

A black and white photograph of a hand holding a newspaper is partially obscured by large, diagonal geometric shapes in shades of teal and dark blue. The newspaper's text is visible but mostly illegible due to the overlay and blurring.

ASC TIMES NEWSLETTER

Volume 35 August 2024

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- Seeks to amend 32 notifications in order to extend their validity to a further period and amend notification No. 153/94-Customs to extend the time period for re-export of certain foreign origin goods when imported for maintenance, repair and overhaul.
- Seeks to amend notification no. 27/2011-Customs dated 1st March, 2011 in order to amend the export duty on specified items of raw hides, skins and leather.
- Seeks to provide exemption/concessional rate of BCD and SWS to critical minerals.



- Seeks to amend notification No. 57/2000-Customs dated 8th May 2000, which provides concessional rate for gold, silver and platinum imported under specified schemes.
- Seeks to amend notification No. 11/2021-Customs dated 1st February, 2021 so as to revise AIDC applicable on certain items.
- Seeks to further amend notification No. 50/2017-Customs dated the 30th June, 2017, so as to notify BCD-related changes.
- Seeks to amend notification No. 50/2017-Customs to give effect to the recommendation of the 53rd GST Council meeting.
- Seeks to provide an exemption from Compensation Cess leviable on imports by SEZ unit or developer for authorised operations.
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MESSAGE FROM CEO

Dear Readers,

We are delighted to release our Monthly newsletter '**ASC TIMES - AUGUST**' Edition considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the Volume - **35** of our monthly newsletter. ASC Times summarizes all the business-related news & government updates like imparting relevant information, press releases, notifications, periodic updates, etc. to keep you updated with things affecting the business as a whole.



This newsletter is designed as a comprehensive knowledge-sharing initiative focused on updating you with all the monthly updates covering Income Tax Act 1961, Company's Act 2013, Foreign Exchange Management Act (FEMA), Customs, etc.

ASC Group, continues to be the leader for financial, secretarial, legal & management advisory for more than 25+ years of industry experience operating out of 12 offices globally. Our team of 300+ professionals consists of experienced Chartered Accountants, Company Secretaries, Lawyers, Investment Advisors, and Management Consultants who continuously contribute towards the ease of doing business across the world.

We as ASC always believe in strengthening the relationship between us and share timely and insightful editions.

ASC releases a monthly Newsletter named '**GST TIMES**' and '**INSOLVENCY TIMES**' which provides a rewarding experience to the reader.

Best regards
Alok Kumar Agarwal
Founder & CEO
ASC Group



COMPLIANCE CALENDAR

Sr. No.	Date	Compliance	Period
1	7th Aug 2024	Due date for deposit of Tax deducted/collected for the month of July, 2024.	July 2024
2	14th Aug 2024	The due date for issuing of TDS Certificate for tax deducted under sections 194-IA, 194-IB and 194M in the month of June, 2024	June 2024
3		Due date for issue of TDS Certificate for tax deducted under section 194S (by specified person) in the month of June, 2024	June 2024
4	15th Aug 2024	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of July, 2024 has been paid without the production of a challan	July 2024
5		The due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for the month of July 2024	July 2024
6		Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2024	April 2024 – June 2024
7		ESIC payment for the month of July 2024	July 2024
8		PF payment for the month of July 2024	July 2024
9	30th Aug 2024	The due date for furnishing of challan-cum-statement in respect of tax deducted under sections 194-IA, 194-IB and 194M for the month of July, 2024	July 2024
10		The due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S (by specified person) in the month of July 2024	July 2024
11	31st Aug 2024	Application in Form 9A for exercising the option available under Explanation to Section 11(1) to apply the income of the previous year in the next year or in future (if the assessee is required to submit a return of income on October 31, 2024).	FY 2023-24
12		Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit a return of income on October 31, 2024)	-



Indo Japan News

Japan, US, Australia, India at Tokyo talks on maritime and cyber security amid China concerns

The top diplomats from India, Japan, the USA and Australia met in July to discuss the security concerns and joint support to reinforce maritime safety and cyber security in the Indo-Pacific region after growing tensions with China. The four ministers strongly expressed their opposition to Beijing's rising assertiveness in the South China Sea. There are growing tensions in the Asia-Pacific nations due to China's claims over the South China Sea and maritime trade routes. Further, China's military expansion is being criticized due to a lack of transparency. Further, China also claims Taiwan as its territory. [Read more](#)

