Income-tax

Clause 2, read with the First Schedule to the Bill, specifies the rates at which income-tax is to be levied on income chargeable to tax for the assessment year 2018-2019. Further, it lays down the rates at which tax is to be deducted at source during the financial year 2019-2020 from income other than "Salaries" subject to such deductions under the Income-tax Act; and the rates at which "advance tax" is to be paid, tax is to be deducted at source from, or paid on, income chargeable under the head "Salaries" and tax is to be calculated and charged in special cases for the financial year 2019-2020.

Rates of income-tax for the assessment year 2019-2020

Part I of the First Schedule to the Bill specifies the rates at which income is liable to tax for the assessment year 2019-2020. These rates are the same as those specified in Part III of the First Schedule to the Finance Act, 2018, for the purposes of deduction of tax at source from "Salaries", computation of "advance tax" and charging of income-tax in special cases during the financial year 2018-2019.

Rates for deduction of tax at source during the financial year 2019-2020 from income other than "Salaries"

Part II of the First Schedule to the Bill specifies the rates at which income-tax is to be deducted at source during the financial year 2019-2020 from income other than "Salaries". The rates are the same, as those specified in Part II of the First Schedule to the Finance Act, 2018 for the purposes of deduction of income tax at source during the financial year 2018-2019.

The amount of tax so deducted shall be increased by a surcharge in the case of—

(*i*) every non-resident being an individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the Income-tax Act,—

(*a*) at the rate of ten per cent. of such tax, where the income or the aggregate of income paid or likely to be paid and subject to deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

(*b*) at the rate of fifteen per cent. of such tax, where the income or the aggregate of income paid or likely to be paid and subject to deduction exceeds one crore rupees but does not exceed two crore rupees;

(*c*) at the rate of twenty five per cent. of such tax, where the income or the aggregate of income paid or likely to be paid and subject to deduction exceeds two crore rupees but does not exceed five crore rupees;

(*d*) at the rate of thirty seven per cent. of such tax, where the income or the aggregate of income paid or likely to be paid and subject to deduction exceeds five crore rupees;

(*ii*) every non-resident being a co-operative society or firm or local authority at the rate of twelve per cent. where the income or the aggregate of income paid or likely to be paid and subject to deduction exceeds one crore rupees,

(*iii*) every company other than a domestic company at the rate of two per cent. where the income or the aggregate of income paid or likely to be paid and subject to deduction exceeds one crore rupees but does not exceed ten crore rupees;

(*iv*) every company other than a domestic company at the rate of five per cent. where the income or the aggregate of income paid or likely to be paid and subject to deduction exceeds ten crore rupees.

Rates for deduction of tax at source from "Salaries", computation of "advance tax" and charging of income-tax in special cases during the financial year 2019-2020

Part III of the First Schedule to the Bill specifies the rates at which income-tax is to be deducted at source from, or paid on, income under the head "Salaries" and also the rates at which "advance tax" is to be paid and income-tax is to be calculated or charged in special cases for the financial year 2019-2020.

Paragraph A of this Part specifies the rates of income-tax as under:—

(*i*) in the case of every individual [other than those specifically mentioned in sub-paras (*ii*) and (*iii*)] or Hindu undivided family or every association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies:—

Up to Rs. 2,50,000	*Nil*
Rs. 2,50,001 to Rs. 5,00,000	5 per cent.
Rs. 5,00,001 to Rs. 10,00,000	20 per cent.
Above Rs. 10,00,000	30 per cent.;

(*ii*) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than the age of eighty years at any time during the previous year:—

Up to Rs. 3,00,000	*Nil*
Rs. 3,00,001 to Rs. 5,00,000	5 per cent.
Rs. 5,00,001 to Rs. 10,00,000	20 per cent.
Above Rs. 10,00,000	30 per cent.;

(*iii*) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year:—

Up to Rs. 5,00,000	*Nil*
Rs. 5,00,001 to Rs. 10,00,000	20 per cent.
Above Rs. 10,00,000	30 per cent.

The surcharge in cases of persons referred to in this paragraph, having total income above fifty lakh rupees but not above one crore rupees, shall be levied at the rate of ten per cent. In cases of persons referred to in this paragraph, having total income above one crore rupees but not above two crore rupees, surcharge shall be levied at the rate of fifteen per cent. In cases of persons referred to in this paragraph, having total income above two crore rupees but not above five crore rupees, surcharge shall be levied at the rate of twenty five per cent.. In cases of persons referred to in this paragraph, having total income above five crore rupees, surcharge shall be levied at the rate of thirty-seven per cent., Marginal relief will be provided.

Paragraph B of this Part specifies the rates of income-tax in the case of every co-operative society. In such cases, the rates of tax will continue to be the same as those specified for assessment year 2019-2020. The surcharge in cases of co-operative societies, having income above one crore rupees shall be levied at the rate of twelve per cent. Marginal relief will be provided.

Paragraph C of this Part specifies the rate of income-tax in the case of every firm. In such cases, the rate of tax will continue to be the same as that specified for assessment year 2019-2020. The surcharge in cases of firms, having income above one crore rupees shall be levied at the rate of twelve per cent. Marginal relief will be provided.

Paragraph D of this Part specifies the rate of income-tax in the case of every local authority. In such cases, the rate of tax will continue to be the same as that specified for the assessment year 2019-2020. The surcharge in cases of local authorities, having income above one crore rupees shall be levied at the rate of twelve per cent. Marginal relief will be provided.

Paragraph E of this Part specifies the rates of income-tax in the case of companies. In the case of domestic companies the rate of income-tax shall be twenty-five-per cent. of the total income where the total turnover or gross receipts of previous year 2017-2018 does not exceed four hundred crore rupees and in all other cases the rate of income-tax shall be thirty per cent. of the total income. In the case of companies other than domestic companies, the rate of tax will continue to be the same as that specified for assessment year 2019-2020.

Surcharge in the case of domestic companies having total income above one crore rupees but not above ten crore rupees shall be levied at the rate of seven per cent. In the case of domestic companies having total income above ten crore rupees, surcharge shall be levied at the rate of twelve per cent. In the case of companies other than domestic companies having income above one crore rupees but not above ten crore rupees surcharge shall be levied at the rate of two per cent. In the case of companies other than domestic companies having total income above ten crore rupees, surcharge shall be levied at the rate of five per cent. Marginal relief will be provided.

In all other cases (including sections 115-O, 115QA, 115R, 115TA, 115TD, etc.), the surcharge will be applicable at the rate of twelve per cent.

The existing “Education Cess” and “Secondary and Higher Education Cess” currently being levied in all cases covered under Part 1 of the First Schedule shall be substituted by a new cess by the name of “Health and Education Cess”: at the rate of four per cent. However, in financial year 2019-2020, in the cases covered under Part II and Part III of the First Schedule, the “Health and Education Cess” at the rate of four per cent. shall continue to be levied. In the cases covered under Part II of the First Schedule, there will be no levy of the “Health and Education Cess” on tax deducted or collected at source in the case of domestic company and any other person who is resident in India. The cess would apply on tax deducted at source in the case of salary payments. It would also be levied in the cases of persons not resident in India and companies other than domestic company.

Clause 3 of the Bill seeks to amend section 2 of the Income-tax Act relating to definitions.

Clause (*19AA*) of the said section provides for the definition of the expression demerger for the purpose of providing tax neutrality where the property and liabilities of the undertaking transferred pursuant to the demerger shall be recorded at book value.

It is proposed to amend the said clause so as to provide that the requirement of recording property and the liabilities at book value shall not be applicable in a case where the property and the liabilities of the undertakings received by a resulting company are recorded at a value different from the value appearing in the books of account of the demerged company immediately before the demerger in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 4 of the Bill seeks to amend section 9 of the Income-tax Act relating to income deemed to accrue or arise in India.

Sub-section (*1*) of the said section provides for the incomes which shall be deemed to accrue or arise in India.

It is proposed to insert a new clause (viii) to said sub-section so as to provide that certain income, being any sum of money paid or any property situate in India transferred on or after the 5th day of July, 2019 by a person resident in India to a person outside India, shall be deemed to accrue or arise in India.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 5 of the Bill seeks to amend section 9A of the Income-tax Act relating to certain activities not to constitute business connection in India.

Sub-section (*3*) of the said section provides for the conditions to be fulfilled for being an eligible investment fund.

Clause (*j*) of the said sub-section provides that the monthly average of the corpus of the fund shall not be less than one hundred crore rupees. The first proviso to said clause further provides that where the fund has been established or incorporated in the previous year, the corpus of fund shall not be less than one hundred crore rupees at the end of such previous year.

It is proposed to amend the said proviso so as to provide that where the fund has been established or incorporated in the previous year, the fund shall be required to fulfill the condition of maintaining the corpus of one hundred crore rupees within a period of six months from the last day of the month of its establishment or incorporation, or at the end of such previous year, whichever is later.

Further, clause (*m*) of said sub-section provides that the remuneration paid by the fund to an eligible fund manager in respect of fund management activity undertaken by him on its behalf is not less than the arm's length price of the said activity.

It is proposed to amend the said clause so as to provide that the remuneration paid by the fund to an eligible fund manager in respect of fund management activity undertaken by him on its behalf is not less than the amount calculated in such manner as may be prescribed instead of the arm's length price of the said activity.

These amendments will take effect retrospectively from 1st April, 2019 and will, accordingly, apply in relation to the assessment

year 2019-2020 and subsequent assessment years.

Clause 6 of the Bill seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

It is proposed to insert a new clause (*4C*) in the said section so as to provide for exemption in respect of any income by way of interest payable to a non-resident, not being a company, or to a foreign company, by any Indian company or business trust in respect of monies borrowed from a source outside India by way of issue of rupee denominated bond as referred to in clause (*ia*) of sub-section (*2*) of section 194LC issued during the period commencing from the 17th September, 2018 and ending on 31st March, 2019.

This amendment will take effect retrospectively from 1st April, 2019 and will, accordingly, apply in relation to the assessment year 2019-2020 and subsequent assessment years.

Further, clause (*12A*) of the said section provides that any payment from the National Pension System Trust to an employee on closure of his account or on his opting out of the pension scheme referred to in section 80CCD, to the extent it does not exceed forty per cent. of the total amount payable to him at the time of such closure or his opting out of the scheme, shall be exempt from tax.

It is proposed to amend the said section so as to increase the said tax exempt amount from forty per cent. to sixty per cent.

It is proposed to insert sub-clause (*ix*) in the clause (15) so as to provide that any income by way of interest payable to a non-resident by a unit located in an International Financial Services Centre in respect of monies borrowed by it on or after 1st September, 2019 shall be exempted from tax.

It is further proposed to insert an *Explanation* to define the expressions "International Financial Services Centre" and "unit".

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause (*34A*) of the said section provides for exemption to any income arising to a shareholder on account of buy-back of shares not being listed on a recognised stock exchange by the company as referred to in section 115QA.

It is proposed to amend the said clause so as to provide the said exemption also to the income arising to a shareholder on account of buy-back of shares listed on a recognised stock exchange by the company as referred to in section 115QA.

This amendment will take effect from 5th July, 2019.

Clause 7 of the Bill seeks to amend section 12AA of the Income-tax Act relating to procedure for registration.

Sub-clause (*a*) of sub-section (*1*) of the said section, *inter alia*, provides that while considering the application of a trust or institution, the Principal Commissioner or Commissioner may call for documents or information necessary in order to satisfy himself about the genuineness of its activities.

It is proposed to substitute the said sub-clause so as to provide that besides the genuineness of its activities, the Principal Commissioner or Commissioner shall also satisfy himself about compliance to the requirements of any other law which is material for the purpose of achieving its objects.

Sub-clause (*b*) of sub-section (*1*) of the said section, *inter alia*, provides that after satisfying himself about the objects of the trust or institution and the genuineness of its activities the Principal Commissioner or Commissioner shall pass an order registering or refusing to register the said trust or institution.

It is proposed to amend the said sub-clause so as to provide that the Principal Commissioner or Commissioner, besides satisfying himself about the objects of the trust or institution and the genuineness of its activities, shall also satisfy himself about the compliance to the requirements of any other law which is material for the purpose of achieving its objects.

Sub-section (*4*) of the said section, *inter alia*, provides for cancellation of registration if it is noticed that the activities of the exempted entity are being carried out in a manner that either whole or any part of its income would cease to be exempt.

It is proposed to amend the said sub-section so as to provide that besides the existing ground of cancellation, the trust or institution has not complied with the provisions of any other law that it was required to comply with due to the reason that the same was material for the purpose of achieving its objects and the order, direction or decree, by whatever name called, holding that such non-compliance has occurred, has either not been disputed or attained finality, shall be an additional ground on which the registration may be cancelled.

These amendments will take effect from 1st September, 2019.

Clause 8 of the Bill seeks to amend section 13A of the Income-tax Act relating to special provision relating to the incomes of political parties.

The said section provides that any income of a political party which is chargeable under the head "Income from house property" or "Income from other sources" or "Capital Gains" or income from voluntary contributions shall not be included in the total income of the previous year of such political party.

The first proviso to the said section lays down conditions to be satisfied by a political party in order for the provisions of this section to be applicable.

It is proposed to amend clause (*d*) of the said proviso so as to empower the Board to make rules to prescribe any other electronic mode through which a political party may also receive donations exceeding two thousand rupees.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 9 of the Bill seeks to amend section 35AD of the Income-tax Act relating to deduction in respect of expenditure on specified business.

The said section provides for deduction to an assessee of the whole of any expenditure of capital nature incurred, wholly and exclusively, for the purposes of any specified business carried on by him during the previous year in which such expenditure is incurred by him.

Clause (*f*) of sub-section (*8*) of the said section provides that the term 'any expenditure of capital nature' shall not include any expenditure in respect of which the assessee makes payment or an aggregate of payments exceeding ten thousand rupees to a person in a day through any mode other than an account payee cheque or an account payee bank draft or using the electronic clearing system through a bank account.

It is proposed to amend the said clause (*f*) so as to empower the Board to make rules to provide that payment made through such other electronic mode as may be prescribed shall also be allowed as deduction.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 10 of the Bill seeks to amend section 40 of the Income tax Act relating to amounts not deductible.

Sub-clause (*i*) of clause (*a*) of the said section provides that where, in case of any assessee, tax is to be deducted at source under Chapter XVII-B on payment of any amount in the nature of interest (not being interest on a loan issued for public subscription before the 1st day of April, 1938), royalty, fees for technical services or other sum chargeable under the Income-tax Act, which is payable outside India, or in India to a non-resident, not being a company or to a foreign company, and where such tax has not been deducted or, after deduction, has not been paid on or before the due date for filing the return of income, the amount of such sum shall not be allowed as a deduction.

The proviso to the said sub-clause specifies that where in respect of any such sum, tax has been deducted in any subsequent year, or has been deducted during the previous year but paid after the due date specified in sub-section (*1*) of section 139, such sum shall be allowed as a deduction in computing the income of the previous year in which such tax has been paid.

