

*The world has been caught in a tornado named Covid 19 Corona Virus
which has taken everyone by surprise...!!*

In my humble submission, I want to highlight few measures / reliefs which would be demanded and required to run the businesses smoothly in future.

I am enlisting a **quick reference points without going into detailed provisions of law** to save time and resources of everyone.

Few of them are listed below for your perusal:

DIRECT (INCOME) TAX RELATED

1. Statement of Financial Transactions:

The Statement of Financial transactions commonly known as SFTs need to be filed by 31st May 2020. With the income tax ordinance extending the respective date to 30th June 2020.

Section 285BA of the Income Tax requires specified reporting persons to furnish statement of financial transaction. Rule 114E of the Income Tax Rules, 1962 specifies that the statement of financial transaction required to be furnished under sub-section (1) of section 285BA of the Act shall be furnished in Form No. 61A.

Statement of Equalisation levy need to be filed by 30th June 2020 for the financial year 2019-20.

The ordinance extends date for any compliance falling between 20th march 2020 to 29th June 2020 to 30th June 2020

With Form 1 not last date is 30th June and not falling before 29th June 2020, the date extension needs some consideration.

Relief: Extension of timeline for Form 61A and Form 1

2. Aadhaar Pan Linking

The last extended date is 30th June 2020. With the number of increasing cases in a matter of 4-5 days, it is imminent that the citizens are not going to join soon and the partial lifting of lockdown may be converted to full lockdown.

Relief: Extension of timeline since practically the pan aadhaar linking seems difficult to meet.

3. Advance Tax for financial year 2020-21

First instalment of advance tax falls on 15th June 2020, the industry which is already facing severe liquidity crunch, might find it difficult to assess the first quarter revenues and profitability and might be an uphill task to assess their advance tax liability for the year 2020-21

Relief: First instalment can be merged with the 2nd instalment of September month

4. Section 54 of Income tax act

There are lot of practical problems wherein the assessee's have invested amount in Capital Gain Account Scheme and whose timelines are expiring during March 2020 to June 2020 for the cases wherein the

immovable property was transferred/ sold between March 2018 to June 2018; since TWO years have expired or are expiring in this period. Due to this unprecedented crisis, the assessee's are not in a position to step out, analyse the proposed properties, cannot meet lawyers, valuers, bankers to avail loan facilities. Purchase of immovable property is a big task involving other mediators and their non availability may jump the 30th June deadline.

Relief: Consideration for the extension of timeline in this practical scenario

5. Section 54EC of the income tax act

The LTCG need to be invested in pre-defined specified instruments within a time period. The ordinance extended the timeline for the compliances falling between 20th March and 29th June 2020, till 30th June 2020 but it might be a weary task practically to honour this timeline

Relief: Consideration for the extension of timeline in this practical scenario

6. Assessment proceedings for Assessment year 2018-19

The time line to complete the assessment is 30th September 2020. This last date does not fall between 20th March 2020 and 29th June 2020. A possibility that the lockdown or new normal would be achieved by the department and the assessee's as a whole in July or August. It seems tough to achieve this time line

Relief: Suitable Extension of time line as above

7. Registration under Section 12AB

Section 12AA dealing with the procedure for registration of a charitable trust will cease to be applicable from 01.06.2020; instead, a new section 12AB has been inserted prescribing the procedure for fresh registration.

All the existing registered trusts under the erstwhile section 12A or section 12AA would move to new provision section 12AB and need to reapply online for registration and approval by August 31, 2020.

The assessee's may face this problem keeping in view the current scenario in India.

Relief: Suitable extension of timeline as above

8. Reassessment proceedings u/s 148 of I.T.Act 1961

The time line for issue of notices u/s 148 for assessment year 2013-14 got automatically extended from 31st March 2020 to 30th June 2020 due to the income tax ordinance. The time line for completion of such assessments would also require extension.

Relief: Suitable extension of timeline as above.

9. Assumption of Permanent Establishment (PE)

In case, the KMP key management personnel is stuck in India, does that constitute establishment of PE in India need to be clarified. Lifting or relaxing the rules would be advantageous.

Relief: A suitable clarification need to be given for not counting these lockdown days in establishing rule Of PE In India

10. Foreign Shipping Companies

FSCs need to obtain No Objection Certificate (NOC) and Port Clearance Certificate (PCC) in addition to DIT Relief certificate at the time of outbound vessels from an Indian Port.

Relief: Suitable Relaxation need to be provided since DIT/PCC are difficult to obtain from the respective officer

11. Tax Holiday

Tax holiday is a period when collection of taxes is suspended, deferred, reduced or postponed. Waiver of Property taxes, leisure taxes, entertainment taxes for the retail, entertainment, hospitality and leisure businesses need to be considered.

Relief: Suitable relaxation to be considered as above.

12. Tax on withdrawals on Retirement Plans

In this time of financial crisis, everyone will count on the saved money or funds parked for retirements. Easy withdrawals from PPF account with increased limits without any penal provisions, NSS withdrawals without any withholding taxes and for other instruments can be envisaged to overcome this taxing period.

Relief: Suitable exemption can be considered.

13. Weighted deductions for Prolonged Sanitisation expenditures

The Sanitisation and the preventive expenditures is not only a one-time expense but need to be adapted by the businesses in a prolonged way with stricter implementation. The weighted deduction can be offered to encourage the industry to come forward and adapt this as a routine feature.

Relief: Encouragement to hygiene and sanitisation by increased deductions

14. Enhanced Capital Investments/ Employment Generation

To incentivise the capital expenditure and to augment to production capacities, full deduction/ exemptions to be considered to increase production which will provide employment opportunities which will further circulate the cash flow into the system/ economy.

Relief: Capital expenditure linked deductions as given for backward/ industrial zones/ parks can serve as a catalyst to revive the economy.

<https://taxguru.in/goods-and-service-tax/world-caught-tornado-named-covid-19-corona-virus-surprise.html>

[24 Suggestive Reliefs-Indirect Tax & Direct Tax-During Covid 19](#)

<https://taxguru.in/goods-and-service-tax/analysis-pending-gst-reliefs-lockdown.html>

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