

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

INDIAN INDIRECT TAXES



1. EASING MEASURES TAKEN UNDER IDT

- Due date for filing Kerala Flood Cess Return for Feb 2020 to May 2020 extended based on turnover ranging from 24 June 2020 to 12 July 2020
- Rental waiver to units in STPI for 4 months (Mar to Jun 2020) benefitting ~INR 5 crores
- Judicial Cell of CBIC issues guidelines for conducting Personal Hearings in Virtual Mode

PREPARE TO BE COMPLIANT WITHIN EXTENDED TIMELINES



RECEPTIVENESS DURING THE PANDEMIC

2. DEVELOPMENTS UNDER GST

- Retrospective amendment prescribing the time limit for availing transition credit effective 18 May 2020
- GST Audit due date for FY 18-19 extended to 30 Sep 2020
- Payment of duty under the SVLDRS has been extended up to 30 June 2020
- IGST refund on exports - Shipping bills issued up to 31 Dec 2019 will now be considered for error correction in customs EDI system



3. KEY RULINGS

- NAA in case of Emaar MGF Land Ltd:** One of principles of decision held that mathematical methodology applied by authorities can be relied on for determining benefit under anti-profiteering investigation
- Delhi HC in case of Brand Equity Treaties Limited and others:** Transitional credit is vested and accrued right of taxpayer and should not be restricted by default in filing returns (Sources suggest SLP filed by revenue in SC against the said ruling)
- AAR in Anil Kumar Agarawaal:** Executive director remuneration shall not be liable to GST reverse charge

JUDGMENTS LEADING TO ASSESSING EXPOSURE OF LIABILITY INTERNALLY



FURTHER BENEFITS & EXTENSIONS AMIDST PANDEMIC

4. DEVELOPMENTS UNDER CUSTOMS & FTP

- Clarification issued that the incidence of NCCD, to be factored in calculation of Brand Rate of duty drawback
- Asia Pacific Trade agreement – revision in security amounts for Provisional Assessment of consignments originating in China subject to conditions
- ITC (HS) amendment - Export prohibition limited to only notified HS codes of 'Alcohol based' sanitizers

GCC TAXES



5. CHANGES IN RELATION TO REAL ESTATE – UAE

- FTA has amended the Real Estate Guide to explain treatment of certain real-estate sector transactions related to labour accommodation, bare land, owner association, Musataha agreement, input tax apportionment etc.
- FTA issued Public Clarification on 'Change in the permitted use of a building' clarifying the date of supply provisions at the time of supply of building considering its current permitted use

REALIGNING THE POSITION TAKEN BASIS THE CLARIFICATION ISSUED



PREPARE FOR TRANSITION DUE TO RATE CHANGE

6. CONFRONTING ECONOMIC IMPACT OF COVID 19 - KSA

- KSA increased the VAT rate from existing 5% to 15% effective from 01 July 2020
- Government also announced discontinuation of cost of living allowance
- Announcement, if any is awaited from tax Authorities of UAE and Bahrain for rate changes

TAX TECHNOLOGY



ALIGNING & PRIORITIZING BASIS THE BUSINESS NEEDS

7. HOW TO PRIORITIZE TAX AUTOMATION PLAN IN BUSINESS ENVIRONMENT

Prioritization must be done basis following needs in the organisation

- Data management support (data extraction and massaging)
- Workflow management support
- Accuracy and efficiency in reporting and execution (such as process automation, validations, accuracy, reconciliations)
- Data analytics and decision making
- User interface including external interfaces (vendor or customer portals) & internal interfacing technology



WHAT GST DATA ABALYTICS CAN ADD TO THE BUSINESS

8. DATA SCIENCE – TOP 5 VALUE ADDITIONS

- Visibility on trend and ratios related to sales and procurements
- Aid in strategizing procurement, inventory and sales plan
- Manage cash flow and working capital
- Insights on Performance of location office
- Mapping vendor and customer health

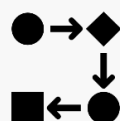
Imperative for organizations to consider building more from GST data. Data analytics on GST information could prove a very potent to tool for projecting future business.



MOVING WITH THE GOVERNMENT

9. TECH UPDATES ON GST PORTAL

- Option to file returns using EVC for all categories upto Jun 2020
- Possibility to adjust negative ITC, while distributing credit to its units by ISD through Form GSTR6
- Creation of Electronic Cash ledger, Liability Register and payment challan for UIN holders
- Introduction of 'Intimation on account of Refund not received' for taxpayers to file an application on GSTN, giving details of pending refunds



ENHANCING BUSINESS FUNCTIONS

10. HOW TMSL CAN HELP IN YOUR AUTOMATION PLAN

Technology disruption entails a massive substitution of established practices with systems having considerably superior traits. TMSL seeks to serve three goals for your business namely

- Converting tech disruption in Tax domain to an advantage
- Augment Indirect tax data for business growth
- Become Tax automation partners to join organizations in their endeavour of tech adaptation for optimizing tax processes

To know more visit us on www.tmsl.in

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