India and Japan have set a \$42 billion investment target by 2027: S Jaishankar

India and Japan have set an investment target of \$42 billion (Yen 5 trillion) by the year 2027 as stated by our External Affairs Minister S Jaishankar. Emphasizing on the development of India-Japan ties, Jaishankar stated that we have constructed 8 new airports annually, added 1.5 to 2 new metro systems in different cities, built 28 kilometers of highway daily and laid down 8 kms of railway tracks daily. Currently, there are 1400 Japanese firms operating in India and this number is expected to increase in the future. [Read more](#)

Budget at a glance: What's in store for India's solar industry and Japan expo in budget 2024-25?

Global rating agencies Moody's and Fitch Ratings gave a thumbs-up to India's Budget 2024-25, emphasizing on the clear policy continuity on the -

capital spending front. As per the agencies, the budget demonstrates a firm commitment towards deficit reduction, revising the fiscal deficit target to 4.9% of the GDP as against the 5.1% in the interim budget. Some of the key policies included duty exemptions for solar manufacturing machinery, Rs. 400 crore allocation for the 2025 World Expo in Japan and extending support for the tea worker's healthcare and education. [Read more](#)

Budget 2024: Govt allocates Rs 400 cr for World Expo 2025 participation in Japan

The government has allocated a budget of Rs. 400 crores in the Budget 2024-25 that will enable India's participation in the World Expo 2025 in Japan. It will be held in Osaka Japan from 13th April - 13th October 2025. As per the budget documents, an India Pavilion will be set up in the expo at an estimated expenditure of Rs. 30 crores in 2024-25 to Rs. 100 crores in 2025-26. India will be showcasing its key initiatives such as Digital India, Make in India etc. This will help generate significant opportunities in the various sections of India. [Read more](#)

Huge potential for Indian garment players to export products to Japan: APEC

The Apparel Export Promotion Council (AEPC) stated that the Indian garment players have huge potential to export their products to Japan. The domestic industry should take advantage of the Free Trade Agreement (FTA) between the two nations. The AEPC will be leading a delegation to participate in the India Text Trend Fair (ITTF) in Tokyo. It will be a 3-day fair from 23rd July and approximately 200 exhibitors will be participating in the fair. Total garment exports of Japan are \$23 billion and India's share is just 1.37%.

[Read more](#)



India, Japan, Taiwan trinity on top of investor mind, shows BofA survey

As per a survey of Asian Fund Managers conducted by brokerage firm BofA, India, Japan and Taiwan continue to be at the top of investor mindshare. China and Taiwan lag at the bottom from an allocation perspective. Asia Pacific fund managers are 51% overweight Japan, 32% overweight India and 24% overweight Taiwan. China is at the bottom of the table with 43% net underweight. Semi-conductors have remained the most preferred sector despite of the modest clawback on the outlook of the semiconductor cycle. [Read more](#)





NEWS HIGHLIGHTS

Budget 2024 Key Highlights: New tax slabs in effect, fiscal deficit projected to reduce in FY2025

Finance Minister Nirmala Sitharaman announced the budget 2024-25 in the parliament on 23rd July and it got mixed reactions from different classes. Taxpayers were certainly disappointed by the increase in the rate of STCG from 15% to 20% and LTCG from 10% to 12.5%. Real estate investors were also taken aback by the removal of indexation benefits in long-term capital gains. This is believed to enhance their tax liability manifold. There were certain changes in the slab structure in the new regime. The standard deduction for salaried people was also increased from Rs. 50,000 to Rs. 75,000. Further, the deduction for the employer's contribution towards NPS was enhanced from 10% to 14% of the employee's salary, thereby enhancing the social security benefits. [Read more](#)



Households lose Rs 60,000 cr a year on F&O gambling! The risk explained

SEBI has again raised an alarm about the risky trend going on amongst investors. This time it's not about normal equities but Futures & Options (F&O). As per SEBI, Indians are losing approximately Rs. 60,000 crores each year by gambling on the F&O contracts. SEBI Chief Madhabi Puri Buch stated that this could hurt the overall economy. Most F&O bets usually end in losses. They come with a definite deadline and if your prediction goes wrong by that date, you end up in loss. This is unlike equity shares or mutual funds whereby you can wait for profitability. To curb these losses, the SEBI is proposing new rules for making F&O trading less attractive amongst everyday investors. This will include the number of F&O contracts that can expire each week, increasing the minimum amount of investment needed in F&O contracts and requiring the investors to pay the full amount of the contract upfront instead of just the deposit. [Read more](#)

