

SKJ iCAN

Newsletter

December 2022

What's inside?

DIRECT TAX

1. Draft common Income Tax Return- Request for inputs from stakeholders
2. Senior Citizens' Savings (Amendment) Scheme, 2022
3. National Savings (Monthly Income Account) (Amendment) Scheme, 2022
4. National Savings Time Deposit (Amendment) Scheme, 2022
5. Section 10(23FE) of the Income-Tax Act, 1961

GOODS & SERVICE TAX

1. Clarification on refund related issues under GST law.
2. Empowering the Competition Commission of India to handle Anti-Profiteering cases under the CGST Act
3. Amendments in the CGST Rules

CUSTOMS

1. Registration for food related exports
2. Relief in Average Export Obligation
3. Amendments in Foreign Trade Policy 2015-20 in sync with the RBI's A.P. (DIR Series) Circular No. 10 Dated 11-July-2022
4. Amendment in Appendix 3 (SCOMET items) to Schedule - 2 of ITC (HS) Classification of Export and Import Items, 2018
5. **Extension** in validity of recognition of Pre-Shipment Inspection Agency (PSIAs)

COMPLIANCE CALENDAR FOR DECEMBER 2022

INCOME TAX

1] Draft common Income-Tax Return- Request for inputs from Stakeholders and the General Public.

The proposed draft ITR takes a relook at the return filing system in tandem with international best practices. It proposes to introduce a common ITR by merging all the existing returns of income except ITR-7. However, the current ITR-1 and ITR-4 will continue. This will give an option to such taxpayers to file the return either in the existing form (ITR-1 or ITR-4) or the proposed common ITR, at their convenience.

[Draft Circular [F. NO. 370133/16/2022-TPL], Dated 1-11-2022]

2] Senior Citizens' Savings (Amendment) Scheme, 2022 -Amendment in Para 5

Central government, in exercise of the powers conferred by section 3A of the Government Savings Promotion Act, 1873 (5 of 1873), amended Senior Citizens' Savings Scheme, 2019, that the deposit made under this Scheme on or after the 1st day of October, 2022 shall bear interest at the rate of 7.6 % per annum to claim deduction u/s 80C of the Act.

[Notification G.S.R. 842(E) [F.NO. 1/04/2016-NS-II], Dated 22-11-2022]

3] National Savings (Monthly Income Account) (Amendment) Scheme, 2022 Amendment in Paragraph 5

Central government, in exercise of the powers conferred by section 3A of the Government Savings Promotion Act, 1873, amended National Savings (Monthly Income Account) Scheme, 2019 that the deposit made under this Scheme on or after the 1st day of October, 2022 shall bear interest at the rate of 6.7% per annum.

[Notification No. G.S.R. 839(E) [F.NO. 1/04/2016-NS], Dated 22-11-2022]

4] National Savings Time Deposit (Amendment) Scheme, 2022 - Amendment in Para 7

Central government, in exercise of the powers conferred by section 3A of the Government Savings Promotion Act, 1873 amended National Savings Time deposit

Scheme, 2019 that the deposit made under this Scheme on or after the 1st day of October, 2022 shall bear interest as per the following table:

Sl. No.	Category of account	Rate of interest (p.a.)
1	One-year	5.5
2	Two-years	5.7
3	Three-years	5.8
4	Five-years	6.7

[Notification No. G.S.R 838(E) [F. No. 1/04/2016-NS], Dated 22-11-2022]

5] Section 10(23FE) of the Income-Tax Act, 1961 - Exemption - Income of Specified Person from an Investment Made in India - Specified Sovereign Wealth Fund

Central government, in exercise of the powers conferred by sub-clause (vi) of clause (b) of Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 specifies the sovereign wealth fund, namely, Public Investment Fund (PAN: AAAJP1787D) as the specified person in respect of the investment made by it in India subject to the fulfilment of the conditions specified in the notification.

Notification S.O 5345 (E) [NO.125/2022/F.NO.500/SWF2/S10(23FE)/FT&TR-II-PT.1], Dated 16-11-2022

GOODS AND SERVICE TAX

1] Clarification on refund related issues under GST Law.

Attention is invited to sub-section (3) of section 54 of CGST Act, 2017, which provides for the refund of unutilized input tax credit in cases where credit is accumulated on account of rate of tax of inputs being higher than the rate of tax on output supplies i.e. on account of inverted duty structure. Sub-rule (5) of rule 89 of CGST Rules, 2017 prescribes the formula for grant of refund in cases of inverted duty structure. Vide Notification No. 14/2022-Central Tax dated July 05, 2022, an amendment has been made in the formula prescribed under sub-rule (5) of rule 89 of the CGST Rules, 2017.

Further, vide Notification No. 09/2022-Central Tax (Rate) dated July 13, 2022, which has been made effective from July 18, 2022, the restriction has been placed on refund of unutilized input tax credit on account of inverted duty structure in case of supply of certain goods falling under chapter 15 and 27.

