

10 THINGS YOU NEED TO KNOW ABOUT INDIRECT TAXES AND TAX TECHNOLOGY

INDIAN INDIRECT TAXES

1. GST RELIEF AMIDST COVID-19



PREPARE TO BE
COMPLIANT WITHIN
EXTENDED
TIMELINES

- Extension in timelines for compliance and proceedings (including Sabka Vishwas Scheme) amidst pandemic
- GST audit for FY 2018-2019 extended till 30 June 2020
- Relaxation under Rule 36(4) allowing cumulative input tax credit reconciliation till Sep 2020
- Launch of Form PMT-09 allowing inter-head transfer of cash balance available in the electronic cash ledger

3. ZERO RATING & REFUND DRIVE



SETUP HELPDESK &
JURISDICTION
COMMUNICATION
MATRIX

- Amidst COVID, special initiative to dispose certain pending refund cases under GST & Custom by 30 April 2020. Larger focus on claims by MSMEs. Intent is to assist in working capital requirement of tax payer.
- 1 lakh Businesses | INR 18,000 crore refund to be processed subject to appropriate due diligence. Clarity on eligibility and due diligence guidelines not prescribed in public domain yet
- Turnover for zero rated related refund calculation limited to 1.5 times of domestic supplies or similar placed supplies. Meaning of 'similarly placed supplier' not been clarified



EXPOSURE
CREATED DUE TO
AAR ON
DIRECTOR
REMUNERATION

2. KEY RULINGS

- 2020 (4) TMI 228 - AAR RAJASTHAN:** Remuneration paid to directors is liable to GST under Reverse Charge
- 2020 (4) TMI 269 - RAJASTHAN HIGH COURT:** Demand notice issued by GST authorities for recovery dues settled by NCLT, has been quashed by the HC. The demand notices are held as ex-facie illegal, arbitrary and per-se non-sustainable



INDIA TO
RECIPROCATATE THE
PTA SUBJECT TO
COMMUNICATION
FROM OTHER
COUNTRIES

4. CUSTOMS & FTP

- Procedural relaxation w.r.t certificate of origin for import under Free Trade agreements. To be issued retrospectively post lockdown.
- Current FTP extended till 31 Mar 2021
- Extension in validity of scheme and incentives under foreign trade policy.
- Changes in ITC (HS) – making export policies free for specified pharma APIs & formulations

GCC TAXES

5. RELIEF AMIDST COVID-19



RECONSIDERATION
APPLICATION TO
BE FILED AS IS

- KSA & UAE extend timelines for VAT & excise compliances - filing of returns and discharging tax obligation, for a specified tax period
- UAE announces 1% custom duty saving / refund subject to conditions
- Extension with regard to filing of reconsideration application in UAE is not yet announced and accordingly the same shall continue to be governed by current deadline as per VAT law



AMNESTY
SCHEME IN
PUBLIC INTEREST

6. OTHER AMNESTY MEASURES BY KSA AUTHORITY

- Registered taxpayers exempted from late payment penalty, late filing penalty and penalty for amendment of declaration in case of Voluntary Disclosure or filing non-filed declarations before 30 June 2020
- Granting Zakat certificates without restrictions for period of fiscal year 2019
- Accepting installment plans without insisting for down payment
- Accelerating payment towards refund requests

TAX TECHNOLOGY

7. WILL TECHNOLOGY REPLACE US?



EXISTING RESOURCES
+ DIGITIZED PROCESS
AND OPERATION =
DIGITAL ENTERPRISE

- COVID-19 has made us all tech-abled, attempting to mitigate disruption to the maximum. A tribunal disposed off an urgent hearing through video conferencing, the first initiative by the Government
- This establishes that technology is here to aid us, not replace us
- Technology is a platform that brings our goals closer to us and makes our work strategy driven. Strategic functions will always be the human forte.



57% OF TAX
FUNCTIONS
CAPABLE OF
AUTOMATION

8. HOW MUCH CAN YOU AUTOMATE TAX FUNCTION

- An organisation should start with having minimum defined limit in adding incremental automation in routine processes/ functions. Each short term goal to stay aligned with upgrading economy and have minimum technology disruption as per industry standards
- Changes in role of a TAX MAN means transition from deciphering legal language to application of knowledge in businesses and reporting requirement on tech platforms

9. WHAT INDUSTRY SHOULD KNOW ABOUT TAX TECH



TAX-TECH
ADVISORY+
CHANGE
MANAGEMENT =
SUCCESSFUL TECH
SOLUTION

- Onboarding the right knowledge partner who will align tax requirements using tech capabilities for top synergies
- Maximising usage of tools today – Reconciliation, Validation, ASP/ GSP Services, Tax Compliance Automation
- Most automation plans do not achieve desired output for lack of tax-tech advisory & changed management support
- Key considerations while adopting Tax Technology: Data attributes; Process optimisation & automation; Type of technology; Cost allocation; Ecosystem



TAXMAN →
TAX TECH-MAN

10. WHAT TMSL CAN PROVIDE

- From a traditional Taxman to Tax Tech-man. Automating all that can be automated in a phased manner and embracing the change to be in line with global practices
- What we bring to the table is – Digital advisory, Automated compliance & Litigation Management. For further details, visit <https://tmsl.in/>

DISCLAIMER

The above content is from an informative or knowledge perspective and not any legal perspective, basis the law and regulations prevailing as on the date of this publication.

CONNECT WITH US

Jigar Doshi + 91 98202 03026
Pratik Shah: +971 5595 78232

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