



Amendment of
section 7.

Scope of Supply

- (a)....
- (aa)....
- (b)....
- (c)....
- (d)....

Ind-->members | not a supply

AOP/co-operative society/BOI/RWA's--
>members | treated as supply

S 2(84)(f)

an AOP or BOI, whether
incorporated or not, in India or
outside India.

Central Goods and Services Tax

99. In the Central Goods and Services Tax Act, 2017 (hereinafter referred as the Central Goods and Services Tax Act), in section 7, in sub-section (1), after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017, namely:—

12 of 2017.

S 2(84)

“(aa) the activities or transactions, by a person, **other than an individual**, to its members or constituents or *vice-versa*, for cash, deferred payment or other valuable consideration.

Explanation.—For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, **the person and its members or constituents shall be deemed to be two separate persons and the supply of**



activities or transactions *inter se* shall be deemed to take place from one such person to another.”.

Amendment of section 16.

Eligibility and conditions of taking ITC

- (a)
- (aa)
- (b)
- (c)
- (d)

100. In section 16 of the Central Goods and Services Tax Act, in sub-section (2), after clause (a), the following clause shall be inserted, namely:—

Also read rule 36(4) Henceforth ITC only as per GSTR 2B

“(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;”.

A new clause (aa) to sub-section (2) of the section 16 of the CGST Act is being inserted to provide that input tax credit on invoice or debit note may be availed only when the details of such invoice or debit note have been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note.

Amendment of section 35.

101. In section 35 of the Central Goods and Services Tax Act, sub-section (5) shall be omitted. **GST Audit**

Substitution of new section for section 44.

102. For section 44 of the Central Goods and Services Tax Act, the following section shall be substituted, namely:—

Annual return.

“44. Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed:

due date shall be prescribed in rules

Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section:

Provided further that nothing contained in this section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.”.

Amendment of section 50.

103. In section 50 of the Central Goods and Services Tax Act, in sub-section (1), for the proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, namely:—

“Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in

Sub-section (5) of section 35 of the CGST Act is being omitted so as to remove the mandatory requirement of getting annual accounts audited and reconciliation statement submitted by specified professional.

both GSTR 9 and GSTR 9C shall be self certified.

Legally now valid
Interest shall be computed on tax payable in cash w.e.f. 1-7-2017



accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.”.

Amendment of section 74.

determination of tax or wrong
itc due to fraud etc

104. In section 74 of the Central Goods and Services Tax Act, in *Explanation 1*, in clause (ii), for the words and figures “sections 122, 125, 129 and 130”, the words and figures “sections 122 and 125” shall be substituted.

General provision relating to determination of tax

Amendment of section 75.

105. In section 75 of the Central Goods and Services Tax Act, in sub-section (12), the following *Explanation* shall be inserted, namely:—

‘*Explanation.*—For the purposes of this sub-section, the expression “self-assessed tax” shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.’.

Section 74 of the CGST Act is being amended so as make seizure and confiscation of goods and conveyances in transit a separate proceeding from recovery of tax.

S 122: Penalty for certain offenses

S 125: General Penalty

S 129 : Penalty where goods are in transit

S 130 : Penalty for contravention of law

GSTR 1: 100

GSTR 3B: 80

Self assessed tax is 100

Amendment of section 83.

106. In section 83 of the Central Goods and Services Tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) Where, after the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV, the Commissioner is of the **opinion** that for the purpose of protecting the interest of the Government revenue it is necessary so to do, he may, by order in writing, **attach** provisionally, any property, including **bank account**, belonging to the taxable person or any person specified in sub-section (1A) of section 122, in such manner as may be prescribed.”. **at whose instance**

Provisional attachment of property can be of both tax payer and recipient who retains the benefit of ITC [S 122(1A)]

for one year attachment

Amendment of section 107.

Appeal to Appellate Authority

107. In section 107 of the Central Goods and Services Tax Act, in sub-section (6), the following proviso shall be inserted, namely:—

S 129. Detention, Seizure and release of goods and conveyances in transit

“Provided that no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to **twenty-five per cent. of the penalty** has been paid by the appellant.”.

Amendment of section 129.

108. In section 129 of the Central Goods and Services Tax Act, —

(i) in sub-section (1), for clauses (a) and (b), the following clauses shall be substituted, namely:—

earlier 100%

“(a) on payment of penalty equal to **two hundred per cent.** of the tax payable on such goods and, in case of

200% of tax

2% of the value of goods or 25,000



on payment of applicable tax is deleted from both (a) and (b)

(B) OWNER DO NOT COME FORWARD

TAXABLE

50% of value of goods or 200% of tax whichever is higher

EXEMPTED

5% of the value of goods or 25,000 whichever is lower

MEMORANDUM

Section 129 of the CGST Act is being amended to delink the proceedings under that section relating to detention, seizure and release of goods and conveyances in transit, from the proceedings under section 130 relating to confiscation of goods or conveyances and levy of penalty.

earlier proceedings shall be initiated u/s 130 but now proceedings is initiated in S 129(6) itself.