Representations have been received from the trade and the field formations seeking clarification on various issues pertaining to the implementation of the above notifications. In order to clarify the issues and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), hereby clarifies the issues as under:

Sr.No	Issues	Clarification
1	<p>Whether the formula prescribed under sub-rule (5) of rule 89 of the CGST Rules, 2017 for calculation of refund of unutilised input tax credit on account of inverted duty structure, as amended vide Notification No. 14/2022-Central Tax dated July 05, 2022, will apply only to the refund applications filed on or after July 05, 2022, or whether the same will also apply in respect of the refund applications filed before July 05, 2022 and pending with the proper officer as on July 05, 2022?</p>	<p>Vide Notification No. 14/2022-Central Tax dated July 05, 2022, amendment has been made in sub-rule (5) of rule 89 of CGST Rules, 2017, modifying the formula prescribed therein. The said amendment is not clarificatory in nature and is applicable prospectively with effect from July 05, 2022. Accordingly, it is clarified that the said amended formula under sub-rule (5) of rule 89 of the CGST Rules, 2017 for calculation of refund of input tax credit on account of inverted duty structure would be applicable in respect of refund applications filed on or after July 05, 2022. The refund applications filed before July 05, 2022 will be dealt as per the formula as it existed before the amendment made vide Notification No. 14/2022-Central Tax dated July 05, 2022.</p>
2	<p>Whether the restriction placed on refund of unutilised input tax credit on account of inverted duty structure in case of certain goods falling under chapter 15 and 27 vide Notification No. 09/2022-Central Tax (Rate) dated July 13, 2022, which has been made effective from July 18, 2022, would apply to the refund applications pending as on July 18, 2022 also or whether the same will apply only to the refund applications filed on or after July 18, 2022 or whether the same will be applicable only to refunds pertaining to prospective tax periods?</p>	<p>Vide Notification No. 09/2022-Central Tax (Rate) dated July 13, 2022, under the powers conferred by clause (ii) of the first proviso to sub-section (3) of section 54 of the CGST Act, 2017, certain goods falling under chapter 15 and 27 have been specified in respect of which no refund of unutilised input tax credit shall be allowed, where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supplies of such specified goods (other than nil rated or fully exempt supplies). The said notification has come into force with effect from July 18, 2022.</p> <p>The restriction imposed vide Notification No. 09/2022-Central Tax (Rate) dated July 13, 2022 on refund of unutilised input tax credit on account of inverted duty structure in case of specified goods falling under chapter 15 and 27 would apply prospectively only. Accordingly, it is clarified that the restriction imposed</p>

	<p>by the said notification would be applicable in respect of all refund applications filed on or after July 18, 2022, and would not apply to the refund applications filed before July 18, 2022.</p>
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[CBIC vide *Circular No. 181/13/2022-GST dated November 10, 2022*]

2] Empowering the Competition Commission of India to handle Anti-Profiteering cases under the CGST Act

Central Government on the recommendations of GST Council has empowered the Competition Commission of India (CCI) established under section 7(1) of the Competition Act, 2002 to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

The above amendment shall become effective from 01.12.2022.

[Notification No. 23/2022-CT dt. 23.11.2022]

3] Amendments in the CGST Rules, 2017

Consequent to the appointment of Competition Commission of India as the authority for anti-profiteering cases under the GST law, the provisions related to Anti-Profiteering Authority as provided under the CGST Rules, 2017 have been amended as under.

The following rules have been omitted:

1. Rule 122: Constitution of the Authority.
2. Rule 124: Appointment, salary, allowances and other terms and conditions of
3. Service of the Chairman and Members of the Authority
4. Rule 125: Secretary to the Authority
5. Rule 134: Decision to be taken by the majority
6. Rule 137: Tenure of Authority

Further, rule 127 which provides for 'Duties of the Authority' has been amended to substitute the word 'Duties' with the word 'Functions'.

Furthermore, in the Explanation provided after rule 137, the meaning of 'Authority' has been amended to mean the authority notified under sub-section (2) of section 171 of the Act.

The above amendments shall become effective from 01.12.2022.

[Notification No. 24/2022-CT dated. 23.11.2022]

CUSTOMS

1] CBIC Instruction No. 30/2022-Customs Dt. 14-Nov-2022 &

CBIC Instruction No. 31/2022-Customs Dt. 14-Nov-2022

Ref: 1) FSSAI Order F. No. TIC-B02/2/2022-IMPORTS-FSSAI dated 10-Oct-2022

2) FSSAI Order F. No. TIC-B02/5/2022-IMPORTS-FSSAI dated 17-Oct-2022

FSSAI has decided that with effect from 1st February, 2023 registration of foreign food manufacturing facilities falling under following food categories, who are intending to export these food products shall be mandatory :

- (i) Milk and Milk Products
- (ii) Meat and Meat Products including Poultry, Fish and their products
- (iii) Egg Powder
- (iv) Infant food
- (v) Nutraceuticals, Health Supplements, Food for Dietary uses, Probiotic and prebiotic foods. Foods for Special Medical Purpose.

Import of above specified high-risk products shall be permitted only through 61 ports as listed in Ref. FSSAI Order at Sr. No. 2 above.