It is proposed to insert a second proviso to the said sub-clause so as to provide that where an assessee fails to deduct the whole or any part of the tax in accordance with the provisions of Chapter XVII-B on any such sum but is not deemed to be an assessee in default under the first proviso to sub-section (*1*) of section 201, then, for the purposes of the said sub-clause, it shall be deemed that the assessee has deducted and paid the tax on such sum on the date of furnishing of return of income by the payee referred to in the first proviso to sub-section (*1*) of section 201.

It is further proposed to make a similar consequential amendment in the second proviso to sub-clause (*ia*) of clause (*a*) of section 40 to omit the word "resident".

These amendments will take effect from 1st April, 2020, and will, accordingly, apply to the assessment year 2020-2021 and subsequent assessment years.

Clause 11 of the Bill seeks to amend section 40A of the Income-tax Act relating to expenses or payments not deductible in certain circumstances.

Sub-sections (*3*), (*3A*) and (*4*) of the said section provide for disallowance of any expenditure for which the assessee makes payment (or an aggregate of payments) exceeding ten thousand rupees through any mode other than through an account payee cheque or an account payee bank draft or using the electronic clearing system through a bank account.

It is proposed to amend the said sub-sections so as to empower the Board to make rules to provide that payment made through such other electronic mode as may be prescribed shall also be allowed as deduction.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 12 of the Bill seeks to amend section 43 of the Income-tax Act relating to definitions of certain terms relevant to income from profits and gains of business or profession.

Sub-section (*1*) of the said section defines the term "actual cost" to mean the actual cost of the assets to the assessee, reduced by that portion of the cost thereof, if any, as has been met directly or indirectly by any other person or authority.

The second proviso to sub-section (*1*) of the said section provides that where the assessee incurs any expenditure for acquisition of any asset or part thereof in respect of which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account, exceeds ten thousand rupees, such expenditure shall be ignored for the purposes of determination of actual cost.

It is proposed to amend the said second proviso so as to empower the Board to make rules to provide that payment made through such electronic mode as may be prescribed shall not be ignored for the purposes of determination of actual cost.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 13 of the Bill seeks to amend section 43B of the Income-tax Act relating to certain deductions to be only on actual payment.

Clause (*d*) of the said section provides that in case of any loan or borrowing from any public financial institution or a State financial corporation or a State industrial investment corporation, deduction of any sum payable by the assessee as interest on such borrowing, in accordance with the terms and conditions of the agreement governing such loan or borrowing, shall be allowed only in computing the income of such borrower in the previous year in which such sum is actually paid by him.

It is proposed to amend the said section by inserting clause (*da*) to provide that in case of any loan or borrowing from any systemically important non-deposit taking non-banking financial company or a deposit taking non-banking financial company, deduction of any sum payable by the assessee as interest on such borrowing, in accordance with the terms and conditions of the agreement governing such loan or borrowing, shall be allowed in computing the income of such borrower only in the previous year in which such sum is actually paid by him.

It is further proposed to insert *Explanation* 3AA in the said section to provide that where a deduction in respect of any sum referred to in clause (*da*) of this section is allowed in computing the income referred to in section 28 of the previous year (being a previous year relevant to the assessment year commencing on the 1st April, 2019, or any earlier assessment year) in which the liability to pay such sum was incurred by the assessee, the assessee shall not be entitled to any deduction under this section in respect of such sum in computing the income of the previous year in which the sum is actually paid by him.

It is also proposed to insert *Explanation* 3CA in the said section to provide that a deduction of any sum, being interest payable under clause (*da*) of this section, shall be allowed if such interest has been actually paid and any interest referred to in that clause which has been converted into a loan or borrowing shall not be deemed to have been actually paid.

It is also proposed to define the expressions "deposit taking non-banking financial company", "non-banking financial company" and "systemically important non-deposit taking non-banking financial company" in the said *Explanation* 4 to the said section.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 14 of the Bill seeks to amend section 43CA of the Income-tax Act relating to special provision for value of consideration for transfer of assets other than capital assets in certain cases.

Sub-section (*3*) of the said section provides that where the date of agreement fixing the value of consideration for the transfer of the asset and the date of registration of such transfer of asset are not the same, then the full value of consideration for transfer of such asset shall be the stamp duty value on the date of the agreement.

Sub-section (*4*) of the said section provides that the provisions of sub-section (*3*) shall apply only in those cases where the amount of consideration or a part thereof has been received by way of an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account on or before the date of agreement for transfer of the asset.

It is proposed to amend the said sub-section (*4*) so as to empower the Board to make rules to provide that the provisions of sub-section (*3*) shall also apply in respect of those cases where the amount of consideration or a part thereof has been received by way of any other electronic mode as may be prescribed.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 15 of the Bill seeks to amend section 43D of the Income-tax Act relating to special provision in case of income of public financial institutions, public companies, etc

Clause (*a*) of the aforesaid section provides that in the case of a public financial institution, scheduled bank, cooperative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank or a State financial corporation or a State industrial investment corporation, the income by way of interest in relation to certain prescribed categories of bad or doubtful debts shall be chargeable to tax when it is actually received or when it is credited to the profit and loss account of such entity, whichever is earlier.

It is proposed to amend the said section so as to insert reference of a deposit-taking non-banking financial company or a systemically important non-deposit taking non-banking financial company in order to extend the benefit of the provision of this section to the said entities.

It is further proposed to define the expressions "deposit taking non-banking financial company", "non-banking financial company" and "systemically important non-deposit taking non-banking financial company" in the *Explanation* to the said section.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 16 of the Bill seeks to amend section 44AD of the Income-tax Act relating to special provision for computing profits and gains of business on presumptive basis.

Sub-section (*1*) of the said section provides that notwithstanding anything to the contrary contained in sections 28 to 43C, in the case of an eligible assessee engaged in an eligible business, a sum equal to eight per cent. of the total turnover or gross receipts of the assessee in the previous year on account of such business or, as the case may be, a sum higher than the aforesaid sum claimed to have been earned by the eligible assessee, shall be deemed to be the profits and gains of such business chargeable to tax under the head "Profits and gains of business or profession".

The proviso to the said sub-section (*1*) provides that in respect of the amount of total turnover or gross receipts which is received by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account during the previous year or before the due date specified in sub-section (*1*) of section 139 in respect of that previous year, a sum equal to six per cent. or higher shall be deemed to be the profits and gains of business and profession.

It is proposed to amend the said proviso so as to empower the Board to make rules to provide that an eligible assessee can opt for presumptive taxation scheme if he declares profit at the rate of six per cent. or higher of the turnover, received through any other electronic mode as may be prescribed.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 17 of the Bill seeks to amend section 47 of the Income-tax Act relating to transactions not regarded as transfer.

The provisions of the said section provide that any transfer of a capital asset, being bonds or Global Depository Receipts referred to in sub-section (*1*) of section 115AC or rupee denominated bond of an Indian company or derivative, made by a non-resident through a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency, shall not be regarded as transfer.

It is proposed to amend the said section so as to provide that any transfer of a capital asset, being bonds or Global Depository Receipts referred to in sub-section (*1*) of section 115AC or rupee denominated bond of an Indian company or derivative, made by a specified fund through a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency, shall not be regarded as transfer.

It is also proposed to provide that transfer, at a recognised stock exchange located in any International Financial Services Centre, of such other securities as may be notified by the Central Government in this behalf, shall not be regarded as transfer in the hands of a non-resident or a specified fund.

It is also proposed to insert the definitions of the expressions "securities", "specified fund", "trust", "unit" and "convertible foreign exchange" in the *Explanation* to clause (*viiab*) of section 47.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 18 of the Bill seeks to amend section 50C of the Income-tax Act relating to special provision for full value of consideration in certain cases.

The second proviso to sub-section (*1*) specifies that the first proviso shall apply only in a case where the amount of consideration or a part thereof has been received by way of an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account on or before the date of agreement for transfer of the asset.

It is proposed to amend the said second proviso so as to empower the Board to make rules to provide that the first proviso shall also apply in respect of those cases where the amount of consideration or a part thereof has been received by way of any other electronic mode as may be prescribed.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021

and subsequent assessment years.

Clause 19 of the Bill seeks to amend section 50CA of the Income-tax Act relating to special provision for full value of consideration for transfer of share other than quoted share.

The said section, *inter alia*, provides that where the consideration received or accruing as a result of the transfer by an assessee of a capital asset, being share of a company other than a quoted share, is less than the fair market value of such share determined in such manner as may be prescribed, the value so determined shall, for the purposes of computing capital gains, be deemed to be the full value of consideration received or accruing as a result of such transfer.

It is proposed to amend the said section so as to provide that the provisions of the said section shall not apply to any consideration received or accruing as a result of transfer by such class of persons and subject to such conditions as may be prescribed.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 20 of the Bill seeks to amend section 54GB of the Income-tax Act relating to capital gain on transfer of residential property not to be charged in certain cases.

The said section, *inter alia*, provides that where the capital gain arises from the transfer of a long-term capital asset, being a residential property (a house or a plot of land), owned by the eligible assessee; and the assessee, before the due date of furnishing of return of income under sub-section (*1*) of section 139, utilises the net consideration for subscription in the equity shares of an eligible company; and the company has, within one year from the date of subscription in equity shares by the assessee, utilised this amount for purchase of new asset, then, the amount so utilised shall not be charged to tax as the income of the previous year. It is further provided that the new assets shall not be sold or otherwise transferred within a period of five years from the date of their acquisition; the capital gains arising from transfer of residential property made after the 31st day of March, 2017 (in case of eligible start-up, the 31st March, 2019) shall not be eligible for the benefit under the said section; and the assessee shall have more than fifty per cent. share capital or more than fifty per cent. voting rights after the subscription in shares in the eligible company.

It is proposed to amend the said section so as to provide that in the case of an eligible start-up, in place of five years, the restriction of three years on transfer from the date of acquisition of new asset, being computer or computer software shall apply; the capital gains arising from transfer of residential property made upto the 31st March, 2021 shall be eligible for the benefit under the said section; and the assessee shall have more than twenty-five per cent. share capital or more than twenty-five per cent. voting rights after the subscription in shares in the eligible company.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 21 of the Bill seeks to amend section 56 of the Income-tax Act relating to income from other sources.

Clause (*viib*) of sub-section (*2*) of the said section provides that where a company, not being a company in which the public are substantially interested, receives in any previous year, from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall not be charged to tax, if the consideration for issue of shares is received by a venture capital undertaking from a venture capital company or a venture capital fund or by a company from a class or classes of persons as may be notified by the Central Government in this behalf.

It is proposed to amend the said clause so as to provide that where a company, not being a company in which the public are substantially interested, receives in any previous year, from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall not be charged to tax, if the consideration for issue of shares is received by a venture capital undertaking from a specified fund.

It is further proposed to define the expression "specified fund".

It is also proposed to insert a second proviso to the said clause so as to provide that where the provisions of the said clause have not been applied to a company on account of fulfilment of conditions specified in the notification issued under clause (*ii*) of the first proviso and the company fails to comply with any of those conditions, then, any consideration received for issue of share that exceeds the face value of such shares shall be deemed to be the income of the company chargeable to income-tax for the previous year in which such failure has taken place.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause (*viii*) of sub-section (*2*) of the said section provides that income by way of interest received on compensation or on enhanced compensation referred to in clause (*b*) of section 145A shall be chargeable to tax.

It is proposed to amend the said clause so as to substitute the reference of clause (*b*) of section 145A with the reference of sub-section (*1*) of section 145B therein.

This amendment will take effect retrospectively from 1st April, 2017 and will, accordingly, apply in relation to the assessment year 2017-2018 and subsequent assessment years.

The second proviso to the sub-clause (b) of clause (x) of sub-section (2) of the said section specifies that the first proviso shall apply only in a case where the amount of consideration or a part thereof has been received by way of an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account on or before the date of agreement for transfer of the asset.

It is proposed to amend the said second proviso so as to empower the Board to make rules to provide that the first proviso shall also apply in respect of those cases where the amount of consideration or part thereof has been received by way of any other electronic mode as may be prescribed.

The proviso to the said clause (*x*) provides that where any person receives, in any previous year, from any person or persons any property without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property or consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration shall be the income of the person receiving such property.

It is proposed to insert a new clause (*XI*) in the proviso to the said clause (*x*) so as to provide that any sum of money or any property received from such class of persons and subject to such conditions, as may be provided by rules shall not be the income of such persons.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 22 of the Bill seeks to substitute section 79 of the Income-tax Act relating to carry forward and set off of losses in case of certain companies and provides that where a change in shareholding has taken place during the previous year in the case of a company, not being a company in which the public are substantially interested, no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than fifty-one per cent. of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than fifty-one per cent. of the voting power on the last day of the year or years in which the loss was incurred.

The proviso to sub-section (*1*) of the said section provides that if the above condition is not satisfied in case of an eligible start up as referred to in section 80-IAC, loss incurred in any year prior to the previous year shall still be allowed to be carried forward and set off against the income of the previous year if all the shareholders of such company who held shares carrying voting power on the last day of the year or years in which the loss was incurred, continue to hold those shares on the last day of such previous year and such loss has been incurred during the period of seven years beginning from the year in which such company is incorporated.

Clause (*a*) of sub-section (*2*) to the said section provides that nothing contained in the section shall apply to a case where a change in the said voting power and shareholding takes place in a previous year consequent upon the death of a shareholder or on account of transfer of shares by way of gift to any relative of the shareholder making such gift.

Clause (*b*) of sub-section (*2*) to the said section provides that nothing contained in the section shall apply to any change in the shareholding of an Indian company which is a subsidiary of a foreign company as a result of amalgamation or demerger of a foreign company subject to the condition that fifty-one per cent. shareholders of amalgamating or demerged foreign company continue to be the shareholders of the amalgamated or the resulting foreign company.

Clause (*c*) of sub-section (*2*) to the said section provides that nothing contained in this section shall apply to a company where a change in the shareholding takes place in a previous year pursuant to a resolution plan approved under the Insolvency and Bankruptcy Code, 2016, after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.

Clause (*d*) of sub-section (*2*) to the said section provides that nothing contained in this section shall apply to a company, and its subsidiaries and the subsidiary of such subsidiary, where,--

(*i*) the National Company Law Tribunal, on a petition moved by the Central Government under section 241 of the Companies Act, 2013 has suspended the Board of Directors of such company and has appointed new directors which are nominated by the Central Government, under section 242 of the said Act; and

(*ii*) a change in shareholding of such company, and its subsidiary and the subsidiary of such subsidiary, has taken place in a previous year pursuant to a resolution plan approved by the National Company Law Tribunal under section 242 of the Companies Act, 2013 after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.

The *Explanation* to the section specifies that a company shall be a subsidiary of other company, if such other company holds more than half in nominal value of the equity share capital of the company.

This amendment will take effect from 1st April, 2020 and will, accordingly, be applicable for assessment year 2020-2021 and subsequent assessment years.

