Deposits) Second Amendment Rules, 2017 thereby amending the Companies (Acceptance of Deposits) Rules, 2014. The said amendment Rules inter-alia provide for substitution of existing Form DPT-3 with a new Form DPT-3. The MCA upon being sought for clarifications by the stakeholder, clarified in a circular that new Form DPT-3 shall be made available for E-filing after the month of November, 2017 and till such time the existing e-form may be used. http://www.mca.gov.in/Ministry/pdf/GeneralCircular11_27.09.2017.pdf

Legal & Regulatory

S.no	Notifications
5	**MCA clarifies exemptions granted to certain unlisted public companies under the companies (appointment and qualification of directors) rules, 2014 from the appointment of independent directors** (MCA Circular dated September 05, 2017) The MCA on 5th July 2017 had issued the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017. The said Rules inter-alia provided that an unlisted public company which is a joint venture, a wholly owned subsidiary or a dormant company will not be required to appoint Independent Directors. The MCA upon being sought for a clarification to determine the meaning of a “joint venture” for the purposes of availing the abovementioned exemption, clarified that a "joint venture” means a joint arrangement, entered into in writing, whereby the parties that have joint control of the arrangement, have rights to the net assets of the arrangement. The usage of the term shall rank pari passu to that under the Accounting Standards http://www.mca.gov.in/Ministry/pdf/GeneralCircular_05092017.pdf
6	**General Circular- obligation to comply with the Indian Accounting Standards and rule 4 of companies (Indian accounting standards) rules, 2015** There were certain clarifications which were sought by some stakeholders regarding the implementation of Ind AS wherein the holding company has Payment Banks or Small Finance Banks as its subsidiaries. In this respect it has been clarified that the holding company if it is covered by the corporate sector roadmap for implementation of Ind AS, shall follow the corporate sector roadmap and if the Company has got payment bank or small finance bank as its subsidiary then subsidiary company shall follow the banking sector roadmap prescribed vide RBI circular DBR.BP.BC.No.76/21.07.001/2015-16 dated 11th February, 2016 read with the circular DBR.NBD.No.25/16.13.218/2016-17. However, the payment bank or small finance bank shall provide Ind AS financial data to its holding company for consolidation. http://www.mca.gov.in/Ministry/pdf/CompaniesIndianAccountingStandardsGSR365E_14092017.pdf

Legal & Regulatory

S.no	Notifications
7	**RESERVE BANK OF INDIA** **RBI amends limits for investment by foreign portfolio investors (fpi's) in corporate debt securities** (RBI Notification dated September 22, 2017) RBI has notified that with effect from October 3, 2017, security bonds which are issued overseas and are denominated in Indian rupee commonly known as Masala Bonds, will no longer form a part of the limit for FPI investments in corporate bonds, whereas they will continue to form a part of the limits for ECBs and will be monitored as per the ECB norms. The amount of INR 44,001 crore which would have arisen from Masala will be released for FPI investment in corporate bonds over the next two quarters of the current financial year. An amount of INR 9,500 crore in each quarter will be available only for investment in the infrastructure sector by long term FPIs (i.e., Sovereign Wealth Funds, Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks). Alongside, the long term FPIs will continue remain eligible to invest in sectors other than infrastructure. https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11127&Mode=0
8	**Enactment of the banking regulation (amendment) act, 2017** (Gazette Notification dated August 25, 2017) In order to address the major issue of the increasing Non- Performing Assets (NPA's) held with the scheduled banks in India and pursuant to the enactment of the Insolvency and Bankruptcy Code, 2016 ("IBC"), the government passed the Banking Regulation (Amendment) Ordinance, 2017 on May 04th, 2017 and thereafter the government on August 25th, 2017 repealed the ordinance by enacting the Banking Regulation (Amendment) Act, 2017 which would become effective from May 04th, 2017. According to the amendment act, the RBI upon instructions of the Central Government may issue directions to the banks to initiate insolvency resolution process under the IBC against the defaulting debtors. The RBI shall also now have the power to issue directions to any bank for resolution of stressed assets and to specify authorities or committees to advise the banks on the same. http://www.prsindia.org/uploads/media/Banking%20Regulation%20Bill/Banking%20Regulation%20(Amendment)%20Act,%202017.pdf