Made-in-India fights a battle of tags on American and European shelves

China, being the factory of the world, has allowed it to put Made in China merchandise on the shelves across the Western countries. India too now eyes to place its own Made in India goods on those shelves. Due to geo-political concerns and the pandemic, India has earned a chance to Make in India for the world. Other Asian countries like Vietnam and Bangladesh are too at the receiving end of these opportunities. They always had an edge over India due to cheap labour. For the past few years, India has been trying hard to boost the manufacturing of goods for the world. Many of the big foreign brands are sourcing goods from India. [Read more](#)



Mumbai-Ahmedabad high-speed rail corridor: India working on developing bullet trains with Indigenous tech, says Ashwini Vaishnaw

Railway Minister Ashwini Vaishnaw stated that India is steadily advancing towards the development and completion of the bullet train project using indigenous technology. He stated that the country's first bullet train project is currently under construction between Mumbai and Ahmedabad and is supported by Japanese collaboration. The project covers a total distance of 508 kms between Mumbai and Ahmedabad. Ashwini also highlighted the ongoing construction of India's first undersea rail tunnel that stretches across 21 kms. [Read more](#)



INCOME TAX



Ministry of Finance releases FAQs clarifying amendments proposed for capital gains taxation

The capital gains head under the income tax law saw a major shift in the Budget 2024, causing agitation and raising concerns amongst the taxpayers. Some of the major areas of changes included an increase in the tax rate of Short Term Capital Gains from 15% to 20%, an increase in the tax rate of Long Term Capital Gains from 10% to 12.5% and removal of indexation. Following this, the CBDT has issued Frequently Asked Questions (FAQs) clarifying the amendments that were proposed for the capital gains taxation. As per the clarifications, the holding period has been simplified as there are only two holding periods i.e., 1 year (for listed securities) and 2 years (for all the other assets). Further, the budget has brought parity between Resident and Non-Resident. The new provisions for taxation of capital gains shall be applicable on any transfers made on or after 23-07-2024. Also, the exemption limit in the case of LTCG has been increased from Rs. 1 lakh to Rs. 1.25 lakhs. [Read more](#)



OECD releases report on 'Beneficial Ownership and Tax Transparency - Implementation and Remaining Challenges'

The OECD has released a report on 'Beneficial Ownership and Tax Transparency - Implementation and Remaining Challenges'. It emphasizes on the issue of transparency of beneficial ownership. The aim is to curb the corruption, tax evasion, money laundering and all other illicit financial flows that can flourish under the guise of opaque ownership. The G20 in 2016 anticipated the benefits of implementing the beneficial ownership standards. The Global Forum Developed a three-component action plan. The first component focused on the peer review of beneficial ownership requirements. The second component focused on closer institutional cooperation. In the third component, the Global Forum focuses on the compilation and dissemination of the best practices and examples of effective implementation and on providing assistance. [Read more](#)





Master Directions on Cyber Resilience and Digital Payment Security Controls for non-bank Payment System Operators

The security and safety of the payment systems is one of the key objectives of the RBI. In order to ensure that the authorized non-bank Payment System Operators (PSOs) are resilient to the emerging and existing cyber security risks and emerging information systems, RBI announced the issue of directions on Cyber Resilience and Payment Security Controls for Payment System Operators (PSOs) in Statement on Developmental and Regulatory Policies. Accordingly, detailed directions are now introduced by the RBI and will be implemented in a phased-wise manner based on the size of the PSO. [Read more](#)

Master Direction on Treatment of Wilful Defaulters and Large Defaulters

The RBI has recently issued the RBI (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024 and these directions shall be applicable to lenders, Asset Reconstruction Companies as well as Credit Information Companies (CICs). Further, the restrictions on further financial accommodation to wilful defaulters shall be applicable to all the entities regulated by the RBI irrespective of whether they fall under the definition of lender or not. The directions lay down broad guidelines for the identification and classification of wilful defaulters, specific measures against them, transparent mechanisms, internal audit etc. [Read more](#)