Clause 23 of the Bill seeks to amend section 80C of the Income-tax Act relating to deduction in respect of life insurance premia, deferred annuity, contributions to provident fund, subscription to certain equity shares or debentures, etc.

It is proposed to amend the said section so as to provide that any amount paid or deposited by the assessee, being an employee of the Central Government, as a contribution to a specified account of the pension scheme referred to in section 80CCD for a fixed period of not less than three years and which is in accordance with the scheme as may be notified by the Central Government in this behalf, shall be eligible for deduction. It is further proposed to define the expression "specified account" by insertion of an *Explanation* to the said clause.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 24 of the Bill seeks to amend section 80CCD of the Income-tax Act relating to deduction in respect of contribution to pension scheme of the Central Government.

Sub-section (*2*) of the said section provides that in respect of any contribution made by the Central Government or any other employer to the account of the employee, the assessee shall be allowed a deduction in the computation of his total income, of the whole of the amount contributed by the Central Government or any other employer as does not exceed ten per cent. of his salary in the previous year.

It is proposed to amend the said section so as to provide that in respect of any contribution made by the Central Government to the account of the employee referred to in the section, the assessee shall be allowed a deduction in the computation of his total income, of the whole of the amount contributed by the Central Government as does not exceed fourteen per cent. of his salary in the previous year.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 25 of of the Bill seeks to insert a new sections 80EEA and 80EEB in the Income-tax Act relating to deduction in respect of interest on loan taken for certain house property and deduction in respect of purchase of electric vehicle.

The proposed new section 80EEA seeks to provide for deduction in respect of interest on loan taken for residential house property from any financial institution up to one lakh and fifty-thousand rupees subject to the conditions specified therein.

The proposed new section 80EEB seeks to provide for a deduction up to one lakh and fifty thousand rupees in respect of interest on loan taken for purchase of an electric vehicle from any financial institution subject to the conditions specified therein.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 26 of the Bill seeks to amend section 80-IBA of the Income-tax Act relating to deductions in respect of profits and gains from housing projects.

The provisions of the said section, *inter alia*, provide that where the gross total income of an assessee includes any profits and gains derived from the business of developing and building housing projects, there shall, subject to certain conditions, be allowed, a deduction of an amount equal to hundred per cent. of the profits and gains derived from such business.

It is proposed to amend the said section so as to provide that a housing project approved on or after the 1st day of September, 2019 shall be eligible for deduction under this section if the carpet area of the residential unit comprised in the housing project does not exceed sixty square metres, where the project is located within the Metropolitan cities of Bengaluru, Chennai, Delhi National Capital Region (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurugram, Faridabad), Hyderabad, Kolkata and Mumbai (whole of Mumbai Metropolitan Region), or ninety square metres, where the project is located in any other place; and if the stamp duty value of a residential unit in the housing project does not exceed forty-five lakh rupees.

It is also proposed to amend the said section so as to define the expression "stamp duty value".

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 27 of the Bill seeks to amend section 80JJAA of the Income-tax Act relating to deduction in respect of employment of new employees.

Clause (*b*) of the first proviso to clause (*i*) of the said *Explanation* specifies that the additional employee cost in case of an existing business shall be nil if the emoluments are paid otherwise than by an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account.

It is proposed to amend the said clause (*b*) so as to empower the Board to make rules to provide that deduction of an amount equal to thirty per cent. of additional employee cost in the case of an existing business shall be allowed if the emolument of such additional employees are paid through any other electronic mode as may be prescribed.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 28 of the Bill seeks to amend section 80LA of the Income-tax Act relating to deductions in respect of certain incomes of Offshore Banking Units and International Financial Services Centre.

The said section, *inter alia*, provides that where the gross total income of an assessee, (*i*) being a scheduled bank, or, any bank incorporated by or under the laws of a country outside India; and having an Offshore Banking Unit in a Special Economic Zone; or (*ii*) being a Unit of an International Financial Services Centre, includes any income referred to in sub-section (*2*), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to (*a*) one hundred per cent. of such income for five consecutive assessment years beginning with the assessment year relevant to the previous year in which the permission, under clause (*a*) of sub-section (*1*) of section 23 of the Banking Regulation Act, 1949 or permission or registration under the Securities and Exchange Board of India Act, 1992 or any other relevant law was obtained, and thereafter; (*b*) fifty per cent. of such income for five consecutive assessment years.

It is proposed to amend the said section by substituting sub-section (*1*) with sub-section (*1*) and (*1A*) so as to provide that the deduction specified in the said section in respect of an an Unit of International Financial Services Centre shall be allowed at one hundred per cent. for ten years. In addition the deductions may, at the option of the assessee, be claimed by him for any ten consecutive assessment years out of fifteen years beginning with the assessment year relevant to the previous year in which the permission referred to in clause (*a*) of sub-section (*1*) of the said section was obtained.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 29 of the Bill seeks to amend section 92CD of the Income-tax Act relating to effect to advance pricing agreement.

Sub-section (*3*) of the said section provides that if the assessment or reassessment proceedings for an assessment year relevant to a previous year to which the agreement applies have been completed before the expiry of period allowed for furnishing of modified return under sub-section (*1*), the Assessing Officer shall, in a case where modified return is filed in accordance with the provisions of sub-section (*1*), proceed to assess or reassess or recompute the total income of the relevant assessment year having regard to and in accordance with the agreement.

It is proposed to amend the said sub-section so as to provide that the Assessing Officer shall, in a case where modified return is filed in accordance with the provisions of sub-section (*1*), pass an order modifying the total income of the relevant assessment year, determined in such assessment or reassessment, as the case may be, having regard to and in accordance with the terms of the advance pricing agreement.

It is further proposed to make consequential amendment in sub-section (*5*) of the said section.

These amendments will take effect from 1st September, 2019.

Clause 30 of the Bill seeks to amend section 92CE of the Income-tax Act relating to secondary adjustment in certain cases.

Sub-section (*1*) of the said section, *inter alia*, provides that the assessee shall make secondary adjustment in case where primary adjustment to transfer price takes place as specified therein. The proviso to said sub-section provides exemption in cases where the amount of primary adjustment made in any previous year does not exceed the threshold limit of one crore rupees; and the primary adjustment is made in respect of an assessment year commencing on or before 1st April, 2016.

It is proposed to amend clause (*iii*) of the said sub-section so as to provide that the secondary adjustment will be applicable where the primary adjustment to transfer price is determined by an advance pricing agreement entered into by the assessee under section 92CC on or after 1st April, 2017.

It is also proposed to insert a second proviso in sub-section (*1*) so as to provide that no refund of any taxes paid, if any, by virtue of provisions of sub-section (1) as they stood immediately before their amendment by this Bill, shall be claimed and allowed.

Sub-section (*2*) of said section, *inter alia*, provides that the excess money available to the associated enterprise shall be repatriated to India from such associated enterprise within prescribed time and in case of non-repatriation, interest thereon is to be computed deeming the same as advance to such associated enterprise.

It is proposed to amend said sub-section so as to provide that the interest shall be computed on the excess money or part thereof and that the excess money can be repatriated from any of the associated enterprises of the assessee, which is not resident in India, besides the associated enterprise with which the excess money is available.

These amendments will take effect retrospectively from 1st April, 2018 and will, accordingly, apply in relation to the assessment year 2018-2019 and subsequent assessment years.

It is also proposed to insert sub-section (*2A*) in the said section so as to provide that where the excess money or part thereof has not been repatriated in time, besides the existing requirement of calculation of interest, the assessee will have the option to pay additional income tax at the rate of eighteen per cent. on such excess money or part thereof.

It is also proposed to insert sub-section (2B) so as to provide that the tax on the excess money or part thereof so paid by the assessee under sub-section (2A) shall be treated as the final payment of tax in respect of the excess money or part thereof not repatriated and no further credit therefor shall be claimed by the assessee or by any other person in respect of the amount of tax so paid.

It is also proposed to insert sub-section (2C) so as to provide that no deduction under any other provision of this Act shall be allowed to the assessee in respect of the amount on which tax has been paid in accordance with the provisions of sub-section (2A).

It is also propsed to insert sub-section (2D) so as to provide that where the additional income-tax referred to in sub-section (2A) is paid by the assessee, he shall not be required to make secondary adjustment under sub-section (1) and compute interest under sub-section (2) from the date of payment of such tax.

These amendments will take effect from 1st September, 2019.

Clause 31 of the Bill seeks to substitute section 92D of the Income-tax Act relating to maintenance and keeping of information and document by persons entering into an international transaction or specified domestic transition.

The proposed section seeks to provide for the maintenance, keeping and furnishing of information and document by certain persons.

Sub-section (*1*) of the proposed section provides for keeping and maintaining of prescribed information and document by the person entering into an international transaction or specified domestic transaction, and by the constituent entity of an international group referred to in section 286.

Sub-section (*2*) of the proposed section empowers the Board to prescribe the period for which said information and document shall be kept and maintained.

Sub-section (*3*) of the proposed section provides that the Assessing Officer or the Commissioner (Appeals) may, in the course of any proceeding under this Act, require any person referred to in clause (*i*) of sub-section (*1*) to furnish any information or document referred therein, within a period of thirty days from the date of receipt of a notice issued in this regard which may be further extended upto thirty days on such person's application.

Sub-section (*4*) of the proposed section provides that the constituent entity referred to in clause (ii) of sub-section (*1*) shall furnish the information and document referred therein to the authority prescribed under sub-section (*1*) of section 286, in such manner, on or before such date as may be prescribed.

These amendments will take effect from the 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 32 of the Bill seeks to amend section 111A of the Income-tax Act relating to tax on short-term capital gains in certain cases.

Clause (*a*) of the *Explanation* to the said section provides that the "equity oriented fund" shall have the meaning assigned to it in the *Explanation* to clause (*38*) of section 10.

It is proposed to amend the said *Explanation* so as to provide that "equity oriented fund" shall have the meaning assigned to it in clause (*a*) of the *Explanation* to section 112A.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 33 of the Bill seeks to amend section 115A of the Income-tax Act relating to tax on dividends, royalty and technical service fees in the case of foreign companies.

Sub-section (*4*) of the said section provides that no deduction under Chapter VI-A shall be allowed in respect of income as specified in clause (*a*) or be allowed in the manner provided in clause (*b*) thereof to an assessee referred to in sub-section (*1*), where the gross total income of such assessee consists of only or includes any income referred to in clause (*a*) of the said sub-section (*1*).

It is proposed to insert a proviso to the said sub-section so as to exempt a Unit of an International Financial Services, for which deduction is allowed under section 80LA, from the applicability of the provisions of that sub-section.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 34 of the Bill seeks to amend section 115JB of the Income-tax Act relating to special provision for payment of tax by certain companies.

The said section provides for levy of tax on certain companies on the basis of book profit which is determined after making certain adjustments to the net profit disclosed in the profit and loss account prepared in accordance with the provisions of the Companies Act, 2013. It also provides that in case of a company, against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016, the aggregate amount of unabsorbed depreciation and loss brought forward shall be allowed to be reduced from the book profit and the loss shall not include depreciation.

It is proposed to amend the said section so as to provide that the aggregate amount of unabsorbed depreciation and loss (excluding depreciation) brought forward shall also be allowed to be reduced from the book profit in case of a company, and its subsidiary and the subsidiary of such subsidiary, where, the National Company Law Tribunal, on an application moved by the Central Government under section 241 of the Companies Act, 2013 has suspended the Board of Directors of such company and has appointed new directors who are nominated by the Central Government, under section 242 of the said Act.

It is also proposed to amend the said section so as to provide that a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 35 of the Bill seeks to amend section 115-O of the Income-tax Act relating to tax on distributed profits of domestic companies.

Sub-section (*8*) of the said section provides that notwithstanding anything contained in this section, no tax on distributed profits shall be chargeable in respect of the total income of a company, being a unit of an International Financial Services Centre, deriving income solely in convertible foreign exchange, for any assessment year on any amount declared, distributed or paid by such company, by way of dividends (whether interim or otherwise), on or after the 1st day of April, 2017, out of its current income, either in the hands of the company or the person receiving such dividend.

It is proposed to amend the said sub-section so as to include the income accumulated after the 1st day of April, 2017 within the purview of the said sub-section.

This amendment will take effect from 1st September, 2019.

Clause 36 of the Bill seeks to amend section 115QA of the Income-tax Act relating to tax on distributed income to shareholders.

Sub-section (*1*) of the said section provides that a domestic company shall be liable to pay additional income-tax at the rate of twenty per cent. on the distributed income on buy-back of shares not being shares listed on a recognised stock exchange from a shareholder.

It is proposed to amend the said sub-section so as to provide that the provisions contained therein shall also apply to the buy-back of shares listed on a recognised stock exchange.

This amendment will take effect from 5th July, 2019.

Clause 37 of the Bill seeks to amend section 115R of the Income-tax Act relating to tax on distributed income to unit holders.

Sub-section (*2*) of the said section, *inter alia*, provides that any amount of income distributed by the specified company or a Mutual Fund to its unit holders shall be chargeable to tax and such specified company or Mutual Fund shall be liable to pay additional income-tax on such distributed income.

It is proposed to amend the said sub-section by inserting a proviso so as to provide that no additional income-tax shall be chargeable in respect of any amount of income distributed, on or after the 1st day of September, 2019, by a specified Mutual Fund out of its income derived from transactions made on a recognised stock exchange located in any International Financial Services Centre.

It is further proposed to insert the definition of the expressions "specified Mutual Fund", "unit", "convertible foreign exchange" and "International Financial Services Centre" in the *Explanation* to the said sub-section.

These amendments will take effect from 1st September, 2019.

Clause 38 of the Bill seeks to amend section 115UB of the Income-tax Act relating to tax on income of investment fund and its unit holders.

Clauses (*i*) of sub-section (*2*) of said section, *inter alia*, provides that the loss of an investment fund for any previous year, being the net result of computation of total income of the investment fund, without giving effect to the exemption to income other than business income, under any head of income which cannot be or is not wholly set-off against income under any other head of income of the said previous year, shall be allowed to carry forward and set-off in accordance with the provisions of Chapter VI.

Clause (*ii*) of said sub-section provides that such loss shall not accrue or arise or received by the unit holder.

It is proposed to substitute the said sub-clauses so as to provide that,--

(*i*) the loss arising to the investment fund as a result of the computation under the head "Profit and gains of business or profession", if any, shall be, allowed carry forward and set off in accordance with the provisions of Chapter VI; and such loss shall not accrue, or arise or received by the unit holder; and

(*ii*) the other loss, if any, shall not accrue, or arise or received by the unit holder, if such loss has arisen in respect of a unit which has not been held by the unit holder for a period of atleast twelve months.