Expert Opinion by IBA

Mr. Nirav Maniar, Partner

Cryptocurrency, the India story

Virtual/digital currencies are not recognized by the Reserve Bank of India (RBI) or any other authority in India, as a 'currency'. The official communication from RBI through a press release way back in December 2013 cautioned users, holders and traders of virtual currencies, including bitcoins, about the potential financial, operational, legal, customer protection and security related risks. **Read More…**

Mr. Mayank Chhabra, Manager – Audit & Assurance

Guidance Note on Division II – Ind As Schedule III to The Companies Act 2013

The ministry of corporate ('MCA') affairs vide its notification dated August 29, 2013, notified that every Company registered in India under Companies Act, 2013 ('Act') has to prepare its Financial Statements under Schedule III of the Act. Subsequently, the MCA vide notification dated February 16, 2015, notified that the companies required to prepare their accounts in accordance with Ind – AS will follow a separate format as stated in the notification. **Read More…**

Column

SEBI issues IT framework for RTA's

By – Arpan Relan, Asst. Manager - Corporate Legal and Information Technology

IBA

While on one hand we talk about the unpreparedness for cyber-attacks at organizational level, Indian regulators on the other hand continue to take their own sweet time in implementing policies and frameworks to address the issue of cyber-attacks and protection of the masses from such attacks.

After IRDA and RBI, the Securities Exchange Board of India ("SEBI") on 8th September 2017 released a circular wherein it has prescribed the **Registrars to an Issue/ Share Transfer Agent** (hereinafter referred to as RTAs) to implement by 1st December 2017 a cyber security policy basis the security and cyber resilience framework prescribed by SEBI. The policy is required to be approved by the Board of QRTAs.

The said circular is applicable only to the RTAs which are servicing more than 2 crore folios, referred to as Qualified RTAs or QRTAs.

What is remarkable in the framework set by SEBI is that it has been drafted keeping in mind the basic rationale that the primary motive to address the issue of cyber-attacks is first to identify, then detect and prevent cyber-attacks and forthwith ensure a response and recovery mechanism to combat incidences of cyber-attacks to ensure that the continuity of business is not hindered.

The SEBI framework has highlighted the compliances required by the QRTAs which are broadly listed as under:

a) Using strong encryption and virus protection measures along with regular installation of patches;

Read more at: http://www.ibadvisors.co/wp-content/uploads/2017/10/Article-SEBI-issues-IT-framework-for-RTAs.pdf

Upcoming Compliances

Date	Compliance
October 10, 2017	Filing of GSTR-1 for the month of July 2017
October 15, 2017	Due date for issue of TDS Certificate under Section 194-IA in the month of August, 2017
	Quarterly statement of TCS deposited for the quarter ending September 30, 2017
October 20, 2017	Filing of GSTR-3B for the month of September 2017
October 30, 2017	Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA in the month of September, 2017
	Quarterly TCS certificate for the quarter ending September 30, 2017
	Due date of filing Form 8 of LLP
October 31, 2017	Quarterly statement of TDS deposited for the quarter ending September 30, 2017
	Annual return of income for the Assessment Year 2017-18 which was due on 30th September 2017 has been extended till 31st October 2017
	Filing of GST-Tran 1
	Filing of GSTR-2 for the month of July 2017
November 7, 2017	Due date for deposit of Tax deducted/collected for the month of October, 2017.
November 10, 2017	Filing of GSTR-3 for the month of July 2017

Editorial Team




About us:

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.