Small Value Loans – Primary (Urban) Co-operative Banks (UCBs)

The Urban Co-Operative Banks (UCBs) are required to have at least 50% of the aggregate loans and advances comprising of Small Value Loans. This comprises of loans not exceeding Rs. 25 lakhs or 0.2% of their Tier-I capital whichever is higher, subject to a maximum of Rs. 1 crore. 31st March 2024 was set as the target date to comply with the above requirements. However, considering the difficulties being by the UCBs, it has been decided to extend the glide path as follows: [Read more](#)

Target Date	31st March 2025	31st March 2026
Minimum percentage of Small Value Loans in aggregate loans and advances	40%	50%

Bank Finance against Shares and Debentures

As per the earlier circulars, the RBI advised the UCBs that the aggregate of all their loans against the security of shares and debentures should be within the overall ceiling limit of 20% of their owned funds. After a review, it has been decided that the overall ceiling limit of 20% shall be linked to the Tier I capital of the bank as on 31st March of the previous financial year. This change should be effective from 1st January 2025. [Read more](#)

Domestic Money Transfer – Review of Framework

The framework for domestic money transfer was introduced in 2011. After that, there has been a significant increase in the number of banking outlets, ease in fulfilling of KYC requirements and development of payment systems. Users now have multiple digital options for fund transfers. Therefore, the RBI has conducted a review of the framework and made some crucial changes. For cash payout services, the remitting bank needs to keep a record of the name and address of the beneficiary. For cash pay-in services, the business correspondents or remitting banks shall register the remitter on the basis of a verified cell phone number and a self-certified 'Officially Valid Document'. Each transaction conducted by the remitter should be validated by an Additional Factor of Authentication (AFA). The Remitting Banks and their BCs shall adhere to the provisions of the Income Tax Act, 1961 and the rules and regulations made thereunder relating to cash deposits. Further, the remitter details should be included as part of the NEFT/IMPS transaction message. The transaction message should also include an identifier in order to identify the fund transfer as a cash-based remittance. [Click here to read the full notification.](#)



Seeks to amend notification No. 45/2017-Customs dated 30th June, 2017 in order to extend the time period of re-import.

The CBIC has issued a notification to extend the time limit for reimport of certain goods. The notification shall be applicable to the following goods:

- Lubricating oil falling within Chapter 27 of the First Schedule to the Customs Tariff Act, 1975, imported in the engines of any aircraft registered in India or of any aircraft of the Indian Air Force
 - Fuel other than Aviation Turbine Fuel in the tanks of the aircraft of an Indian Airline or of the Indian Air Force
- The time limit of reimporting within 3 years has been replaced with the words 'reimported within 5 years'. The notification shall come into effect from 24th July 2024. [Read more](#)

Seeks to amend 32 notifications in order to extend their validity to a further period and amend notification No. 153/94-Customs to extend the time period for re-export of certain foreign origin goods when imported for maintenance, repair and overhaul.

The government, in the public interest, has decided to extend the validity and time period for the re-export of certain foreign-origin goods when these are imported for repair, maintenance and overhaul. This is done by updating various previous notifications issued by the Customs Department. The extension shall come into force with effect from 24th July 2024. [Read more](#)

Seeks to amend notification no. 27/2011-Customs dated 1st March, 2011 in order to amend the export duty on specified items of raw hides, skins and leather.

The CBIC has issued a notification in order to amend the export duty on certain specified items of raw hides, skins and leather. Here's how the new customs rate applies: [Read more](#)

Raw hides and skins or Raw skins(excluding raw hides and skins of buffalo)	40%
Raw hides and skins of buffalo	30%
Tanned or crust hides and skins of bovine (including buffalo) or equine animals, other than E.I. tanned leather	20%
Tanned or crust skins of sheep or lambs, other than E.I. tanned leather	20%
Tanned or crust hides and skins of other animals, other than E.I. tanned leather	20%
E.I. tanned leather	NIL
Finished leather of goat, sheep and bovine animals and of their young ones	NIL
Raw fur skins	40%
Tanned or dressed fur skins	20%

Seeks to provide exemption/concessional rate of BCD and SWS to critical minerals.