What if appeal is filed then whether the officer shall stay the disposal.

Appeal filing time is 3 months

exempted goods, on payment of an amount equal to two per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such penalty;

(A) OWNER COME FORWARD

TAXABLE

200% of tax

EXEMPTED

2% of the value of goods or 25,000 whichever is lower

(b) on payment of penalty equal to fifty per cent. of the value of the goods or two hundred per cent. of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to five per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such penalty;";

goods shall not be released on

(ii) sub-section (2) shall be omitted; provisional basis S 67(6) not applicable

(iii) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) The proper officer detaining or seizing goods or conveyance shall issue a notice within seven days of such detention or seizure, specifying the penalty payable, and thereafter, pass an order within a period of seven days from the date of service of such notice, for payment of penalty under clause (a) or clause (b) of sub-section (1).”;

(iv) in sub-section (4), for the words “No tax, interest or penalty”, the words “No penalty” shall be substituted;

(v) for sub-section (6), the following sub-section shall be substituted, namely:—

“(6) Where the person transporting any goods or the owner of such goods fails to pay the amount of penalty under sub-section (1) within fifteen days from the date of receipt of the copy of the order passed under sub-section (3), the goods or conveyance so detained or seized shall be liable to be sold or disposed of otherwise, in such manner and within such time as may be prescribed, to recover the penalty payable under sub-section (3):

Provided that the conveyance shall be released on payment by the transporter of penalty under sub-section (3) or one lakh rupees, whichever is less:

Provided further that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of fifteen days may be reduced by the proper officer.”.



Amendment of
section 130.

Confiscation of
goods or
conveyances and
levy of penalty

109. In section 130 of the Central Goods and Services Tax Act,—

Delete

(a) in sub-section (1), for the words “Notwithstanding anything contained in this Act, if ”, the word “Where” shall be substituted; substitute

(b) in sub-section (2), in the second proviso, for the words, brackets and figures “amount of penalty leviable under sub-section (1) of section 129”, the words “penalty equal to hundred per cent. of the tax payable on such goods” shall be substituted;

(c) sub-section (3) shall be omitted.

Substitution of
new section for
section 151.

Power to call for
information.

Earlier
Power to collect
statistics

110. For section 151 of the Central Goods and Services Tax Act, the following section shall be substituted, namely: —

“151. The Commissioner or an officer authorised by him may, by an order, direct any person to furnish information relating to any matter dealt with in connection with this Act, within such time, in such form, and in such manner, as may be specified therein.”.

Amendment of
section 152.

Bar on
disclosure
of information

111. In section 152 of the Central Goods and Services Tax Act,—

(a) in sub-section (1),—

(i) the words “of any individual return or part thereof” shall be omitted;

(ii) after the words “any proceedings under this Act”, the words “without giving an opportunity of being heard to the person concerned” shall be inserted;

(b) sub-section (2) shall be omitted.

Amendment of
section 168.

Power to issue
instructions or
directions

112. In section 168 of the Central Goods and Services Tax Act, in sub-section (2),—

(i) for the words, brackets and figures “sub-section (1) of section 44”, the word and figures “section 44” shall be substituted;

(ii) the words, brackets and figures “sub-section (1) of section 151,” shall be omitted.



Supply of goods by any unincorporated association⁸¹ or body of persons to a member thereof for cash, deferred payment or other valuable consideration is deleted

Amendment to
Schedule II.

113. In Schedule II of the Central Goods and Services Tax Act, paragraph 7 shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

Integrated Goods and Services Tax

Amendment of
section 16.

114. In the Integrated Goods and Services Tax Act, 2017, in section 16, — 13 of 2017.

After amendment
Supply of goods or services or both for authorised operations to SEZ developer or a SEZ unit.

(a) in sub-section (1), in clause (b), after the words “supply of goods or services or both”, the words “for authorised operations” shall be inserted;

(b) for sub-section (3), the following sub-sections shall be substituted, namely:—

Section 16 of the IGST Act is being amended so as to:

(i) zero rate the supply of goods or services to a Special Economic Zone developer or a Special Economic Zone unit only when the said supply is for authorised operations;

(ii) restrict the zero-rated supply on payment of integrated tax only to a notified class of taxpayers or notified supplies of goods or services; and

(iii) link the foreign exchange remittance in case of export of goods with refund.