It is further proposed to insert sub-section (*2A*) to the said section so as to provide that the loss other than the loss under the head "Profit and gains of business or profession", if any, accumulated at the level of investment fund as on the 31st day of March, 2019, shall be deemed to be the loss of a unit holder who held the unit on that day in respect of the investments made by him in the investment fund and be allowed carry forward and set off for the remaining period calculated from the year in which it had occurred for the first time taking that year as the first year in accordance with the provisions of Chapter VI and that thereafter said loss shall not be available to the investment fund.

These amendments will take effect from the 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 39 of the Bill seeks to amend section 139 of the Income-tax Act relating to return of income.

Sub-section (*1*) of the said section provides for furnishing of return by every person specified therein.

It is proposed to insert a proviso in the said sub-section so as to provide for furnishing of return by a person referred to in clause (*b*) of the said sub-section (*1*), who is not required to furnish a return under the said sub-section, if such person during the previous year —

(*i*) has deposited an amount or aggregate of the amounts exceeding one crore rupees in one or more current account maintained with a banking company or a co-operative bank ; or

(*ii*) has incurred expenditure of an amount or aggregate of the amounts exceeding two lakh rupees for himself or any other person for travel to a foreign country; or

(*iii*) has incurred expenditure of an amount or aggregate of the amounts exceeding one lakh rupees towards consumption of electricity; or

(*iv*) fulfills such other conditions as may be prescribed.

It is further proposed to amend the said sub-section so as to provide for furnishing of return by a person who is claiming rollover benefit of capital gains, for investment in a house or a bond or any other asset under sections 54, 54B, 54D, 54EC, 54F, 54G, 54GA and 54GB.

These amendments will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent years.

Clause 40 of the Bill seeks to amend section 139A of the Income-tax Act relating to permanent account number.

Sub-section (*1*) of the said section, *inter alia*, provides that every person specified therein and who has not been allotted a permanent account number shall apply to the Assessing Officer for allotment of a permanent account number.

It is proposed to insert a new clause (*vii*) in the said sub-section so as to provide that every person, who intends to enter into such transaction, as may be prescribed by the Board in the interest of revenue, shall also apply to the Assessing Officer for allotment of a permanent account number.

It is further proposed to insert a new sub-section (*5E*) in the said section to provide that notwithstanding anything contained in this Act, every person who is required to furnish or intimate or quote his permanent account number under this Act, and who, has not been allotted a permanent account number and possesses the Aadhaar number, may, furnish or intimate or quote his Aadhaar number in lieu of permanent account number, and such person shall be allotted a permanent account number in such manner as may be prescribed. Further, every such person who has been allotted a permanent account number, and who has intimated his Aadhaar number in accordance with provisions of sub-section (*2*) of section 139AA may, furnish or intimate or quote his Aadhaar number in lieu of a permanent account number.

It is also proposed to amend sub-section (*6*) of the said section to provide that every person receiving document relating to a transaction prescribed under clause (*c*) of sub-section (*5*) shall also ensure that the permanent account number or the Aadhaar number, as the case may be, has been duly quoted.

It is also proposed to insert a new sub-section (*6A*) to provide that every person entering into such transaction, as may be prescribed, shall quote his permanent account number or Aadhaar number, as the case may be, in the documents pertaining to such transactions and also authenticate such permanent account number or Aadhaar number, as the case may be, in such manner as may be prescribed.

It is also proposed to insert a new sub-section (*6B*) to provide that every person receiving any documents relating to the transactions prescribed under sub-section (*6A*), shall ensure that permanent account number or Aadhaar number, as the case may be, has been duly quoted in the documents and also ensure that such permanent account number or Aadhaar number is authenticated in such manner as may be prescribed.

It is also proposed to empower the Board to prescribe by rules the categories of transactions in respect of which Aadhaar number shall be quoted by every person in documents pertaining to such transactions and the manner in which the Aadhaar number shall be quoted.

It is also proposed to define the expressions "Aadhaar number" and "authentication" in the *Explanation* to the said section.

These amendments will take effect from 1st September, 2019.

Clause 41 of the Bill seeks to amend section 139AA of the Income-tax Act relating to quoting of Aadhaar number.

Proviso to sub-section (*2*) of the said section provides for deeming the permanent account number allotted to a person invalid, in case the person fails to intimate the Aadhaar number, on or before a date to be notified in the Official Gazette.

It is proposed to amend the said proviso so as provide that if a person fails to intimate the Aadhaar number, the permanent account number allotted to such person shall be made inoperative after the notified date in the manner as may be provided by rules.

This amendment will take effect from 1st September, 2019.

Clause 42 of the Bill seeks to amend section 140A of the Income-tax Act relating to self-assessment.

The said section 140A, *inter alia*, provides for payment of self-assessment tax.

It is proposed to insert a new clause (*iia*) in sub-section (*1*) of the said section, so as to provide that "any relief of tax claimed under section 89" shall be taken into account for the purpose determining tax payable under the said sub-section.

It is further proposed to insert a new sub-clause (*ba*) in clause (*i*) of sub-section (*1A*) of the said section so as to provide that "any relief of tax claimed under section 89" shall be taken into account for the purpose of determining interest payable under the said sub-section.

It is also proposed to insert a new clause (*ia*) in the *Explanation* to sub-section (*1B*) of the said section so as to provide that for the purpose of determining "assessed tax" under the said sub-section, "any relief of tax claimed under section 89" shall also be reduced from the tax on total income.

These amendments will take effect retrospectively from 1st April, 2007 and will, accordingly, apply in relation to the assessment year 2007-08 and subsequent assessment years.

Clause 43 of the Bill seeks to amend section 143 of the Income-tax Act relating to Assessment.

Sub-section (*1*) of the said section 143, *inter alia*, provides for processing of return furnished under section 139 or in response to a notice under sub-section (*1*) of section 142.

It is proposed to amend clause (*c*) of sub-section (*1*) of the said section so as to provide that "any relief of tax allowable under section 89" shall be taken into account, while determining sum payable or refund due to the assessee.

These amendments will take effect retrospectively from 1st April, 2007 and will, accordingly, apply in relation to the assessment year 2007-08 and subsequent assessment years.

Clause 44 of the Bill seeks to amend section 194DA of the Income-tax Act relating to payment in respect of life insurance policy.

The said section provides for levy of tax deduction at source at the rate of one per cent. on the sum payable by way of a life insurance policy, including the sum allocated by way of bonus on such life insurance policy, excluding the amount exempted under clause (*10D*) of section 10.

It is proposed to amend the said section so as to provide that the levy of tax deduction at source shall be on the income comprised in the sum payable by way of redemption of a life insurance policy, including the sum allocated by way of bonus on such life insurance policy, excluding the amount exempted under the said clause (*10D*) of section 10 at the increased rate of five per cent.

This amendment will take effect from 1st September, 2019.

Clause 45 of the Bill seeks to amend section 194-IA of the Income-tax Act relating to payment on transfer of certain immovable property other than agricultural land.

Sub-section (*1*) of the said section provides for tax deduction at source at the rate of one per cent. on the amount of consideration paid for transfer of immovable property. Sub-section (*2*) provides that the tax deduction at source shall not be applicable where the amount of consideration does not exceed fifty lakh rupees.

It is proposed to amend the *Explanation* to the said section to clarify the expression "consideration for immovable property" to include all charges of the nature of club membership fee, car parking fee, electricity or water facility fee, maintenance fee, advance fee or any other charges of similar nature, which are incidental to transfer of the immovable property.

This amendment will take effect from 1st September, 2019.

Clause 46 of the Bill seeks to insert new sections 194M relating to payment of certain sums by certain individuals or Hindu undivided family and 194N relating to payment of certain amounts in cash in the Income-tax Act.

Sub-section (*1*) of the proposed new section 194M seeks to provide for levy of tax deduction at source at the rate of five per cent. on any sum, or aggregate of sums, paid by an individual or a Hindu undivided family (other than those who are required to deduct income-tax as per the provisions of section 194C or section 194J) to a resident for carrying out any work (including supply of labour for carrying out any work) or by way of fees for professional services at the time of credit to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier.

The proviso to the said sub-section provides that no income-tax referred to in sub-section (*1*) shall be deducted, if such sum or aggregate of such sums paid to a resident does not exceed fifty lakh rupees during the financial year.

Sub-section (*2*) of the proposed new section 194M seeks to provide that the provisions of section 203A shall not apply to a person required to deduct tax in accordance with the provisions of this section.

The *Explanation* to the proposed new section also defines the expressions "contract", "professional services" and "work".

The proposed new section 194N provides that a banking company or a co-operative society engaged in carrying on the business of banking or a post office, which is responsible for paying any sum or aggregate of sums, in excess of one crore rupees in cash during the previous year to any person (referred to as the recipient in the section) from an account maintained by the recipient with such banking company or co-operative society or post office shall, at the time of payment of such amount, deduct an amount equal to two per cent. of sum exceeding one crore rupees as income-tax.

The proviso to the said section provides that the provisions of the proposed new section shall not apply to any payment made to the Government, any banking company, co-operative society engaged in carrying on the business of banking, post office, business correspondent of a banking company or co-operative society, engaged in carrying the business of banking, any white label automated teller machine operator of a banking company or co-operative society engaged in carrying the business of banking, or such other persons or class of persons, which the Central Government may, specify by notification in consultation with the Reserve Bank of India,.

These amendments will take effect from 1st September, 2019.

Clause 47 of the Bill seeks to amend section 195 of the Income-tax Act relating to other sums.

Sub-section (*2*) of the said section provides that where the person responsible for paying such sum chargeable under the Act to a non-resident considers that the whole of such sum would not be income chargeable in the case of the recipient, he may make an application to the Assessing Officer to determine, by general or special order, the appropriate proportion of such sum so chargeable, and upon such determination, tax shall be deducted only on that proportion of the sum which is so chargeable.

It is proposed to amend the said sub-section so as to empower the Board to prescribe the form and manner of making such application and the manner of determining the appropriate proportion of such sum chargeable.

Sub-section (*7*) of the said section empowers the Board to specify a class of persons or cases, where the person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum, whether or not chargeable under the provisions of this Act, shall make an application to the Assessing Officer to determine, by general or special order, the appropriate proportion of sum chargeable to tax.

It is proposed to amend the said sub-section so as to empower the Board to prescribe the form and manner of making such application and the manner of determining the appropriate proportion of such sum chargeable to tax.

These amendments will take effect from 1st November, 2019.

Clause 48 of the Bill seeks to amend section 197 of the Income-tax Act relating to certificate for deduction at lower rate.

It is proposed to amend sub-section (*1*) of the said section so as to provide that the sums on which tax deduction at source has been deducted under section 194M shall also be eligible for certificate for deduction at lower rate. This amendment is consequential in nature for the insertion of proposed new section 194M.

This amendment will take effect from 1st September, 2019.

Clause 49 of the Bill seeks to amend section 201 of the Income tax relating to consequences of failure to deduct or pay.

The first proviso to sub-section (*1*) of the said section provides that any person, including the principal officer of a company specified therein, who fails to deduct the whole or any part of the tax in accordance with the provisions of Chapter XVIIB on the sum paid to a resident or on the sum credited to the account of a resident shall not be deemed to be an assessee in default in respect of such tax if such resident has furnished a return of his income, has taken into account such sum for computing income in such return of income, has paid the tax due on the income declared by him in such return of income and furnishes a certificate to this effect from an accountant in the prescribed form.

It is proposed to amend the said first proviso so as to substitute the word "resident" with the words "payee".

It is further proposed to make a similar amendment in the proviso to sub-section (*1A*) of the said section.

Sub-section (*3*) of the said section provides that no order deeming a person to be an assessee in default for failure to deduct the whole or any part of the tax from a payment made to a resident

shall be made after the expiry of seven years from the end of the financial year in which payment is made or credit is given.

It is proposed to amend the said sub-section to specify that in respect of a correction statement delivered by the assessee under the proviso to sub-section (*3*) of section 200, no order shall be made under sub-section (*1*) deeming a person to be an assessee in default for failure to deduct the whole or any part of the tax from a resident, at any time after the expiry of seven years from the end of the financial year in which payment is made or credit is given, or two years from the end of the financial year in which such correction statement is delivered under the proviso to sub-section (*3*) of section 200, whichever is later.

These amendments will take effect from 1st September, 2019.

Clause 50 of the Bill seeks to substitute section 206A of the Income-tax Act relating furnishing of quarterly return in respect of payment of interest to residents without deduction of tax.

Sub-section (*1*) of the proposed section provides that any banking company or co-operative society or public company referred to in the proviso to clause (*i*) of sub-section (*3*) of section 194A responsible for paying to a resident any income not exceeding forty thousand rupees, where the payer is a banking company or a co-operative society, and five thousand rupees in any other case by way of interest (other than interest on securities), shall prepare such statement in such form, containing such particulars, for such period, verified in such manner and within such time, as may be prescribed, and deliver or cause to be delivered to the prescribed income-tax authority or to the person authorised by such authority.

Sub-section (*2*) of the proposed section provides that the Board may, by rules, require any person other than a person mentioned in sub-section (*1*), responsible for paying to a resident, any income liable for deduction of tax at source under Chapter XVII, to prepare such statement in such form, containing such particulars, for such period, verified in such manner and within such time, as may be prescribed, and to deliver or cause to be delivered to the income-tax authority or the authorised person referred to in sub-section (*1*).

Sub-section (*3*) of the proposed section provides for the furnishing of a correction statement to add, delete or update the information in the statement delivered under sub-section (*1*) or sub-section (*2*), as the case may be, in such form and verified in such manner as may be prescribed.

This amendment will take effect from 1st September, 2019.

Clause 51 of the Bill seeks to amend section 228A of the Income-tax Act relating to recovery of tax in pursuance of agreements with foreign countries.

Sub-section (*1*) of the said section, *inter alia*, provides that where an agreement is entered into by the Central Government with the Government of any foreign country for recovery of income-tax under the Income-tax Act and the corresponding law in force in that country and where such foreign country sends a certificate for the recovery of any tax due under such corresponding law from a person having any property in India, the Board, on receipt of such certificate may, forward it to the Tax Recovery Officer within whose jurisdiction such property is situated for the recovery of tax in pursuance of agreement with such foreign country.

It is proposed to amend the said sub-section so as to provide for tax recovery in cases where details of property of such person are not available but the said person is a resident in India.

It is further proposed to amend sub-section (*2*) of the said section so as to provide for tax recovery where details of property of assessee in default are not available but the said assessee is a resident in a foreign country.

This amendment will take effect from 1st September, 2019.

Clause 52 of the Bill seeks to amend section 234A of the Income-tax Act relating to interest for defaults in furnishing return of income.

The said section 234A, *inter alia*, provides for charging of interest for defaults in furnishing return of income.

It is proposed to insert a new sub-clause (*iia*) in sub-clause (*b*) of sub-section (*1*) of said section so as to provide that "any relief of tax allowed under section 89" shall also be reduced from the tax on total income for the purpose of charging interest under the said section.

These amendments will take effect retrospectively from 1st April, 2007 and will, accordingly, apply in relation to the assessment year 2007-08 and subsequent assessment years.

Clause 53 of the Bill seeks to amend section 234B of the Income-tax Act relating to interest for defaults in payment of advance tax.

The said section 234B, *inter alia*, provides for charging of interest for defaults in payment of advance tax.

It is proposed to insert a new clause (*ia*) in *Explanation 1 to* sub-section (*1*) of the said section, so as to provide that "any relief of tax allowed under section 89" shall also be reduced from the tax on the total income for the purpose of charging interest under the said section.

These amendments will take effect retrospectively from 1st April, 2007 and will, accordingly, apply in relation to the assessment year 2007-08 and subsequent assessment years.

Clause 54 of the Bill seeks to amend section 234C of the Income-tax Act relating to interest for deferment of advance tax.

The said section 234C, *inter alia*, provides for charging of interest for deferment of advance tax.

It is proposed to insert a new clause (*ia*) in the *Explanation* to the said section, so as to provide that "any relief of tax allowed under section 89" shall also be reduced from the tax on the returned income for the purpose of charging interest under the said section.

These amendments will take effect retrospectively from 1st April, 2007 and will, accordingly, apply in relation to the assessment year 2007-08 and subsequent assessment years.

Clause 55 of the Bill seeks to amend section 239 of the Income-tax Act relating to form of claim for refund and limitation.

Sub-section (*1*) of the said section provides that every claim of refund under Chapter XIX of the said Act shall be made in such form and verified in the such manner as may be prescribed.

It is proposed to amend the said sub-section so as to provide that every claim for refund under the said Chapter shall be made by furnishing return in accordance with the provisions of section 139.

It is further proposed to omit sub-section (*2*) of section 239.

These amendments will take effect from 1st September, 2019.

Clause 56 of the Bill seeks to amend section 246A of the Income-tax Act relating to appealable orders before Commissioner (Appeals).

Clause (*bb*) of sub-section (*1*) of the said section provides that the assessee may appeal to the Commissioner (Appeals) against

an order of assessment or reassessment under sub-section (*3*) of section 92CD.

It is proposed to amend the said clause so as to provide that the assessee may appeal to the Commissioner (Appeals) against an order made under sub-section (*3*) of section 92CD.

This amendment is consequential in nature to the amendment of section 92CD.

This amendment will take effect from 1st September, 2019.

Clause 57 of the Bill seeks to amend section 269SS of the Income-tax Act relating to mode of taking or accepting certain loans, deposits and specified sum.

The said section prohibits a person from taking or accepting from a depositor any loan or deposit or any specified sum equal to twenty thousand rupees or more otherwise than by an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account.

It is proposed to amend the said section so as to empower the Board to make rules to prescribe any other electronic mode for taking or accepting of certain loans, deposits and any specified sum.

This amendment will take effect from 1st September, 2019.

Clause 58 of the Bill seeks to amend section 269ST of the Income-tax Act relating to mode of undertaking transactions.

The said section prohibits a person from receiving an amount equal to two lakh rupees or more in aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion from a person otherwise than by an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account.

It is proposed to amend the said section so as to empower the Board to make rules to prescribe any other electronic mode of undertaking transactions.

This amendment will take effect from 1st September, 2019.

Clause 59 of the Bill seeks to insert a new section 269SU of the Income-tax Act relating to acceptance of payment through prescribed electronic modes.

It is proposed to provide that every person, carrying on business, shall provide facility for accepting payment through the prescribed electronic modes, in addition to the facility for other electronic modes of payment, if any, being provided by such person, if his total sales, turnover or gross receipts, as the case may be, in business exceeds fifty crore rupees during the immediately preceding previous year.

This amendment will take effect from 1st November, 2019.

Clause 60 of the Bill seeks to amend section 269T of the Income-tax Act relating to mode of repayment of certain loans or deposits.

The said section prohibits a banking company or a co-operative bank and any other company or co-operative society and any firm or other person from repaying any loan or deposit made with it or any specified advance received by it, in any mode other than by an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account, if the amount being repaid is equal to twenty thousand rupees or more.

It is proposed to amend the said section so as to empower the Board to make rules to prescribe any other electronic mode of repayment of certain loans or deposits.

This amendment will take effect from 1st September, 2019.

Clause 61 of the Bill seeks to amend section 270A of the Income-tax Act relating to penalty for under-reporting and misreporting of income.

Sub-section (*2*) of the said section specifies the condition under which a person shall be considered to have under-reported his income.

Sub-section (*3*) of the said section provides for the manner in which under-reported income shall be determined.

It is proposed to amend clause (*b*) and clause (*e*) of the said sub-section (*2*) so as to provide that where return is furnished for the first time under section 148, a person shall be considered to have under-reported his income, if the income or deemed income assessed is greater than the maximum amount not chargeable to tax .

It is further proposed to amend sub-clause (*b*) of clause (*i*) of the said sub-section (*3*) so as to provide that where return is furnished for the first time under section 148 in the case of a company, firm or local authority, the amount of income assessed, and in any other case, the difference between the amount of income assessed and the maximum amount not chargeable to tax shall be the under-reported income.

It is also proposed to amend clause (*a*) of sub-section (*10*) of section 270A so as to provide that in a case where return is furnished for the first time under section 148, the tax payable in respect of under-reported income shall be the amount of tax calculated on the under-reported income as increased by the maximum amount not chargeable to tax as if it were the total income.

These amendments will take effect from 1st April, 2017 and will, accordingly, apply in relation to the assessment year 2017-2018 and subsequent assessment years.

Clause 62 of the Bill seeks to insert a new section 271DB of the Income-tax Act relating to penalty for failure to comply with provisions of section 269SU.

It is proposed to provide that if a person who is required to provide facility for accepting payment through the prescribed electronic modes of payment referred to in section 269SU, fails to provide such facility, he shall be liable to pay, by way of penalty, a sum of five thousand rupees, for every day during which such failure continues.

It is further proposed that the penalty shall not be imposable if the person proves that there were good and sufficient reasons for such failure.

It is also proposed that any such penalty shall be imposed by the Joint Commissioner.

This amendment will take effect from 1st November, 2019.

Clause 63 of the Bill seeks to amend section 271FAA of the Income-tax Act relating to penalty for furnishing inaccurate statement of financial transaction or reportable account.

The said section, *inter alia*, provides for penalty of a sum of fifty thousand rupees if a person referred to in clause (*k*) of sub-section (*1*) of section 285BA furnishes inaccurate information in the statement.

It is proposed to amend the said section so as to extend the penalty for furnishing inaccurate information in the statement to all the persons referred to in sub-section(1) of section 285BA.

This amendment will take effect from 1st September, 2019.

Clause 64 of the Bill seeks to amend section 272B of the Income-tax Act relating to penalty for failure to comply with the provisions of section 139A.

The said section, *inter alia*, provides for penalty for failure to comply with the provisions of section 139A.

It is proposed to suitably amend the sub-section (*2*) of the said section, so that penalty may also be levied on false quoting or non-intimation of Aadhaar number.

It is further proposed that penalty of ten thousand rupees shall be levied for each such default.

It is also proposed to insert a new sub-section (*2A*) to provide that if a person, who is required to quote and also authenticate his permanent account number or Aadhaar number, as the case may be, in accordance with the provisions of section (*6A*), fails to do so, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten thousand rupees for each such default.

It is also proposed to insert a new sub-section (*2B*) to provide that if a person who is required to ensure that the permanent account number or the Aadhaar number, as the case may be, quote in the documents relating to transaction prescribed in clause (*c*) of sub-section (*5*) of section 139A or authenticate such number in respect of transactions prescribed under sub-section (*6A*) of that section, fails to do so, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten thousand rupees for each such default.

It is also proposed that before passing a penalty order under the proposed new sub-section (*2A*) and sub-section (*2B*), a person shall be heard.

These amendments will take effect from 1st September, 2019.

Clause 65 of the Bill seeks to amend section 276CC of the Income-tax Act relating to failure to furnish returns of income.

The proviso to the said section, *inter alia*, provides that a person shall not be proceeded against under the said section, for failure to furnish the return of income in due time, if the tax payable by such person, not being a company, on the total income determined on regular assessment does not exceed three thousand rupees.

It is proposed to amend sub-clause (*b*) of clause (*ii*) of the said proviso so as to provide reference of self-assessment tax, if any, paid before the expiry of the assessment year, and tax collected at source in the said proviso, and also to increase the threshold limit of tax payable from three thousand rupees to ten thousand rupees in the said proviso.

This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-2021 and subsequent assessment years.

Clause 66 of the Bill seeks to amend section 285BA of the Income-tax Act relating to obligation to furnish statement of financial transaction or reportable account.

Sub-section (*1*) of the said section, *inter alia*, specifies the persons who are required to furnish statement in respect of specified financial transaction or reportable account.

It is proposed to insert a new clause (*l*) in the said sub-section so as to provide that a person, other than those referred to in clauses (*a*) to (*k*), as may be prescribed, shall also be required to furnish a statement under the said section.

Second proviso to sub-section (*3*) of the said section specifies that the value or aggregate value of prescribed specified financial transaction during a financial year shall not be less than fifty thousand rupees.

It is further proposed to omit the said proviso.

Sub-section (*4*) of the said section, *inter alia*, provides that if the defect in the statement is not rectified within the time specified therein, the statement shall be treated as invalid.

It is proposed to amend the said sub-section so as to provide that if the defect in the statement is not rectified within the time specified therein, the provisions of the Act shall apply as if such person had furnished inaccurate information in the statement.

These amendments will take effect from 1st September, 2019.

Clause 67 of the Bill seeks to amend section 286 of the Income-tax Act relating to furnishing of report in respect of international group.

The provisions of the said section, *inter alia*, provide for specific reporting regime containing revised standards for transfer pricing documentation and a template for country-by-country reporting.

Sub-clause (*i*) of clause (*a*) of sub-section (*9*) of the said section defines the expression "accounting year" to mean a previous year, in a case where the parent entity or alternate reporting entity is resident in India.

It is proposed to amend the said sub-clause so as to provide that the accounting year in case of an alternate reporting entity, resident in India, whose ultimate parent entity is outside India, shall not mean the previous year but an annual accounting period, with respect to which the parent entity of the international group prepares its financial statements under any law for the time being in force or the applicable accounting standards of the country or territory of which such entity is resident.

This amendment will take effect retrospectively from 1st April, 2017 and will, accordingly, apply in relation to the assessment year 2017-2018 and subsequent assessment years.

Clause 68 of the Bill seeks to amend rule 68B of the Second Schedule of the Income-tax Act relating to time limit for sale of attached immovable property.

Sub-rule (*1*) of the said rule provides that no sale of immovable property attached towards the recovery of tax, penalty, etc., shall be made after the expiry of three years from the end of the financial year in which the order giving rise to a demand of any tax, interest, fine, penalty or any other sum, for the recovery of which the immovable property has been attached, has become conclusive or final, as the case may be.

It is proposed to amend the said sub-rule so as to extend the said period from three years to seven years.

It is further proposed to insert a new proviso in the said sub-rule so as to provide that the Board may, for reasons to be recorded in writing, extend the aforesaid period by a further period not exceeding three years.

This amendment will take effect from 1st September, 2019.

Customs

Clause 69 of the Bill seeks to amend sub-section (*1*) of section 41 of the Customs Act so as to provide that the facility to furnish departure manifest shall, in addition to the person-in-charge of the conveyance, also be given to other person notified by the Central Government.

Clause 70 of the Bill seeks to insert a new chapter XIIB relating to verification of identity and compliance in the Customs Act. The proposed new section 99B under that clause seeks to empower proper officer of customs to carry out verification of a person for ascertaining compliance with the provision of the Customs Act or any other law for the time being in force, for protecting the interests of revenue or to prevent smuggling in the manner as may be prescribed. It is proposed to verify identity of a person through Aadhaar number or through any other alternative and viable means of identification. The section also specifies circumstances under which benefit of certain items shall be suspended or denied to such person. It also empowers the Board to make regulations for the purposes of the section.

Clause 71 of the Bill seeks to substitute sub-section (*1*) and to amend sub-section (*6*) of section 103 of the Customs Act. The proposed amendment to sub-section (*1*) seeks to enable the proper officer to scan or screen with prior approval of Deputy Commissioner of Customs or Assistant Commissioner of Customs any person referred to in sub-section (*2*) of section 100 who has any goods liable to confiscation secreted inside his body. The proposed amendment to sub-section (*6*) seeks to enable the magistrate to take action upon the report of scanning or screening by the proper officer also.

Clause 72 of the Bill seeks to amend sub-sections (*1*), (*4*) and (*6*) of section 104 of the Customs Act.

The amendment to sub-section (*1*) seeks to empower an officer of customs to arrest a person who has committed an offence outside India or Indian Customs waters.

The amendment to sub-section (*4*) seeks to insert two new clauses (*c*) and (*d*) therein, to provide for certain offences which shall be cognizable.

The amendment to sub-section (*6*) seeks to insert a new clause (*e*) therein, to provide for an offence which shall be non-bailable.

It is also proposed to insert an *Explanation* to define the term "instrument".

Clause 73 of the Bill seeks to amend sub-section (*1*) of section 110 of the Customs Act so as to substitute the existing proviso with two provisos so as to specify the conditions under which the custody of seized goods could be given to certain person. The amendment also seeks to specify the conditions, under which the custody of such goods, where it is not practicable to seize such goods, could be given to certain persons.

It is proposed to insert a new sub-section (*5*) so as to empower the proper officer to provisionally attach any bank account for safeguarding the Government revenue and prevention of smuggling, for a period not exceeding six months. It is also proposed that Principal Commissioner of Customs or Commissioner of Customs may, for reasons to be recorded in writing, extend the period of provisional attachment of a bank account to a further period not exceeding six months and inform the person whose bank account is provisionally attached before the expiry of the period so specified.

Clause 74 of the Bill seeks to amend section 110A of the Customs Act so as to empower an adjudicating authority to release bank account provisionally attached under section 110 to the bank account holder on fulfilment of certain conditions.

Clause 75 of the Bill seeks to insert a new section 114AB in the Customs Act. The proposed section seeks to provide that any person who has obtained any instrument by fraud, collusion, wilful misstatement or suppression of facts and such instrument has been utilised by such person or any other person for discharging duty, such person to whom the instrument was issued shall be liable for penalty not exceeding the face value of such instrument. It is also proposed to insert an *Explanation* to define the term "instrument".

Clause 76 of the Bill seeks to amend section 117 of the Customs Act so as to increase the maximum limit of penalty from one lakh rupees to four lakh rupees.

Clause 77 of the Bill seeks to amend first proviso to section 125 of the Customs Act so as to provide that the no fine in lieu of confiscation shall be imposed in respect of cases of deemed closure under section 28.

Clause 78 of the Bill seeks to amend sub-section (*1*) of section 135 of the Customs Act so as to insert a new clause (*e*) therein to make obtaining of an instrument by any person from any authority by fraud, collusion, wilful misstatement or suppression of facts, where such instrument has been utilised by such person or any other person a punishable offence.