Certain minerals are critical for the nation and imposing import duty on such minerals only adds to their overall cost. Therefore, considering the public interest, the government has provided exemptions and concessions on the rates of Basic Customs Duty and Social Welfare Surcharge of certain critical minerals. [Read more](#)

Seeks to amend notification No. 57/2000-Customs dated 8th May 2000, which provides concessional rate for gold, silver and platinum imported under specified schemes.

The government has decided to reduce the rate for gold, silver and platinum that is imported under the specified schemes. Accordingly, it has been reduced from 9.35% to 4.35, leading to a flat 5% reduction. This shall become applicable from 24th July 2024. [Read more](#)

Seeks to amend notification No. 11/2021-Customs dated 1st February, 2021 so as to revise AIDC applicable on certain items.

The government levies Agriculture Infrastructure and Development Cess (AIDC) on certain goods to help fund the expenditures associated with agricultural development and infrastructure. Recently, the government has issued a notification to revise the AIDC that is applicable to certain items that shall come into effect from 24th July 2024. [Read more](#)

Seeks to further amend notification No. 50/2017-Customs dated the 30th June, 2017, so as to notify BCD-related changes.

The government has released the notification to notify changes in the rates of Basic Customs Duty of certain goods considering it necessary in the public interest. This basically included seafood and related products like live SPF Vannamei shrimp, artemia, live black tiger shrimp, shea nuts etc. [Read more](#)

Seeks to amend notification No. 50/2017-Customs to give effect to the recommendation of the 53rd GST Council meeting.

The government has recommended a change in the tax rates of certain goods in order to give effect to the recommendations of the 53rd GST Council meeting. Further, certain conditions have been inserted that include furnishing a certificate to the Deputy Commissioner of Customs or Assistant Commissioner of Customs of the port of import. Further, a bond shall be executed to re-export the goods within a period of 2 years from the date of import that can be extended to another 1 year upon request of the importer. [Click here to read the full notification.](#)

Seeks to provide an exemption from Compensation Cess leviable on imports by SEZ unit or developer for authorised operations.

The government has issued a notification that exempts the SEZ units and SEZ developers from the levy of GST Compensation Cess on the imports made by them. This notification came into effect from 15th July 2024.

[Read more](#)

Amendment in Circular No. 29/2020-Customs dated 22.06.2020 for allowing transshipment of Bangladesh export cargo to third countries through Air Cargo Complex, Kempegowda International Airport, Bengaluru-reg.

The government received various representations from the stakeholders to permit the transshipment of Bangladesh export cargo to third countries through the Air Cargo Complex, Kempegowda International Airport, Bengaluru. The government has allowed the transshipment of Bangladesh export cargo through Kolkata Air Cargo and Delhi Air Cargo. The goods were loaded on containers and close-bodied trucks and entered India from LCS Petrapole to move towards Kolkata Air Cargo or Delhi Air Cargo. Representations were made to allow movement through the Air Cargo Complex, KEmpegowda International Airport, Bengaluru also for better cargo evacuation. The government, therefore, has allowed the same with effect from 15th July 2024. [Read more](#)





PUBLICATIONS

INTERNAL PUBLICATION

Valuation of Imported Goods & Calculation of Customs Duty – Customs Valuation Rules

Customs duty is important for protecting the domestic industry and reducing India's dependency on imports. It is calculated based on the assessable value of the goods imported, which includes the levy of countervailing duties, social welfare surcharge, and other protective duties. The transaction value of imported goods is determined by the price paid or payable for delivery at the place and time of importation. Identical goods are defined under Rule 2 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

[Read more](#)

Latest Changes in ITR and Tax Audit Report: Assessment Year 2024-25

As the ITR and audit season approach, it is important to understand the changes in ITR forms and tax audit reports. The new tax regime is the default regime from this year. ITR Forms 2, 3, 5 and 6 require a Legal Entity Identifier (LEI) when claiming a refund amounting to Rs. 50 crores or more. Companies required to file their returns in Form ITR-6 are now required to include acknowledgement numbers and Unique Document Identification Number (UDIN) for the tax audit report. Details regarding contributions made to the political parties shall be disclosed in the new Schedule 80GGC.

[Read more](#)

QUOTE OF THE MONTH

***No matter how hard the past is, you
can always begin again.***

- Buddha

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