



DASHPUTE AND  
ASSOCIATES



# D&A Insights

May 2024



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## Foreword

Dear Readers,

We are pleased to present the latest edition of D&A Insight– our newsletter that covers all the important developments and updates in taxation in India and across the globe for the month of May 2024.

We hope you find our newsletter useful and we look forward to your feedback.

You can write to us at [\*\*cadashpute@gmail.com\*\*](mailto:cadashpute@gmail.com). We would be happy to hear your thoughts on what more can we include in our newsletter and incorporate your feedback in our future editions.

Warm regards,

The Dashpute & Associates Team

## Direct and Indirect Tax updates for May 2024

### Corporate Tax

### International Tax

### Indirect Tax

#### **CBDT issues compulsory case selection guidelines for 'Complete Scrutiny' for FY 2024-25**

**(May 3, 2024)**

The CBDT has released **guidelines for compulsory selection of returns for Complete Scrutiny** during the Financial Year (FY) 2024-25. It has also notified the procedure for compulsory selection which is similar to guidelines issued for FY 2023-24.

**For More Details : [Click Here](#)**

#### **CBDT notified Cost Inflation Index (CII) for Financial Year 2024-25**

**(May 24, 2024)**

The CBDT vide Notification No. 44/2024, dated 24-05-2024 has notified **363** as the **Cost Inflation Index for the Financial Year 2024-25**.

**For More Details : [Click Here](#)**

#### **CBDT introduces real-time status display for taxpayers in AIS to track feedback submitted by them**

**(May 24, 2024)**

The CBDT has launched new AIS feature showing taxpayers real-time status of information confirmation, indicating whether feedback has been partially or fully accepted or rejected, requiring correction statement filing if needed.

**For More Details : [Click Here](#)**

**CBDT excludes 'RBI' from list of specified persons for higher tax deduction / collection u/s 206AB and 206CCA**

**(May 27, 2024)**

Section 206AB/206CCA provides that the higher TDS and TCS rate do not apply to the persons who are not required to furnish the return of income and is notified by the Central Government in the Official Gazette on this behalf. Exercising the power, the Central Board of Direct Taxes (CBDT) has issued Notification No. 46/2024 notifying **Reserve Bank of India (RBI)** to whom **TDS and TCS provisions under section 206AB/206CCA will not be applicable.**

**For More Details : [Click Here](#)**

**CBDT amends Form 27Q; added 'Note 7A' for furnishing information about lower or no TDS under section 197A**

**(May 31, 2024)**

The Central Government has notified the Income Tax (Sixth Amendment) Rules, 2024. As per the amended norms, an additional note has been inserted in Form No. 27Q. The additional note pertains to the verification section of the form. Taxpayers are now required to **write "P"** if **lower deduction or no deduction** is in view of the notification issued under **section 197A(1F) of the Income Tax Act**. It will come into effect w.e.f. **July 1, 2024.**

**For More Details : [Click Here](#)**

## Direct and Indirect Tax updates for May 2024

Corporate Tax

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### China publishes measures for the management of beneficial owner information (April 30, 2024)

- To improve market transparency, maintain market order and financial order, and prevent and curb money laundering and terrorist financing activities, the People's Bank of China has formulated measures in accordance with the relevant laws and administrative regulations on anti-money laundering and enterprise registration management.
- In accordance with these provisions, the **following entities shall register beneficial owner information** through relevant registration systems:
  - (1) Company;
  - (2) Partnership;
  - (3) Branches of foreign companies;
  - (4) Other entities specified by the People's Bank of China and the State Administration for Market Regulation
- Individual industrial and commercial households do not need to register the beneficial owner information.

For More Details : [Click Here](#)

### OECD releases updated Guidance on Implementation of Country-by-Country Reporting (May 13, 2024)

- The OECD has released an **updated guidance on Country-by-Country (CbC) Reporting**. This new version includes **new instructions on treatment of dividends for purposes of "profit (loss) before income tax"**, replacing the earlier September 2018 guidance.