The new clause (*E*) in item (*i*) of sub-section (*1*) seeks to make obtaining an instrument from any authority by fraud, collusion, wilful misstatement or suppression of facts, where such instrument has been utilised by any person a punishable offence if the duty relatable to utilisation of the instrument exceeds fifty lakhs of rupees.

It is also proposed to insert an *Explanation* to define the term "instrument".

Clause 79 of the Bill seeks to amend section 149 of the Customs Act so as to empower Board to make regulations specifying time, form, manner, restrictions and conditions for amendment of any document.

Clause 80 of the Bill seeks to amend section 157 of the Customs Act. The proposed amendment seeks to empower the Board to make regulations under proposed new section 99B and section 149 of the Customs Act.

Clause 81 of the Bill seeks to amend sub-section (*2*) of section 158 of the Customs Act so as to increase the maximum limit of penalty for violation of any provisions of rules or regulations made under Customs Act from fifty thousand rupees to two lakh rupees.

Clause 82 of the Bill seeks to make retrospective amendments to certain notifications issued under sub-section (*1*) of section 25 of the Customs Act, 1962, in the manner specified in Second Schedule, so as to change the tariff classification of Stearic acid from "3823 10 90" to "3823 11 00".

Clause 83 of the Bill seeks to make retrospective amendments to notification number G.S.R. 785(E), dated the 30th June, 2017 issued under sub-section (*1*) of section 25 of the Customs Act, 1962 and sub-section (*12*) of section 3 of the Customs Tariff Act, 1975 in the manner specified in Third Schedule, so as to change the tariff classification of Stearic acid from "3823 10 90" to "3823 11 00".

Clause 84 of the Bill seeks to give retrospective effect to the notification number G.S.R. 1270(E), dated the 31st December 2018, which was issued in exercise of the powers conferred by sub-section (*1*) of section 25 of the Customs Act, 1962 and sub-section (*12*) of section 3 of the Customs Tariff Act, 1975, to amend the notification number G.S.R. 665 (*E*), dated the 2nd August, 1976, on the temporary importation of vehicles as per the Convention on the Temporary Importation of Private Road Vehicles to bring it into force on and from the 1st July, 2017, so as to give retrospective exemption from the integrated tax leviable under section 3 of the Customs Tariff Act, 1975.

Customs Tariff

Clause 85 of the Bill seeks to insert sub-section (*1A*) under section 9 of the Customs Tariff Act, so as to provide anti-circumvention provision in case of Countervailing duty.

Clause 86 of the Bill seeks to amend sub-section (*1*) of section 9C of the Customs Tariff Act, so as to provide for filing of appeal before the Customs, Excise and Service Tax Appellate Tribunal against the findings of the designated authority regarding

determination of safeguard duty.

Clause 87 of the Bill seeks to amend the First Schedule to the Customs Tariff Act,-

(*a*) in the manner specified in the Fourth Schedule with a view to revise the tariff rates in respect of certain tariff items and to amend Chapter Note of Chapter 98 so as to exclude printing books from the purview of heading 9804;

(*b*) in the manner specified in the Fifth Schedule with a view to rectify errors and harmonise certain entries with Harmonised System of Nomenclature and also to create new tariff lines from certain entries, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint.

Clause 88 of the Bill seeks to give retrospective effect to the notification number G.S.R. 186 (*E*), dated the 22nd February, 2016, amending the notification number G.S.R. 804 (*E*), dated the 21st October, 2015, issued under sub-sections (*1*) and (*5*) of section 9A of the Customs Tariff Act, 1975, so as to retrospectively modify the tariff classification of the goods leviable to anti-dumping duty from tariff heading "5402" to tariff sub-heading "5402 47" on and from the 21st day of October, 2015 to 22nd day of February, 2016.

Clause 89 of the Bill seeks to give retrospective effect to notification number G.S.R. 665 (*E*), dated the 5th July, 2016, amending the notification number G.S.R. 285 (*E*), dated the 8th March 2016, issued under sub-sections (*1*) and (*5*) of section 9A of the Customs Tariff Act, 1975, so as to retrospectively exclude expanded Polypropylene beads and ter-polymer from the levy of anti-dumping duty from 8th March, 2016 to 5th July, 2016.

Central Excise

Clause 90 of the Bill seeks to amend the Fourth Schedule to the Central Excise Act, 1944, so as to revise the tariff rate in respect of tariff item "2709 20 00" from "Nil" to "Re. 1 per tonne".

Central Goods and Service Tax

Clause 91 of the Bill seeks to amend clause (*4*) of section 2 of the Central Goods and Services Tax Act to insert the words "the National Appellate Authority for Advance Ruling" in the definition of "adjudicating authority" so as to exclude that authority from the definition of adjudicating authority.

Clause 92 of the Bill seeks to amend section 10 of the Central Goods and Services Tax Act so as to provide alternative composition scheme for supplier of services or mixed suppliers (not eligible for the earlier composition scheme) having an annual turnover in preceding financial year upto rupees fifty lakhs.

Clause 93 of the Bill seeks to amend section 22 of the Central Goods and Services Tax Act so as to provide for higher threshold exemption limit from rupees twenty lakhs to such amount not exceeding rupees forty lakhs in case of supplier who is engaged exclusively in the supply of goods.

Clause 94 of the Bill seeks to amend section 25 of the Central Goods and Services Tax Act so as to provide for mandatory Aadhaar submission or authentication for persons who intend to take or have taken registration under the said Act in such manner as may be notified by the Government on the recommendations of the Council.

Clause 95 of the Bill seeks to insert a new section 31A in the Central Goods and Services Tax Act, to provide that supplier shall mandatorily offer facility for digital payments to his recipient.

Clause 96 of the Bill seeks to amend section 39 of the Central Goods and Services Tax Act so as to provide for furnishing of annual returns and for quarterly payment of tax by taxpayer who opts for composition levy and to provide for certain other category of tax payers, an option for quarterly and monthly payments under the proposed new return filing system.

Clause 97 of the Bill seeks to amend section 44 of the Central Goods and Services Tax Act so as to empower the Commissioner to extend the due date for furnishing Annual return and reconciliation statement.

Clause 98 of the Bill seeks to amend section 49 of the Central Goods and Services Tax Act so as to provide facility to the taxpayer to transfer an amount from one head to another in the electronic cash ledger.

Clause 99 of the Bill seeks to amend section 50 of the Central Goods and Services Tax Act so as to provide for charging interest only on the net cash tax liability, except in those cases where tax is paid subsequent to initiation of any proceedings under section 73 or 74 of the Act.

Clause 100 of the Bill seeks to amend section 52 of the Central Goods and Services Tax Act so as to empower the Commissioner to extend the due date for furnishing of monthly and annual statement by the person collecting tax at source.

Clause 101 of the Bill seeks to insert a new section 53A in the Central Goods and Services Tax Act so as to provide for transfer of amount in the electronic cash ledger between the Centre and States as a consequence of the new facility given to the tax payer under section 49.

Clause 102 of the Bill seeks to amend section 54 of the Central Goods and Services Tax Act so as to empower the Central Government to disburse refund amount to the taxpayers in respect of refund of State taxes.

Clause 103 of the Bill seeks to amend clause (*a*) of section 95 of the Central Goods and Services Tax Act so as to include "the National Appellate Authority for Advance Ruling" in the definition of "advance ruling". It also seeks to insert clause (*f*) in section 95 of the Central Goods and Services Tax Act to define "National Appellate Authority".

Clause 104 of the Bill seeks to insert new sections 101A, 101B and 101C in the Central Goods and Services Tax Act.

The proposed new section 101A seeks to provide for constitution of the National Appellate Authority for Advance Ruling. It also provides for qualification, appointment, tenure, conditions of services and manner of removal of the President and Members of the National Appellate Authority.

The proposed new section 101B seeks to provide for filing of appeals and the procedure to be followed for hearing appeals against conflicting advance rulings pronounced on the same question by the Appellate Authorities of two or more States or Union territories or both under sub-section (*1*) of section 101 or sub-section (*3*) of section 101 of the Act.

The proposed new section 101C seeks to provide that the National Appellate Authority shall pass order within a period of ninety days from the date of filing of the appeal. It also provides that where the members differ on any point, it shall be decided by majority.

Clause 105 of the Bill seeks to amend section 102 of the Central Goods and Services Tax Act so as to bring the National Appellate Authority within the ambit of that section to empower it to rectify its advance ruling.

Clause 106 of the Bill seeks to amend section 103 of the Central Goods and Services Tax Act so as to provide that the advance ruling pronounced by the National Appellate Authority shall be binding on the applicants, being distinct persons and all registered persons having the same Permanent Account Number and on the concerned officers or the jurisdictional officers in respect of the said applicants and the registered persons having the same Permanent Account Number. It also provides that the ruling shall be binding unless there is a change in law or facts.

Clause 107 of the Bill seeks to amend section 104 of the Central Goods and Services Tax Act to provide that advance ruling pronounced by the National Appellate Authority shall be void where the ruling has been obtained by fraud or suppression of material facts or misrepresentation of facts.

Clause 108 of the Bill seeks to amend section 105 of the Central Goods and Services Tax Act to provide that the National Appellate Authority shall have all the powers of a civil court under the Code of Civil Procedure, 1908 for the purpose of exercising its powers under the Act.

Clause 109 of the Bill seeks to amend section 106 of the Central Goods and Services Tax Act to provide that the National Appellate Authority shall have power to regulate its own procedure.

Clause 110 of the Bill seeks to amend section 168 of the Central Goods and Services Tax Act to include sub-section (*1*) of section 44 and sub-sections (*4*) and (*5*) of section 52, within the ambit of that section so that the Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board.

Clause 111 of the Bill seeks to amend section 171 of the Central Goods and Services Tax Act to insert new sub-section (*2A*) therein so as to empower the Authority specified under sub-section (*2*) thereof to impose penalty equivalent to ten per cent. of the profiteered amount.

Clause 112 of the Bill seeks to amend the notification number G.S.R. 674(E), dated the 1st July, 2017, issued under sub-section (*1*) of section 11 of the Central Goods and Services Tax Act, 2017,so as to give retrospective exemption to "Uranium Ore Concentrate" from the levy of central tax from 1st July, 2017 to 14th November, 2017.

Integrated Goods and Services Tax

Clause 113 of the Bill seeks to insert a new section 17A in the Integrated Goods and Services Tax Act so as to provide for transfer of amount in the electronic cash ledger between the Centre and the States as a consequence new facility given to the tax payers under section 49 of the Central Goods and Service Tax Act.

Clause 114 of the Bill seeks to amend the notification number G.S.R. 667(E), dated the 1st July, 2017, issued under sub-section (*1*) of section 6 of the Integrated Goods and Services Tax Act, 2017,so as to give retrospective exemption to "Uranium Ore Concentrate" from the levy of integrated tax from 1st July, 2017 to 14th November, 2017.

Union Territory Goods and Services Tax

Clause 115 of the Bill seeks to amend the notification number G.S.R. 711(E), dated the 1st July, 2017, issued under sub-section (*1*) of section 8 of the Union Territory Goods and Services Tax Act, 2017,so as to give retrospective exemption to "Uranium Ore Concentrate" from the levy of Union territory tax from 1st July, 2017 to 14th November, 2017.

Service Tax

Clause 116 of the Bill seeks to provide retrospective exemption from service tax on service by way of grant of liquor licence by the State Government, during the period from the 1st day of April, 2016 up to 30th day of June, 2017.

Clause 117 of the Bill seeks to provide retrospective exemption from service tax to the long duration degree or diploma programmes except Executive Development Programme provided by the Indian Institutes of Management to the students during the period from the 1st day of July, 2003 up to the 31st day of March, 2016.

Clause 118 of the Bill seeks to provide retrospective exemption from service tax on upfront amount paid for services by way of grant of long term lease of plots for development of infrastructure for financial business by the State Government Industrial Development Corporations or Undertakings or by any other entity having fifty per cent. or more ownership of the Central Government or State Government or Union territory, directly or through an entity which is wholly owned by such Governments, to the developers in the industrial or financial business area, during the period from the 1st day of October, 2013 up to the 30th day of June, 2017.

Clauses 119 to 134 of Chapter V of the Bill seeks to provide for Sabka Viswas (Legacy Dispute Resolution) Scheme, 2019.

The Scheme is a one time measure for liquidation of past disputes of Central Excise and Service Tax as well as to ensure disclosure of unpaid taxes by a person eligible to make a declaration. The Scheme shall be enforced by the Central Government from a date to be notified. It provides that eligible persons shall declare the tax dues and pay the same in accordance with the provisions of the Scheme. It further provides for certain immunities including penalty, interest or any other proceedings under the Central Excise Act, 1944 or Chapter V of the Finance Act, 1944 to those persons who pay the declared tax dues.

Miscellaneous

Clauses 135 to 142 of the Bill seek to amend certain provisions of the Reserve Bank of India Act, 1934.

It is proposed to amend section 45-IA of the Act so as to enhance the existing amounts of the net owned fund of a non-banking financial company.

It is further proposed to insert new sections 45-ID and 45-IE in the Act so as to provide power to the Reserve Bank to remove directors of a non-banking financial company other than Government Company from office, and supersession of Board of Directors of a non-banking financial company, on certain grounds.

It is also proposed to insert a new section 45MAA in the Act so as to provide power to Reserve Bank to take action against auditors if any auditor fails to comply with any direction given or order made by the Reserve Bank under section 45MA.

It is also proposed to insert a new section 45MBA in the Act relating to resolution of a non-banking financial company.

It is also proposed to insert a new section 45NAA in the Act relating to power of the Reserve Bank in respect of group company.

It is also proposed to amend section 58B of the Act so as to enhance the existing amounts of penalty.

It is also proposed to amend section 58G of the Act so as to enhance the existing penalties of five thousand rupees, five lakh rupees and twenty-five thousand rupees to twenty-five thousand rupees, ten lakh rupees and one lakh rupees respectively.

Clause 143 of the Bill seeks to amend section 6 of the Insurance Act, 1938 relating to requirement as to capital.

It is proposed to insert a new sub-section (*3*) in the said section so as to restrict the foreign company engaging in re-insurance business through a branch in an International Financial Services Centre as specified in sub-section (*1*) of section 18 of the Special Economic Zones Act, 2005 for registration unless it has net owned funds of not less than rupees one thousand crore.

This amendment will take effect retrospectively from 1st April, 2019.

Clauses 144 and 145 of the Bill seek to amend certain provision of the Securities Contracts (Regulation) Act, 1956. It is proposed to amend section 23A of the said Act to provide that in addition to furnish information to recognised stock exchange the said information may also be furnished to the Board.

Clauses 146 and 147 of the Bill seek to amend certain provisions of the Banking Companies (Acquisition and Transfer of undertakings) Act, 1970.

It is proposed to amend section 9 of the Act to empower the Central Government to appoint not more than five full time directors of corresponding new bank.