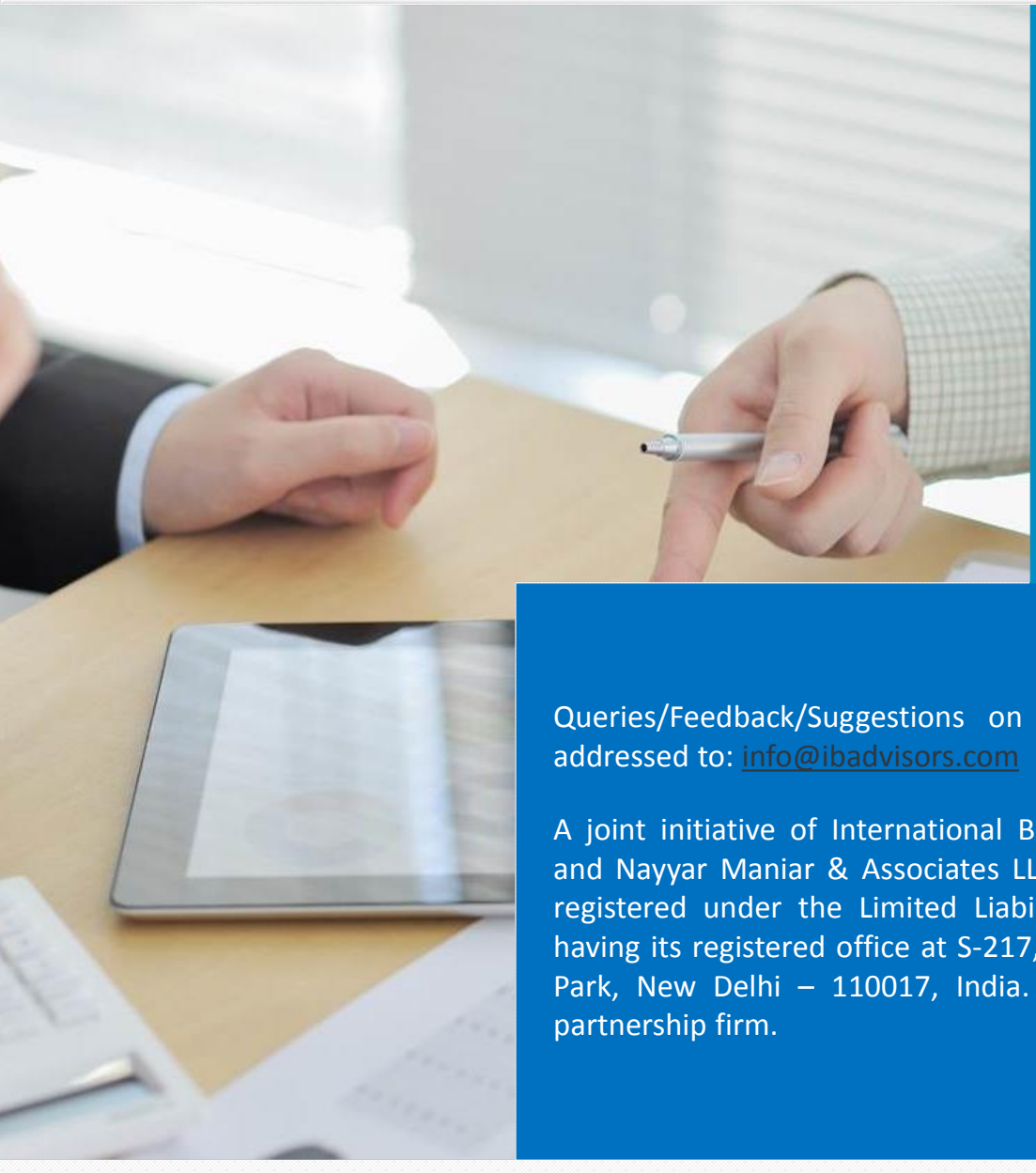
Founded in the Year 2003, the company witnessed immense growth from 2 members to currently a 100 members team, with its offices in Delhi, Mumbai and Bangalore and its clients from across states. IBA continues to offer wholesome service experience to boost highly valued client relationships by combining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

New Delhi(Head Office)
S-217,Panchsheel Park
New Delhi 110017
Tel - +91-11-40946000

Mumbai
Level 11 - 1102 Peninsula Business Park ,Tower B, S B Road, Lower Parel, Mumbai 400013

Bangalore
Golden Square Serviced Office
#No 1101, 24th Main, JP Nagar 1st Phase (above ICICI Bank)
Bangalore-560078

INTERNATIONAL BUSINESS ADVISORS



Queries/Feedback/Suggestions on this newsletter may be addressed to: info@ibadvisors.com

A joint initiative of International Business Advisors LLP (IBA) and Nayyar Maniar & Associates LLP (NMA LLP). IBA is a LLP registered under the Limited Liability Partnership Act, 2008 having its registered office at S-217, Ground Floor, Panchsheel Park, New Delhi – 110017, India. NMA LLP is a registered partnership firm.

For more information and past issues of ConneKt, kindly visit our website www.ibadvisors.co

You can also follow us at: