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FIN-O-SCOPE

30 Nov, 2024

PAN 2.0 Project Gets CCEA Approval

Press Release | Date: 26-11-2024

The Cabinet Committee on Economic Affairs (CCEA) has approved the PAN 2.0 Project, which aims to simplify the management of PAN and TAN services. This is great news for taxpayers, as it will provide a unified platform for all PAN-related services, including applications, updates, Aadhaar-PAN linking, and online validation.

Key Features of PAN 2.0:

- Unified portal for all PAN/TAN services
- Paperless processes to reduce paperwork
- Free PAN issuance with faster processing
- Enhanced data security through a PAN Data Vault
- Dedicated support via a new call center and helpdesk

Aligned with the Digital India initiative, the project ensures quicker, more transparent, and secure services, making it a major step towards streamlining the taxpayer experience.

Top Trends to **Watch**

- India’s domestic aviation industry records its best month ever.
- China extends multiple-entry visas for Shenzhen residents traveling to Hong Kong.
- RBL Bank terminates its partnership with Bajaj Finance for co-branded cards.
- Reliance leads the Wizikey media visibility rankings for 2024 among all listed companies.

Top Trends to **Watch**

- Gold prices drop by ₹2000 per 10 gm this month.
- Fundraising through QIP reaches ₹1 trillion for the first time in history.
- Enviro Infra IPO shareholders see significant gains; stock lists with a 49% premium.
- Nifty records back-to-back monthly losses, with FPIs being net sellers in November.
- Supreme Court denies stay on SAT order in the Cairn India buyback case.
- Angel One faces a ₹6 lakh penalty from SEBI for regulatory non-compliance.
- TD Bank appoints HSBC Canada's former chief compliance officer.
- VW India unit faces a $1.4 billion tax evasion notice.
- JPMorgan agrees to drop lawsuit against Tesla over stock warrants.
- Vedanta fined ₹5,00,000 for non-compliance in FACOR disclosure.
- SEBI penalizes Reliance Securities for regulatory breaches.
- Law firms and corporate legal departments are increasingly adopting hybrid work models, combining in-person and remote work.

Institute of Chartered Accountants of India v. CA Shri Subhajit Sahoo

Court: High Court of Delhi | Case no. CHAT A. REFERENCE CASE NO. 2 OF 2019 | Dated: 20-11-2024

Case Overview:

- CA Subhajit Sahoo found guilty of professional misconduct by ICAI.
- Issued two Utilisation Certificates without proper verification, which were later found to be forged.

Key Facts:

- The first certificate claimed an expenditure of Rs. 2.50 lakhs, but inspection revealed only Rs. 41,000 was spent.
- A second certificate was issued with the corrected expenditure but appeared backdated.

Professional Misconduct:

- The CA was negligent in verifying documents (like invoices or receipts) before issuing certificates.
- Found guilty of gross negligence under section 22 of the Chartered Accountants Act, 1949.

Standard of Proof:

- The Court clarified that the standard of proof for professional misconduct is "balance of probabilities," not beyond reasonable doubt as in criminal cases.
- Delay in Proceedings:
- The case was pending for 19 years, with no prior complaints against the CA during his 30-year career.

Punishment:

- Initially recommended a one-year removal from the ICAI register.
- The Court modified the penalty to a severe reprimand due to the prolonged proceedings and the CA's clean professional history.

Safe Harbour Rules for Diamond Mining Businesses

Notification No. 124/2024 | Dated: 29-11-2024

The Ministry of Finance has introduced Income-tax (Tenth Amendment) Rules, 2024, effective retrospectively from April 1, 2024, applicable for AY 2024-25.
Key points:

- **Eligible Businesses**: Foreign companies selling raw diamonds in notified special zones with profits at least 4% of gross receipts.
- **Simplified Compliance**: Submit Form No. 3CEFC before filing returns to opt for safe harbour.
- **Limitations:** Loss set-off and unabsorbed depreciation are disallowed for eligible income.

This amendment aligns with the government's ease-of-doing-business and transparency goals.

Exemption from Sec. 194N TDS for Foreign Representations Approved by Ministry of External Affairs

Notification No. 123/2024 | Dated: 28-11-2024

The Central Government, in consultation with the Reserve Bank of India (RBI), has exempted Foreign Representations from the provisions of Section 194N of the Income-tax Act, 1961.

Entities Covered by the Exemption:

- Diplomatic Missions: Embassies and High Commissions representing foreign countries.
- United Nations Agencies: Organizations part of the United Nations system.
- International Organizations: Recognized foreign entities operating in India.
- Consulates and Offices of Honorary Consuls: Foreign consular offices, including honorary consuls.

Reason for Exemption: These entities are exempt from tax in India under international agreements and laws, such as:

- The Diplomatic Relations (Vienna Convention) Act, 1972.
- The United Nations (Privileges and Immunities) Act, 1947.

Effective Date: This notification will be effective from 1st December 2024.

E-Filing Requirements for Income Tax Forms – Effective from 22 Nov, 2024

Notification No. 06/2024 | Dated: 19-11-2024

In a recent move to enhance the efficiency and streamline the process of income tax appeals, the Government of India has mandated that certain income tax forms be filed electronically, starting from November 22, 2024.
The affected forms include:

- **Form 42**: Appeal against the refusal to recognize or withdraw recognition from a provident fund.
- **Form 43**: Appeal against the refusal to approve or withdraw approval from a superannuation fund.
- **Form 44**: Appeal against the refusal to approve or withdraw approval from a gratuity fund.

This transition to electronic filing is expected to simplify the process and reduce administrative delays. As per Rule 131 of the Income-tax Rules, 1962, these forms must be electronically verified, aligning with the government's push towards digitalization in tax-related processes.

Top Trends to **Watch**

- IRS will phase in a $2,500 threshold for Form 1099-K in 2025.
- ERC claims withdrawal process is extended for third-party payers.
- PCAOB mandates firms to report a new set of metrics.
- PKF O'Connor Davies strikes a deal with private equity.
- PCAOB amendment addresses registration of inactive firms.
- AICPA board approves updates to peer review standards.
- India’s GDP growth slows to a seven-quarter low of 5.4% in Q2 (July-September) due to weak consumption.
- India signs a $98 million loan agreement with the Asian Development Bank to boost horticulture productivity.
- Companies are increasing investments in legal technology, focusing on improving in-house capabilities and reducing costs.
- Volkswagen India unit faces a $1.4 billion tax evasion notice.
- India’s forex reserves decrease by $1.31 billion, falling to $656.58 billion as of November 22.
- Fresh rupee loans disbursed by banks become more expensive.

Top Trends to **Watch**

- AI analytics firm Pyramid Analytics secures $50 million from Blackrock
- State Bank of India to channel $1.5 billion in global book in 4 months
- Mahindra shares surge to become one of the top Nifty 50 gainers after brokerages predict up to 25% upside
- Ola Electric stock is in the fast lane, with shares rallying 8% after the launch of the Gig and S1 Z range of scooters
- NTPC Green Energy shares list at 3% premium over IPO price
- U.S. dollar jumps as Donald Trump recaptures the White House
- SoftBank Invests $1.5 Billion in OpenAI, Enabling Employee Share Sale
- Cabinet approves PAN 2.0: PAN cards to have QR codes, become 'common business identifier'
- Swiggy shares rise 6% as UBS initiates coverage with 'buy', 26% upside seen
- HDFC Life Insurance faces data breach, assessing potential impact

Condonation of Delay for Filing Form 10-IC/10-ID (AY 2020-21 to 2022-23)

Circular No.: 17 /2024 | Dated: 18-11-2024

The CBDT has issued a circular regarding the delay in filing Form 10-IC and Form 10-ID for the Assessment Years 2020-21, 2021-22, and 2022-23. It provides guidelines for condoning delays:

- Delays up to 365 Days: Applications can be handled by Principal Chief Commissioners (Pr. CsIT) and Chief Commissioners (CsIT).
- Delays over 365 Days: Requests will be dealt with by Pr. CCsIT, CCsIT, and Directors General of Income Tax (DGsIT).

Conditions for Condonation:

- Return must have been filed on time under Section 139(1).
- Assessee must have opted for taxation under Section 115BAA (Form 10-IC) or Section 115BAB (Form 10-ID).
- Delay must be due to reasonable cause or genuine hardship.

Applications must be submitted within three years from the end of the relevant assessment year and processed within six months. This circular aims to simplify the process and offer relief to taxpayers facing difficulties in meeting deadlines.

Condonation of Delay for Filing Forms 9A/10/10B/10BB (AY 2018-19 & Beyond)

Circular No.: 16 /2024 | Dated: 18-11-2024

The Central Board of Direct Taxes (CBDT) has issued a circular to address the condonation of delays in filing Forms 9A, 10, 10B, and 10BB for the Assessment Year 2018-19 and subsequent years. This step aims to offer relief to taxpayers facing genuine hardships in meeting the filing deadlines.

Key highlights of the circular include:

- **Delays of up to 365 Days**: Applications for condonation of delay can be accepted by Principal Chief Commissioners of Income Tax (Pr. CsIT) and Chief Commissioners of Income Tax (CsIT).
- **Delays Exceeding 365 Days**: Applications will be handled by Principal Chief Commissioners of Income Tax (Pr. CCsIT), Chief Commissioners of Income Tax (CCsIT), and Directors General of Income Tax (DGsIT).
- **Time Limit for Submission**: Condonation requests will only be entertained within three years from the end of the relevant assessment year.
- **Processing Time**: Requests for condonation must be processed within six months to ensure timely resolution.

This initiative is designed to provide relief in cases where the delay in filing is due to genuine challenges, ensuring a fair and efficient approach to delay management.