- This guidance clarifies that, in line with Revenue, Profit (Loss) before Income Tax excludes payments received from other Constituent Entities if these payments are treated as dividends in the payer's tax jurisdiction.
- The BEPS Action 13 Report lacks specific guidance on interpreting "payments received from other Constituent Entities that are treated as dividends in the payer's tax jurisdiction," leading to varied approaches by jurisdictions and MNEs.
- This updated guidance clarifies that this expression refers to payments classified as dividends in the data source used for completing Table 1 concerning the payer's tax jurisdiction. In CbC report, such payments should be treated consistently in both the payer's and recipient's tax jurisdictions.

**For More Details : [Click Here](#)**

### **UAE releases Corporate Tax Guide on Free Zone Persons**

- The Federal Tax Authority has recently **published corporate tax guide** outlining various provisions for **Investment Funds and Investment Managers**. This guide is designed to provide general guidance to help persons understand the UAE Corporate Tax treatment for investment funds, investors, and investments with the assistance of Investment Managers.
- This guide explains some of the terms and conditions in the Corporate Tax Law and sets out the following:
  - (a) An overview of the meaning of Qualifying Investment Fund and Investment Manager
  - (b) Conditions for a Qualifying Investment Fund to be exempt from Corporate Tax,
  - (c) Conditions for a Real Estate Investment Trust to be exempt from Corporate Tax,
  - (d) Tax implications for an investor investing in a Qualifying Investment Fund,
  - (e) Conditions for a foreign person to benefit from the Investment Manager Exemption as specified under Article 15 of the Corporate Tax Law and
  - (f) Relevant Corporate Tax compliance requirements for the above.
- This guide will be useful for investors, financial advisors, tax professionals, and individuals involved in managing or advising investment funds and provide insights into tax implications, exemptions, and regulations relevant to these entities.



### **Australia modifies Country-by-Country Local File Reporting from January 1 2025** **(May 1, 2024)**

- The Australian Taxation Office (ATO) has released a notification regarding **modifications to Country-by-Country Local file reporting effective from January 1 2025.**
- The current design of the Short Form (SF) requires CbC Reporting Entities (CbCRE) to disclose information about their Australian entities and operations in Local File/Master File (LCMSF) attachment was not delivering a sufficient level of information for SF reporting and having:
  - (a) inconsistent reporting content
  - (b) inconsistent reporting format or structure
  - (c) incomplete information in some reports does not satisfy the level of reporting required in the SF instructions.
- The **LCMSF Schema Version 4.0** is expected to:
  - (a) Simplify reporting requirements for the majority of CbCREs that don't have:
    - personnel reporting overseas
    - restructures (including changes in related party financing)
    - new intangibles arrangements.
  - (b) Increase reporting efficiency through combined MST reporting fields covering both:
    - Restructures
    - new intangibles arrangements

**For More Details : [Click Here](#)**

### **Council of European Union prescribes new withholding tax procedures** **(May 14, 2024)**

- The Council of the European Union agreed on safer and faster procedures to obtain double taxation relief, which will help boost cross-border investment and help fight tax abuse. The so-called FASTER initiative aims to make withholding tax procedures in the European Union (EU) safer and more efficient for cross-border investors, national tax authorities and financial intermediaries, such as banks or investment platforms.



- The Press Release released by the Council outlines various aspects including **double taxation, common tax residence certificate, fast-track procedures, standardised reporting for financial intermediaries**, Background and next steps.

For More Details : [Click Here](#)

### **Australia specifies withholding tax requirements on interest, dividend & royalty payments to Non-Residents** (May 19, 2024)

- The Australian Taxation Office (ATO) published a notice specifying the **obligations of the taxpayers who have paid interest, dividends or royalties, subject to withholding tax**, to a non-resident.
- The taxpayers have the following obligations:
  - Lodge a Pay as you go (PAYG) withholding from interest, dividend and royalty payments to non-residents- annual report by October 31 each year and/or;
  - lodge an Annual investment income report by October 31 each year if the taxpayer is an investment body making interest payments to non-resident investors (or lodge a nil return), and
  - **pay withholding tax to the ATO** unless a withholding exemption or tax treaty relief applies.
- Further, the taxpayers are advised to review their records to ensure that they have lodged any overdue annual reports, correctly classified and claimed deductions in their tax return, withheld the correct amount of tax and paid that amount.