Accordingly FSSAI has requested all exporting countries to provide the list of existing manufacturers and of those who are intending to export such food products to India in the format given in FSSAI Order ref. 1 above.

2] DGFT Policy Circular No. 44/2015-20 Dated 17-November-2022

Relief in Average Export Obligation in terms of the Para 5.19 of Handbook of Procedures (HBP) of FTP 2015-20.

Exporters of those sectors where total exports in that sector/product group has declined by more than 5% as compared to the previous year, the Average Export Obligation for the year may be reduced proportionate to reduction in exports of that particular sector/product group during the relevant year as against the preceding year. This implies

that the sector/product group that witnessed such decline in 2021-22 as compared to 2020-21 would be entitled for such relief.

Refer Annexure-I to Policy Circular for list of such product groups showing the percentage decline in exports during 2021-22 as compared to 2020-21.

3] DGFT Notification No. 43/2015-2020 Dated 09-November-2022

Amendments in Foreign Trade Policy 2015-20 in sync with the RBI's A.P. (DIR Series) Circular No. 10 Dated 11-July-2022.

Revisions in following Paras:

- Para 2.46 Import for Export
- Para 2.53 Applicability of FTP Schemes for Export Realisation in Indian Rupees
- Para 3.20 Status Holder.
- Para 4.21 Currency for Realisation of Export Proceeds.

Amendments under FTP are notified, to permit export benefits / fulfilment of Export Obligations for Invoicing, payment and settlement of exports and imports in INR, as per RBI's A.P. (DIR Series) Circular No. 10 Dated 11-July-2022 with immediate effect.

4] DGFT Public Notice No. 35/2015-2020 Dated 09-November-2022

Amendments in Para 5.11 of the Handbook of Procedures 2015-20 is notified, to permit the Invoicing, payment and settlement of exports and imports in INR for Export Proceeds under EPCG Scheme, with immediate effect, in sync with the RBI's A.P. (DIR Series) Circular No. 10 Dated 11-July-2022.

Para 5.11 of HBP - Realization of Export proceeds

Export proceeds shall be realized in freely convertible currency or in Indian Rupees as per para 2.53 of FTP, except for deemed exports supplies under Chapter 7.

Exports to SEZ units/Supplies to developers/ co-developers irrespective of currency of realization would also be counted for discharge of Export Obligation.

Realization in case of supplies to SEZ units shall be from foreign currency account of the SEZ unit.

5] DGFT Notification No. 46/2015-2020 Dated 30-November-2022

SCOMET Updates 2022 - Amendment in Appendix 3 (SCOMET items) to Schedule - 2 of ITC (HS) Classification of Export and Import Items, 2018.

SCOMET Updated list can be accessed through following web link:

<https://content.dgft.gov.in/Website/dgftprod/f2f4a7a6-1644-4239-809d-1176d0a9bfec/Updated%20SCOMET%20List%2030-11-2022.pdf>

In order to provide transition time to industry, this notification shall come into effect after 30 days of the date of issuance.

6] DGFT Public Notice No. 39/2015-2020 Dated 30-November-2022

The validity of recognition of Pre-Shipment Inspection Agency (PSIAs) included in Appendix 2G of Appendices and Aayat Niryat Forms (A & ANF) of Foreign Trade Policy 2015-20 which are completing their original tenure of three years as on 03.12.2022 is extended upto 31.12.2022.

COMPLIANCE CALENDAR FOR DECEMBER 2022

Due Date	Particulars
	INCOME TAX
7	TDS/TCS Deposit - for the month of November, 2022
15	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of November, 2022 has been paid without the production of a challan
15	Third instalment of advance tax for the assessment year 2023-24
15	Due date for issue of TDS Certificate for tax deducted under u/s 194-IA/194-IB/194M/194S for the month of October, 2022
15	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of November, 2022
30	Report in Form No. 3CEAD by a constituent entity of an international group for the accounting year 2021-22
30	Due date for furnishing of challan-cum-statement in respect of tax deducted u/s 194-IA/194-IB/194M/194S for the month of November, 2022
31	Filing of belated/revised return of income for the assessment year 2022-23 for all Assessee (provided assessment has not been completed before December 31, 2022)
	PF/ESI
15	Payment of PF for November,2022
15	ESI payment for November ,2022
	MVAT
21	Due date for filing and payment of MVAT dues (periodicity-monthly) for November 2022
	GOODS & SERVICE TAX
10	GSTR-7 (by the person who are required to deduct TDS under GST) for November 2022
10	GSTR-8 for the month November 2022
11	GSTR 1 for the month of November 2022 for taxpayer who has not opted QRMP scheme
13	GSTR 6 (to be filed by Input Service Distributor) for the month of November 2022.
13	Due date of filing of GSTR 5 by Non-resident taxable person for November 2022.
20	GSTR 3B for the month of November 2022

20	5A by Non-resident taxable person (OIDAR service provider) for November 2022
22	GSTR 3B for the month of November 2022 for taxpayer having turnover less than INR 5 Crore.
25	Monthly Payment in GST PMT 06 who has opted for QRMP scheme for November 2022.