Clause 148 of the Bill seeks to amend the Genaral Insurance Business (Nationalisation) Act, 1972. It is propsed to amend sub-section (*2*) of the section 16 of the Act to provide "upto four companies" instead of "only four companies".

Clauses 149 and 150 of the Bill seek to amend the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980. It is proposed to amend section 9 of the Act to empower the Central Government to approve not more than five full time directors in corresponding new bank.

Clauses 151 to 171 of the Bill seek to amend the National Housing Bank Act, 1987.

It is proposed to transfer regulation of such housing finance institutions from the National Housing Bank to the Reserve Bank of India and for the said purpose, it is proposed to amend certain provisions of the said Act.

Clause 153 of the Bill seeks to amend section 29A of the said Act relating to requirement of registration and net owned fund.

Clause 154 of the Bill seeks to amend section 29B of the said Act relating to maintenance of percentage of assets.

Clause 155 of the Bill seeks to amend section 29C of the said Act relating to reserve fund.

Clause 156 of the Bill seeks to substitute section 30 of the said Act relating to Reserve Bank to regulate or prohibit issue of prospectus or advertisement soliciting deposits of money.

Clause 157 of the Bill seeks to substitute section 30A of the said Act relating to power of Reserve Bank to determine policy and issue directions.

Clause 158 of the Bill seeks to substitute section 31 of the said Act relating to power of National Housing Bank to collect information from housing finance institutions as to deposits.

Clause 159 of the Bill seeks to substitute section 32 of the said Act relating to duty of housing finance institution to furnish statements, etc., under Chapter V.

Clause 160 of the Bill seeks to amend section 33 of the said Act relating to powers and duties of auditors.

Clause 161 of the Bill seeks to substitute section 33A of the said Act relating to power of Reserve Bank to prohibit acceptance and deposits and alienation of assets.

Clause 162 of the Bill seeks to amend section 33B of the said Act relating to power of National Housing Bank to file winding up petition.

Clause 163 of the Bill seeks to amend section 34 of the said Act relating to inspection.

Clause 164 of the Bill seeks to amend section 35 of the said Act relating to deposits not to be solicited by unauthorised persons.

Clause 165 of the Bill seeks to amend section 35A of the said Act relating to disclosure of information.

Clause 166 of the Bill seeks to substitute section 35B of the said Act relating to power of Reserve Bank to exempt housing finance institution.

Clause 167 of the Bill seeks to amend section 44 of the said Act relating to obligation as to fidelity and secrecy.

Clause 168 of the Bill seeks to amend section 46 of the Act to substitute Reserve Bank for national housing Bank throughout the Act.

Clause 169 of the Bill seeks to amend section 49 of the Act to substitute the "National Housing Bank or the Reserve Bank" for the "National Housing Bank".

It is further propsed to substitute "National Company Law Tribunal for "Authorised officer".

Clause 170 of the Bill seeks to amend section 51 of the said Act relating to cognisance of offences.

Clause 171 of the Bill seeks to substitute section 52A of the said Act relating to power of National Housing Bank and Reserve Bank to impose fine.

Clauses 172 to 176 of the Bill seek to amend the Prohibition of Benami Property Transactions Act, 1988.

Section 23 of the said Act provides that the Initiating Officer, after obtaining prior approval of the Approving Authority, shall have power to conduct or cause to be conducted any inquiry or investigation in respect of any person, place, property, assets, documents, books of account or other documents, in respect of any other relevant matters under this Act.

It is proposed to amend the said section so as to clarify that nothing contained in this section shall apply and shall be deemed to have ever applied where a notice under sub-section (*1*) of section 24 has been issued by the Initiating Officer.

This amendment will take effect retrospectively from 1st day of November, 2016.

Section 24 of the said Act provides that where the Initiating Officer is of the opinion that the person in possession of the property held benami may alienate the property during the period specified in the notice, he may, with the previous approval of the Approving Authority, by order in writing, attach provisionally the property in the manner as may be prescribed, for a period not exceeding ninety days from the date of issue of notice under sub-section (*1*) and Initiating Officer shall pass an order within a period of ninety days from the date of issue of notice under sub-section (*1*).

It is proposed to amend sub-section (*3*) of the said section so as to provide that instead of attaching the property for a period of ninety days from the date of notice, the said property may be attached for a period of ninety days from the last day of the month in which notice was issued.

It is further proposed to amend sub-section (*4*) of the said section so as to provide that instead of passing an order within a period of ninety days from the date of issue of notice under sub-section (*1*), the said order shall be passed from the last date of the month in which notice under sub-section (*1*) was issued.

It is also proposed to amend the said section so as to exclude the time on account of stay granted by any court from the period of time provided under sub-section (*5*) to refer the order passed under sub-section (*4*) within fifteen days from the date of attachment to the Adjudicating Authority and that if after exclusion of the period of stay if the remaining period is less than seven days, the remaining period shall be deemed to extend to seven days.

Sub-section (*7*) of section 26 of the said Act does not provide that in computing the period of one year for passing an order the period during which the proceeding is stayed by an order or injunction of any court shall be excluded.

It is proposed to amend the said sub-section so as to provide that in computing the period of one year for passing an order, the period during which the proceeding is stayed by an order or

injunction of any court is excluded. It is also proposed that if after exclusion of the period of stay if the remaining period is less than sixty days, the remaining period shall be deemed to extend to sixty days.

It is also proposed to insert new sections 54A and 54B in the said Act.

Sub-section (*1*) of the proposed new section 54A provides that the person shall pay a penalty of twenty-five thousand rupees for each failure to comply with summons under sub-section (*1*) of section 19; or to furnish information which he was required to furnish under section 21.

Sub-section (*2*) of the said section provides for the authority who shall impose penalty.

Sub-section (*3*) of the said section provides that no penalty shall be imposed without affording an opportunity of being heard to the person in respect of whom penalty is sought to be imposed.

The proviso to the said sub-section provides that no penalty shall be imposed if such person proves that there were good and sufficient reasons for the contravention.

The proposed new section 54B provides that the entries in the records or other documents in the custody of an authority shall be admitted in evidence in any proceedings for the prosecution of any person for an offence under section 3 or Chapter VII, and all such entries may be proved either by the production of the records or other documents in the custody of the authority containing such entries, or by the production of a copy of the entries certified by the authority having custody of the records or other documents under its signature and stating that it is a true copy of the original entries and that such original entries are contained in the records or other documents in its custody.

It is also proposed to amend section 55 of the said Act so as to provide that no prosecution shall be instituted against any person in respect of any offence under sections 3, 53 or section 54 without the previous sanction of the Board.

It is further proposed to insert an *Explanation* to the said section so as to define the expression "competent authority".

These amendments will take effect from 1st September, 2019.

Clauses 177 to 181 seek to amend the certain provisions fo the Securities Exchange Board of India Act, 1992.

It is proposed to amend section 14 of the said Act so as to restrict the accumulation of huge surplus funds with the Securities Exchange Board of India.

It is further proposed to amend section 15C of the said Act so as to provide that failure of any listed company or any person who is registered as an inermediary, to redress investors' grievances after having been called upon the Board even through any electronic means and not necessarily in writing, may also amount to a penalty under the said section.

It is also proposed to amend section 15F of the said Act so as to provide monetary penalty for failure to issue contract notes in the form and in the manner specified by the stock exchange of which a registered stock broker is a member.

It is also proposed to insert a new section 15HAA so as to provide monetary penalty for alteration, destruction, mutilation, concealment or falsification of information, record, document (including electronic records), relating to a contravention of this Act, so as to impede, obstruct, or influence the investigation, inquiry, audit, inspection or proper administration of any matter within the juridiction of the Board. It also seeks to protect of electronic database of the Board intermediaries regulated by the Board, under the Act.

Clause 182 of the Bill seeks to amend section 10 of the Central Road and Infrastructure Fund Act, 2000 relating to functions of the Central Government. It is proposed to amend clause (*iv*) of sub-section (*1*) of the said section for formulation of criteria for allocation of funds for development and maintenance of state road projects including the projects of inter-State and economic importance.

It is proposed to omit clause (*v*) of sub-section (*1*) of said section 10 which provides for release of funds to the States for specific projects and monitoring of such projects and expenditure incurred thereon, and clauses (*v*) and (*vii*) of said sub-section to omit.

clause (*vii*) of said sub-section which provides for allocation of share of funds to each State and Union territory specified in the First Schedule to the Constitution.

Clause 183 of the Bill seeks to substitute sub-section (*1*) of section 11 of the Central Road and Infrastructure Fund Act, 2000 to have reference to clause (*iv*) sub-section (*1*) of Section 10 for formulation of criteria for allocation of funds for development and maintenance of road projects including the projects of inter-State and economic importance.

Clause 184 of the Bill seeks to omit clause (*c*) below sub-section (*2*) of section 12 of the Central Road and Infrastructure Fund Act, 2000 which provides for the manner in which the schemes for development and maintenance of State roads of inter-State and economic importance are to be formulated and sanctioned.

Clause 185 of the Bill seeks to amend the Eighth Schedule to the Finance Act, 2002, sub-clause (*a*) thereof seeks to increase the rate of special additional duty of excise on motor spirit commonly known as petrol from rupees seven per litre to rupees ten per litre. Sub-clause (*b*) thereof seeks to increase the rate of special additional duty of excise on high speed diesel oil from rupees one per litre to rupees four per litre.

Clause 186 of the Bill seeks to amend section 13 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 relating to tax exemption or benefit to continue to have effect.

Sub-section (*1*) of said section 13 of the aforesaid Act provide that notwithstanding anything contained in the Income-tax Act, 1961, or any other enactment for the time being in force relating to tax or income, profits or gains, no income-tax or any other tax shall be payable by the Administrator upto 31st March, 2019 in respect of any income, profits or gains derived, or any amount received in relation to the specified undertaking.

It is proposed to amend the said sub-section (*1*) so as to extend the income-tax exemption to the said undertaking from the period beginning on the 1st April, 2019 to the 31st March, 2021.

This amendment will take effect retrospectively from 1st April, 2019.

Clauses 187 to 192 of the Bill seek to amend certain provisions of the Prevention of Money-Laundering Act, 2002.

It is proposed to amend sub-clause (*i*) of clause (*n*) of sub-section (*I*) of section 2, to meet out the difficulties being faced out by the Securities and Exchange Board of India.

It is further proposed to amend sub-clause (*ii*) of clause (*sa*) of sub-section (*I*) of section 2, to meet out the difficulties being faced out by the Financial Intelligence Unit, India.

It is also proposed to amend section 12A so as to provide the reference of newly inserted section 12AA therein.

It is also proposed to insert a section 12AA of the said Act so as to provide for the provisions for enhance due diligence.

It is also proposed to amend section 15 of the said Act so as to provide the reference of newly inserted section 12AA therein.

It is also proposed to insert Section 72A to allow power to Central Government to constitute Inter Ministerial Co-ordination Committee that is responsible for coordination and cooperation across all relevant/competent authorities on implementation of Financial Action Task Force standards. This is required for effective implementation of Financial Action Task Force standards Recommendations and to draw, coordinate, monitor and review the Anti Money Laundering or Countering Financing of Terrorism policies or activities and their implementation to strengthen Anti Money Laundering or Countering Financing of Terrorism framework in line with Financial Action Task Force standards.

It is also proposed to amend section 73 of the Act so as to provide certain rule making provisions.

Clause 193 of the Bill seeks to amend section 99 of the Finance (*No. 2*) Act, 2004 relating to the value of taxable securities transaction.

The said section provides for the value of taxable securities transaction in respect of sale of an option in securities, where option is exercised, shall be the settlement price.

It is proposed to amend the said section so as to provide that the value of taxable securities transaction in respect of sale of an option in securities, where option is exercised shall be the intrinsic value.

It is further proposed to insert an *Explanation* in the said section so as to define the expression "intrinsic value" for the purposes of the said section.

These amendments will take effect from 1st September, 2019.

Clause 194 of the Bill seeks to amend the Payment and Settlement Systems Act, 2007 by insertion of a new section 10A relating to banks, etc. not to impose charge for using electronic modes of payment.

The proposed new section provides that notwithstanding anything contained in the said Act, no bank or system provider shall impose any charge, upon anyone, either directly or indirectly for using the electronic modes of payment prescribed under section 269SU of the Income-tax Act, 1961.

This amendment will take effect from 1st November, 2019.

Clauses 195 to 198 of the Bill seeks to amend certain provisions of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

Clause 195 of the Bill seeks to amend section 2 of the said Act.

The existing provisions of clause (*2*) of section 2 of the said Act, *inter alia*, provides that the "assessee" means a person who is resident in India within the meaning of section 6 of the Income-tax Act.

It is proposed to amend the aforementioned clause so as to provide that the "assessee" shall mean a person being a resident in India within the meaning of section 6 of the Income-tax Act, in the previous year, or a person being a non-resident or not ordinarily resident in India within the meaning of clause (*6*) of section 6 of the Income-tax Act, in the previous year, who was resident in India either in the previous year to which the income referred to in section 4 relates to or in the previous year in which the undisclosed asset located outside India is acquired.

It is further proposed to insert a proviso to provide that the previous year of acquisition of the asset shall be determined without giving effect to the provisions of clause (*c*) of section 72.

This amendment will take effect retrospectively from 1st July, 2015.

Clause 196 of the Bill seeks to amend section 10 of the said Act which, *inter alia*, provides for assessment or re-assessment under the said Act.

It is proposed to amend the provisions of sub-sections (*3*) and (*4*) of the said section so as to also include the terms "re-assess" and "reassessment" under the said sub-sections.

This amendment will take effect retrospectively from 1st July, 2015.

Clause 197 of the Bill seeks to amend section 17 of the said Act relating to powers of Commissioner (Appeals).

The existing provisions of clause (*b*) of sub-section (*1*) of the said section provide that the Commissioner (Appeals) may confirm or cancel the penalty order.

It is proposed to amend the said clause to provide that the Commissioner (Appeals) may also vary the penalty order either to enhance or reduce the penalty.

This amendment will take effect from Ist September, 2019.

Clause 198 of the Bill seeks to amend section 84 of the said Act relating to application of provisions of Income-tax Act.

The said section provides for application of certain provisions of the Income-tax Act to the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 with necessary modifications.

It is proposed to amend the said section so as to provide that the provisions of section 144A of the Income-tax Act shall also be applicable to the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 with necessary modifications.

These amendment will take effect from 1st September, 2019.

Clauses 199 and 200 of the Bill seek to amend certain provisions of the Finance Act, 2016 relating to the Income Declaration Scheme, 2016 (hereinafter referred to as the Scheme).

Sub-section (*1*) of section 187 of the said Act, *inter alia*, provides that the tax, surcharge and penalty in respect of the undisclosed income, shall be paid on or before a notified date.