For More Details : [Click Here](#)

### **UAE releases Corporate Tax Guide on "Investment Funds and Investment Managers**

- The UAE Federal Tax Authority (FTA) released the **Corporate Tax Guide on Free Zone Persons** which aims to provide **comprehensive guidance on applying the Corporate Tax Law to Free Zones and Free Zone Persons**.

- The Press Release released by the Council outlines various aspects including **double taxation, common tax residence certificate, fast-track procedures, standardised reporting for financial intermediaries**, Background and next steps.
- It offers an overview of:
  - **conditions that must be met for a Free Zone Person to qualify as a Qualifying Free Zone Person (QZFP)** and benefit from the 0% Corporate Tax rate
  - **activities that are deemed Qualifying Activities and Excluded Activities for a QFZP.**
- This **guide is essential for anyone conducting business in a Free Zone in UAE.** It should be used alongside the Corporate Tax Law, the implementing decisions, and other relevant guidance issued by the FTA.

## Direct and Indirect Tax updates for May 2024

Corporate Tax

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GST

### **NIC to launch E-Way Bill 2 Portal on 1 June 2024** **(May 29, 2024)**

The National Informatics Centre (NIC) has launched the **E-Way Bill 2 Portal** i.e. <https://ewaybill2.gst.gov.in> on June 1, 2024. This portal will ensure high availability and will run in parallel to the e-way Bill main portal i.e. <https://ewaybillgst.gov.in>. The e-way bill 2 portal will synchronize the e-way bill details with main portal.

**For More Details : [Click Here](#)**



## Tax calendar

Area	Due Date	Particulars
Income Tax	7 June 2024	Payment of TDS deducted and TCS collected in May 2024
	15 June 2024	First instalment of advance tax for Assessment Year 2025-26
	29 June 2024	Information and documents to be furnished by an Indian concern under section 285A of the Income Tax Act
	30 June 2024	<b>Form 1 (Annual Equalisation Levy Return)</b> - Statement of Specified Services or E-Commerce Supply or Services
<b>Form 10-IJ-</b> Certificate to be issued by accountant under clause (23FF) of section 10 of the Income Tax Act, 1961 <b>(if assessee is required to file ITR on or before July 31, 2024)</b>		
<b>Form 10-IL-</b> Verification by an Accountant under sub-rule (3) of Rule 21AJA Verification <b>(if assessee is required to file ITR on or before July 31, 2024)</b>		
GST	10 June 2024	GSTR-7 (Return for TDS to be filed by Tax Deductor) for May 2024
		GSTR-8 (Registered E-Commerce operator liable to TCS) for May 2024
	11 June 2024	<b>Filing of GSTR-1 for May 2024 by all registered taxpayers not under the QRMP scheme</b>
	13 June 2024	<b>Details of B2B Supply of a registered person with turnover less than Rs. 5 Crores during the preceding year and who has opted for quarterly filing of return under QRMP</b>
		GSTR-5 for May 2024 to be filed by Non-Resident Foreign Taxpayers
		GSTR-6 for May 2024 to be filed by Input Service Distributor (ISDs)
	20 June 2024	<b>Due Date for filling GSTR – 3B return for the month of May 2024 for the taxpayer with Aggregate turnover exceeding Rs. 5 crores during previous year</b>
Due Date of payment of GST for a taxpayer with Aggregate turnover up to INR 5 crores during the previous year and who has opted for Quarterly filing of return under QRMP.		

## About Dashpute & Associates

Dashpute and Associates is a leading Chartered Accountant firm having a rich blend of the heritage of 36 years and aspirations of a growing firm, which provides tailor-made solutions to satisfy the client's needs through a flawless and dedicated process, technology, and innovation.

Dashpute and Associates is a professionally managed firm. The team consists of young, experienced, and energetic Chartered Accountants, Company Secretaries, and Corporate Financial advisors. The firm represents a combination of specialized skills, which are geared to offer sound financial advice and personalized proactive services. The firm provides end-to-end business solutions including **Business setup, Accounting, Payroll, Assurance, Compliances, Advisory, etc.**

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