“(3) A registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder, subject to such conditions, safeguards and procedure as may be prescribed:

Rule 96B gets it's sanction now

Provided that the registered person making zero rated supply of goods shall, in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 for receipt of foreign exchange remittances, in such manner as may be prescribed.

42 of 1999.

(4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify—

(i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;

(ii) a class of goods or services which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid.”.



Clause 49 of the Bill seeks to amend section 196D of the Income-tax Act relating to income of Foreign Institutional Investors from securities.

Sub-section (1) of the said section provides for deduction of tax on any income referred to in clause (a) of sub-section (1) of section 115AD, not being income by way of interest referred to in section 194LD of the Income-tax Act, payable to a Foreign Institutional Investor, being the person responsible for making the payment, at the rate of twenty per cent.

It is proposed to insert a proviso to the said sub-section so as to provide that where an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A applies to the payee and if the payee has furnished a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A, as the case may be, then, income tax thereon shall be deducted at the rate of twenty per cent. or at the rate or rates of income-tax provided in such agreement for such income, whichever is lower.

This amendment will take effect from 1st April, 2021.

Clause 50 of the Bill seeks to amend section 206AA of the Income-tax Act relating to requirement to furnish Permanent Account Number.

Sub-section (1) of the said section provides that notwithstanding anything contained in any other provisions of this Act, any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB (hereafter referred to as deductee) shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates namely, at the rate specified in the relevant provision of this Act; or at the rate or rates in force; or at the rate of twenty per cent.

It is proposed to insert the second proviso so as to provide that where the tax is required to be deducted under section 194Q, the provisions of clause (iii) shall apply as if for the words “twenty per cent.”, the words “five per cent.” had been substituted.

This amendment will take effect from 1st July, 2021.

Clause 51 of the Bill seeks to insert section 206AB of the Income-tax Act relating to the deduction of tax at source on non-filers of income-tax return.

Sub-section (1) of the proposed new section 206AB seeks to provide that notwithstanding anything contained in any other provisions of this Act, where tax is required to be deducted at source under the provisions of Chapter XVIIB, other than sections 192, 192A, 194B, 194BB, 194LBCor 194N on any sum or income or amount paid, or payable or credited, by a person (hereafter referred to as deductee) to a specified person, the tax shall be deducted at the higher of the following rates, namely, at twice the rate specified in the relevant provision of the Act; or at twice the rate or rates in force; or at the rate of five per cent..

Sub-section (2) thereof seeks to provide that if the provision of section 206AA is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA.



Sub-section (3) thereof seeks to define the expression “specified person” to mean a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years.

Proviso to proposed sub-section (3) seeks to provide that the specified person shall not include a non-resident who does not have a permanent establishment in India.

Explanation to the said section seeks to provide that for the purposes of this sub-section the expression “permanent establishment” includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.

This amendment will take effect from 1st July, 2021.

Clause 52 of the Bill seeks to insert section 206CCA of the Income-tax Act relating to specified provisions for the collection of tax at source on non-filers of income-tax return.

Sub-section (1) of the proposed new section 206CCA seeks to provide that notwithstanding anything contained in any other provisions of this Act, where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person (hereafter referred to as collectee) from a specified person, the tax shall be collected at the higher of the following two rates, namely, at twice the rate specified in the relevant provision of the Act; or at the rate of five per cent..

Sub-section (2) thereof seeks to provide, that if the provision of section 206CC is applicable to a specified person, in addition to the provision of this section, the tax shall be collected at higher of the two rates provided in this section and in section 206CC.

Sub-section (3) thereof seeks to define “specified person” to mean a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be collected, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years.

Proviso to the proposed sub-section (3) provides that the specified person shall not include a non-resident who does not have a permanent establishment in India.

Explanation to the said section seeks to provide that for the purposes of this sub-section the expression “permanent establishment” includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.

This amendment will take effect from 1st July, 2021.

Clause 53 of the Bill seeks to amend section 234C of the Income-tax Act relating to interest for deferment of advance tax.



The first proviso to sub-section (1) of the said section provides for categories of incomes for which there will be no charge of interest under the said section, in the event of failure to estimate such incomes resulting in a shortfall in the advance tax payments and tax due has been paid in the subsequent advance tax instalments.

It is proposed to substitute clause (d) of the first proviso to said sub-section to include dividend income along with capital gains therein, so as to provide that the interest under the said section shall not be applicable to any shortfall in the payment of the tax due on the returned income where such shortfall is on account of under-estimate or failure to estimate dividend.