It is proposed to insert a proviso in said sub-section to provide that where the amount of tax, surcharge and penalty, has not been paid within the due date notified under the said sub-section (*1*) of section 187, the Central Government may, by notification in the Official Gazette, specify the class of persons, who may, make the payment of such amount on or before such date as may be notified by the Central Government in the Official Gazette, along with the interest on such amount, at the rate of one per cent. for every month or part of a month comprised in the period commencing on the date immediately following the due date and ending on the date of such payment.

Section 191 of the said Act, *inter alia*, provides that any amount of tax, surcharge or penalty paid in pursuance of a declaration made under the Scheme shall not be refundable.

It is proposed to insert a proviso in the said section to provide that the Central Government may, by notification in the Official Gazette, specify the class of persons to whom the amount of tax, surcharge and penalty, paid in excess of the amount payable under the Scheme shall be refundable.

This amendment will take effect retrospectively from 1st June, 2016.

Clause 201 of the Bill seeks to amend the Sixth Schedule to the Finance Act, 2018, so as to increase the rate of road and infrastructure cess on motor spirit commonly known as petrol and high speed diesel oil , from rupees 8 per litre to rupees 10 per litre.

Clause 202 of the Bill seeks to repeal section 2 of the Finance Act, 2019.

Clause 5 of the Bill seeks to amend section 9A of the Income-tax Act relating to certain activities not to constitute business connection in India.

It is proposed to amend clause (*m*) of sub-section (*3*) of the said section to provide that the amount shall be calculated in such manner as may be prescribed.

Clause 8 of the Bill seeks to amend section 13A of the Income-tax Act relating to special provision relating to the incomes of political parties.

It is proposed to amend clause (*d*) of the first proviso to the said section to provide that the donation referred to therein is also received through such other electronic mode as may be prescribed.

Clause 9 of the Bill seeks to amend section 35AD of the Income-tax Act relating to deduction in respect of expenditure on specified business.

The proposed amendment in clause (*f*) of sub-section (*8*) of the said section provides that besides payment through bank account the payment shall also be made through such other electronic mode as may be prescribed.

Clause 11 of the Bill seeks to amend section 40A of the Income-tax Act relating to expenses or payments not deductible in certain circumstances.

The proposed amendment empowers the Board to make rules to provide that payment made through such other electronic mode shall also be allowed as deduction.

Clause 12 of the Bill seeks to amend section 43 of the Income-tax Act relating to definitions of certain terms relevant to income from profits and gains of business or profession.

The proposed amendment seeks to empower the Board to make rules to provide that payment made through such electronic mode shall not be ignored for the purposes of determination of actual cost.

Clause 14 of the Bill seeks to amend section 43CA of the Income-tax Act relating to special provision for value of consideration for transfer of assets other than capital assets in certain cases.

The proposed amendment to sub-section (*4*) of the said section empowers the Board to make rules that the provision of sub-section (*3*) shall also apply in respect of those cases where the amount of consideration or a part thereof has been received by way of any electronic mode.

Clause 16 of the Bill seeks to amend section 44AD of the Income-tax Act relating to special provision for computing profits and gains of business on presumptive basis.

The proposed amemdment to the proviso to sub-section (*1*) of the said section empowers the Board to make rules to provide that an eligible assessee can opt for presumptive taxation scheme if he declares profit at the rate of six percent or higher of the turnover received through any electronic mode.

Clause 18 of the Bill seeks to amend second proviso to sub-section (*1*) of section 50C, relating to special provision for full value of consideration in certain cases, so as to empower the Board to make rules to provide that the first proviso shall also apply in respect of those cases where the amount of consideration or a part thereof has been received by way of electronic mode as may be prescribed.

Clause 19 of the Bill seeks to amend section 50CA to insert a proviso to provide that the provision of the said section shall not apply to any consideration received or accruing as a result of such transfer by such class of persons referred to in the said section and such condition as may be prescribed.

Clause 21 of the Bill seeks to amend section 56 of the Income-tax Act relating to income from other sources.

It is proposed to amend the second proviso to sub-clause (*b*) of clause (*x*) of sub-section (*2*) of the said section to empower the Board to make rules to provide other electronic mode referred to therein.

It is further proposed to insert a new clause (*XI*) in the proviso to the said clause (*x*) so as to provide that sum of money or any property received from such class of persons and subject to such conditions, as may be prescribed by rules shall not be the income of such persons.

Clause 27 of the Bill seeks to amend section 80JJAA of the Income-tax Act relating to deduction in respect of employment of new employees so as to provide in clause (*b*) of the first proviso to the *Explanation* to the said section so as to empower the Board to make rules to provide that deduction of an amount of additional employee cost shall be allowed if such emoluments are also paid through electronic mode.

Clause 31 of the Bill seeks to substitute section 92D of the Income-tax Act relating to maintenance and keeping of information and document by persons entering into an international transaction or specified domestic transaction.

Sub-section (*1*) of the said section empowers the Board to make rules for the manner of keeping and maintaining information and document.

It is further proposed to empower the Board under sub-section (*2*) of the said section to prescribe the period for which the said information and document shall be kept and maintained.

Clause 39 of the Bill seeks to amend section 139 of the Income-tax Act relating to return of income.

It is proposed to insert a new provisio in sub-section (*1*) which empowers the Board to prescribe by rules other conditions in addition to the conditions specified therein.

Clause 40 of the Bill seeks to amend section 139A of the Income-tax Act relating to permanent account number.

It is proposed to insert a new clause (*vii*) in sub-section (*1*) of the said section and to empower the Board to make rules to specify the transaction referred to therein.

It is further proposed to insert new sub-section (*6A*) to empower the Board to make rules to specify the category of transaction and to provide for the manner of authentication of Permanent Account number and Aadhaar number.

It is also proposed to insert new sub-section (*6B*) to empower the Board to provide for manner of authentication of permanent account number and Aadhaar number by the person referred to in sub-section (*6A*).

Clause 41 of the Bill seeks to amend section 139AA of the Income-tax Act relating to quoting of Aadhaar Number.

It is proposed to amend the proviso to sub-section (*2*) of the said section so as to provide that if a person fails to intimate the

Aadhaar number, the permanent account number allotted to such person shall be made inoperative after the notified date in the manner as may be prescribed by rules.

Clause 47 of the Bill seeks to amend section 195 of the Income-tax Act relating to other sums.

It is proposed to amend sub-section (*2*) of the said section so as to empower the Board to prescribe the form and manner of making application and the manner of determining the appropriate proportion of such sum chargeable.

It is further proposed to amend sub-section (*7*) of the said section to empower the Board to prescribe the form and manner of making application and the manner of determining the appropriate proportion of such sum chargeable to tax.

Clause 50 of the Bill seeks to substitute section 206A of the Income-tax Act relating to furnishing of quarterly return in respect of payment of interest to residents without deduction of tax.

Sub-section (*1*) of the said section provides that any banking company or co-operative society or public company referred to in the proviso to clause (*i*) of sub-section (*3*) of section 194A responsible for paying to a resident any income not exceeding forty thousand rupees, where the payer is a banking company or a co-operative society, and five thousand rupees in any other case by way of interest (other than interest on securities), shall prepare such statement in such form, containing such particulars, for such period, verified in such manner and within such time, as may be prescribed, and deliver or cause to be delivered to the prescribed income-tax authority or to the person authorised by such authority.

Sub-section (*2*) of the said section provides that the Board may, require any person other than a person mentioned in sub-section (*1*), responsible for paying to a resident, any income liable for deduction of tax at source under Chapter XVII, to prepare such statement in such form, containing such particulars, for such period, verified in such manner and within such time, as may be prescribed, and to deliver or cause to be delivered to the income-tax authority or the authorised person referred to in sub-section (*1*).

Sub-section (*3*) of the said section provides for the furnishing of a correction statement to add, delete or update the information in the statement delivered under sub-section (*1*) or sub-section (*2*), as the case may be, in such form and verified in such manner as may be prescribed.

Clause 57 of the Bill seeks to amend section 269SS of the Income-tax Act relating to mode of taking or accepting certain loans, deposits and specified sum.

It is proposed to amend the said section so as to empower the Board to make rules to provide that the taking or accepting from any depositor of a loan or deposit or any specified sum equal to twenty thousand or more shall be allowed if such sum is received through any electronic mode.

Clause 58 of the Bill seeks to amend section 269ST of the Income-tax Act relating to mode of undertaking transactions.

It is proposed to amend the said section so as to empower the Board to make rules to provide that the receipt of an amount equal to two lakh rupees or more in aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion from a person shall also be allowed if such amount is received through any electronic mode.

Clause 60 of the Bill seeks to amend section 269T of the Income-Tax Act relating to mode of repayment of certain loans or deposits.

It is proposed to amend the said section so as to empower the Board to provide by rules that the repayment of any loan or deposit made with or any specified advance received by a banking company or a co-operative bank and any other company or co-operative society and any firm or other person in an amount equal to twenty thousand or more shall also be allowed if such repayment is made through electronic mode.

Clause 66 of the Bill seeks to amend section 285BA of the Income-tax Act relating to obligation to furnish statement of financial transaction or reportable account.

It is proposed to insert a new clause (*l*) in the said sub-section so as to provide that a person, other than those referred to in clauses (*a*) to (*k*), as may be presribed, shall also be required to furnish a statement under the said section.

Clause 80 of the Bill seeks to amend sub-section (2) of the section 157 of the Customs Act, so as to insert new clauses (ka) and (n) therein. The said new clauses seek to empower the Board to make regulations regarding —

(a) the manner of authentication and the time limit for such authentication, the manner of submitting such documents or information and the time limit for such submission, the form and the manner of furnishing alternative means of identification and time limit for furnishing such identification, person or class of persons to be exempted and the conditions subject to which suspension may be made, under Chapter XIIB;

(b) the form and the manner, the time limit and the restrictions and conditions and amendment of any document under section 149.

Clause 92 of the Bill seeks to amend section 10 of the Central Goods and Services Tax Act. Sub-clause (c) of the said clause seeks to insert new sub-section (2A) therein which empowers the Government on the recommendations of the Council to prescribe the rate not exceeding three per cent. of the turnover in State or turnover in Union territory for the purpose of calculating the amount of tax under the said sub-section.

Clause 93 of the Bill seeks to amend section 22 of the Central Goods and Services Tax Act, so as to insert a third proviso which empowers the Government, at the request of a State and on the recommendations of the Council, to enhance the aggregate turnover from twenty lakh rupees to a higher amount not exceeding forty lakh rupees in case of supplier who is engaged exclusively in the supply of goods and subject to certain conditions and limitations as may be specified in the notification.

Clause 94 of the Bill seeks to amend section 25 of the Central Goods and Services Tax Act, so as to insert new sub-sections (6A), (6B), (6C) and (6D) therein. The said sub-section (6A) empowers the Government to make rules on the recommendations of the Council to provide for the form and manner and the time within which a registered person shall undergo authentication or furnish proof of possession of Aadhaar number and in case such person is not assigned Aadhaar number, then the manner in which an alternate and viable means of identification may be offered to such person.

Clause 95 of the Bill seeks to insert a new section 31A in the Central Goods and Services Tax Act, which empowers the Government on the recommendations of the Council to make rules to provide for a class of registered person who shall provide prescribe mode of electronic payment to the recipient of the supply of goods or services or both and give option to the recipient to make payment in such mode, in the manner and subject to the conditions and restrictions as may be provided in such rules.

Clause 96 of the Bill seeks to amend section 39 of the Central Goods and Services Tax Act, so as to substitute sub-sections (1), (2) and (7) of said section to provide for a new return system and empower the Government to make rules regarding the particulars to be furnished in the return, the form, manner and time within which the return may be filed.

Clause 98 of the Bill seeks to insert new sub-sections (10) and (11) in section 49 of the Central Goods and Services Tax Act, which empowers the Government to make rules to provide for the form, manner, conditions and restrictions for a registered person to transfer on the common portal any amount of tax, interest, penalty, fee or any amount available in the electronic cash ledger under the said Act to the electronic cash ledger for integrated tax, Central tax, State tax, Union territory tax on cess, and such transfer shall be deemed to be a refund.

Clause 101 of the Bill seeks to insert a new section 53A in the Central Goods and Services Tax Act, which empowers the Government to transfer to the State tax account or Union territory tax account an amount equal to the amount transferred from the electronic cash ledger in the manner and within the time provided by the rules.

Clause 102 of the Bill seeks to insert a new sub-section (8A) in section 54 of the Central Goods and Services Tax Act to empower the Government to disburse the refund of the State tax in the manner provided by the rules.

Clause 104 of the Bill seeks to insert new sections 101A, 101B and 101C in the Central Goods and Services Tax Act, to provide by rules —

(a) the manner of appointment of Technical members (Centre) and Technical members (State) of the National Appellate Authority and composition of Selection Committee for such appointment;

(b) the salary and allowances and other terms and conditions of service of President and members of the National Appellate Authority;

(c) the form of appeal, the fees and manner of verification of such appeal.

Clause 113 of the Bill seeks to insert a new section 17A in the Integrated Goods and Services Tax Act which empowers the Government to transfer to the State tax account or Union territory tax account an amount equal to the amount transferred from the electronic cash ledger in the manner and within the time provided by rules.

Clauses 119 to 134 of the Bill provide for Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. Clause 131 thereof empowers the Central Government to make rules to provide for all or any of the following:—

(a) the form in which a declaration may be made and the manner in which such declaration may be verified;

(b) the manner of constitution of the designated committee and its rules of procedure and functioning;

(c) the form and manner of estimation of amount payable by the declarant and the procedure relating thereto;

(d) the form and manner of making the payment by the declarant and the intimation regarding the withdrawal of appeal;

(e) the form and manner of the discharge certificate which may be granted to the declarant;

(f) the manner in which the instructions may be issued and published;

(g) any other matter which is to, or may be, prescribed, or in respect of which provision is to be made, by rules.

Clause 189 of the Bill seeks to insert a new section 12AA relating to enhanced due diligence, in the Prevention of Money-Laundering Act, 2002.

The said section empowers the Central Government to make rules that every reporting entity shall, prior to the commencement of each specified transaction,--

(*a*) authenticate the identity of the clients undertaking such specified transaction in such manner and subject to such conditions as may be prescribed;

(*b*) take additional steps to examine the ownership and financial position, including sources of funds of the client, in such manner as may be prescribed;

(*c*) take additional steps as may be prescribed to record the purpose behind conducting the specified transaction and the intended nature of the relationship between the transaction parties;

(*d*) Where any specified transaction or series of specified transactions undertaken by a client is considered suspicious or likely to involve proceeds of crime, the reporting entity shall increase the future monitoring of the business relationship with the client, including greater scrutiny or transactions in such manner as may be prescribed.

2. The matters in respect of which rules or regulations may be made or notifications or order may be issued in accordance with the provisions of the Bill are matters of procedure and detail and it is not practicable to provide for them in the Bill itself.

3. The delegation of legislative power is, therefore, of a normal character.

LOK SABHA

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to give effect to the financial proposals of the Central Government
for the financial year 2019-2020.

(Smt. Nirmala Sitharaman,
Minister of Finance.)