It is further proposed to insert *Explanation 2* in the said sub-section to define the term “dividend”.

These amendments will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years.

Clause 54 of the Bill seeks to amend the Chapter XIX-A of the Income-tax Act relating to settlement of cases by the Income-tax Settlement Commission (ITSC).

It is proposed to amend section 245A of the said Act to define various expressions such as “Interim Board” shall mean Interim Board for settlement constituted under section 245AA, “Member of the Interim Board” shall mean a Member of the Interim Board and “Pending Application” shall mean an application which was filed under section 245C and which was not declared invalid under sub-section (2C) of section 245D and no order under sub-section (4) of section 245D was issued on or before the 31st day of January, 2021 with respect to such application for the purposes of this Chapter.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 55 of the Bill seeks to insert a new section 245AA of the Income-tax Act so as to provide for constitution of one or more Interim Board for settlement of pending applications and to provide that every Interim Board shall consist of three members, each being an officer of the rank of Chief Commissioner. If the members of the Interim Board differ in opinion on any point, the point shall be decided according to the opinion of majority.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 56 of the Bill seeks to amend section 245B of the said Act so as to provide that the Income tax Settlement Commission shall cease to operate on or after the 1st day of February, 2021.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 57 of the Bill seeks to amend section 245BC of the said Act so as to provide that the existing provisions of the said section shall not apply on or after the 1st day of February, 2021.

This amendment will take effect retrospectively from 1st February, 2021.



Clause 58 of the Bill seeks to amend section 245BD of the said Act so as to provide that the existing provisions of the said section shall not apply on or after the 1st day of February, 2021.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 59 of the Bill seeks to amend section 245C of the said Act so as to provide that no application shall be made under this section on or after 1st day of February, 2021.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 60 of the Bill seeks to amend section 245D of the said Act so as to provide that where an order was required to be passed on an application made under sub-section (2C) of the said section on or before the 31st day of January, 2021 and has not been passed till such date, such application shall be deemed to be valid. It is further proposed to amend sub-section (6B) to provide that any order passed under sub-section (4) may be amended and specific reference to any amendment made by Settlement Commission be omitted. It is further proposed to insert sub-section (9) to provide that on and from the 1st day of February, 2021, the provisions of sub-sections (1), (2), (2B), (2C), (3), (4), (4A), (5), (6) and section (6B) shall apply to pending applications allotted to the Interim Board. Further, for the purposes of the said section the date referred to in sub-section (2) of section 245M shall be taken as the date on which the application was made and received under section 245C and where the time-limit for amending any order or filing of rectification application as per sub-section (6B) of the said section expires on or after the 1st day of February, 2021, the period of limitation shall exclude the period commencing from the 1st February, 2021 and ending on the end of the month in which the Interim Board is constituted. However, in cases where the remaining period is less than sixty days the same shall be deemed to have been extended to sixty days. It is also proposed to insert sub-section (10) so as to provide that the provisions of sub-sections (6A) and (7) shall have effect as if for the words “Settlement Commission”, the words “Settlement Commission or Interim Board of Settlement”.

It is also proposed to insert sub-sections (11), (12) and (13) in the said section so as to, *inter alia*, provide for a scheme, by notification in the Official Gazette, for the disposal of pending applications by the Interim Board. Proposed sub-section (11) provides that the Central Government may make a scheme, by notification in the Official Gazette, for the purposes of settlement in respect of pending applications by the Interim Board, so as to impart greater efficiency, transparency and accountability by eliminating the interface between the Interim Board and the assessee in the course of proceedings to the extent technologically feasible, optimising utilisation of the resources through economies of scale and functional specialisation and introducing a mechanism with dynamic jurisdiction. Proposed sub-section (12) provides that the Central Government may, for the purposes of giving effect to the scheme made under sub-section (11), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification provided no direction shall be issued after the 31st day of March, 2023. Proposed sub-section (13) provides that every notification issued under sub-section (11) and sub-section (12) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

This amendment will take effect retrospectively from 1st February, 2021.



Clauses 61, 62, 63 and 64 of the Bill seeks to amend sections 245DD, 245F, 245G and 245H of the Income-tax Act so as to provide that the powers and functions of Settlement Commission under the said sections shall be exercised or performed by the Interim Board on or after the 1st day of February, 2021 and all the provisions of the said sections shall *mutatis mutandis* apply to Interim Board as they applied to Settlement Commission.

These amendments will take effect retrospectively from 1st February, 2021.

Clause 65 of the Bill seeks to insert new section 245M in the Income-tax Act so as to provide that the assessee an option to withdraw his application made under section 245C. Proposed sub-section (1) thereof, *inter alia*, provides that the assessee who had filed an application which is pending before the Interim Board has the option to withdraw such application within three months from the date of commencement of Finance Act, 2021 and intimate the Assessing Officer about such withdrawal in the manner prescribed. However, if such option is not exercised by the assessee within the time allowed, the pending application shall be deemed to have been received by the Interim Board on the date on which it is allotted or transferred to it. The Board may, by an order, allot or transfer any pending application from one Interim Board to another and upon allotment or transfer of a pending application to an Interim Board, all records, documents or evidences with the Settlement Commission, shall be deemed to be the records before such Interim Board.

Proposed sub-section (5) of the said section provides that where an assessee withdraws his application, the proceedings with respect to such application shall abate on the date of withdrawal and the Assessing Officer or any other income-tax authority before whom the proceedings were pending prior to the application shall dispose the case in accordance with the provisions of the said Act and in such case, for the purposes of the time-limit under sections 149, 153, 153B, 154 and 155 and for the purposes of payment of interest under section 243 or 244 or 244A, for making the assessment or re-assessment, the period commencing on and from the date of the application to the Settlement Commission under section 245C and ending with the date of withdrawal of application shall be excluded. It is also proposed to provide that the income-tax authority shall not be entitled to use the material and other information produced by the assessee before the Settlement Commission or the results of the inquiry held or evidence recorded by the Settlement Commission in the course of proceedings before it and the preceding conditions shall not apply in relation to the material and other information collected, or results of the inquiry held or evidence recorded by income-tax authority during the course of any other proceeding under this Act irrespective of whether such material or other information or results of the inquiry or evidence were also produced by the assessee or such income-tax authority before the Settlement Commission.

This amendment will take effect retrospectively from 1st February, 2021.

Clause 66 of the Bill seeks to insert a new Chapter XIX-AA containing section 245MA in the Income-tax Act, 1961 relating to Dispute Resolution Committee in certain cases.

Sub-section (1) of said section seeks to provide that the Central Government shall constitute, one or more Dispute Resolution Committee, as may be necessary, in accordance with the rules made under this Act, for dispute resolution in the case of such persons or class of persons, as may be specified by the Board, and who may opt for dispute resolution under



this Chapter in respect of dispute arising from any variation in the specified order in his case for an assessment year and who fulfils the specified conditions.

Sub-section (2) of said section seeks to provide that the Dispute Resolution Committee, subject to such conditions, as may be prescribed, shall have the powers to reduce or waive any penalty imposable under this Act or grant immunity from prosecution for any offence punishable under this Act in case of a person whose dispute is resolved under this Chapter.

Sub-section (3) of said section seeks to provide that Central Government may make a scheme, by notification in the Official Gazette, for the purposes of dispute resolution under this Chapter, so as to impart greater efficiency, transparency and accountability by eliminating the interface between the Dispute Resolution Committee and the assessee in the course of dispute resolution proceedings to the extent technologically feasible; optimising utilisation of the resources through economies of scale and functional specialisation; introducing a dispute resolution system with dynamic jurisdiction.

Sub-section (4) of said section seeks to provide that the Central Government may, for the purposes of giving effect to the scheme made under sub-section (3), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no direction shall be issued after the 31st day of March, 2023.

Sub-section (5) of section 245MA seeks to provide that every notification issued under sub-section (3) and sub-section (4) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

Explanation to section 245MA seeks to provide that the “specified conditions” in relation to a person means a person who is not a person in respect of whom an order of detention has been made under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 or in respect of whom prosecution for any offence punishable under the provisions of the Indian Penal Code, 1860, the Unlawful Activities (Prevention) Act, 1967, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Prohibition of Benami Transactions Act, 1988, the Prevention of Corruption Act, 1988 or the Prevention of Money Laundering Act, 2002 has been instituted or such person has been convicted of any offence punishable under any of those Acts; or in respect of whom prosecution has been initiated by an income-tax authority for any offence punishable under the provisions of this Act or the Indian Penal Code or for the purpose of enforcement of any civil liability under any law for the time being in force, or such person has been convicted of any such offence consequent to the prosecution initiated by an Income-tax authority or who is notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 or who fulfils such other conditions, as may be prescribed. Also, “specified order” means such order, including draft order, as may be specified by the Board, and, aggregate sum of variations proposed or made in such order does not exceed ten lakh rupees; such order is not based on search initiated under section 132 or requisition under section 132A in the case of assessee or any other person or survey under section 133A or information received under an agreement referred to in section 90 or section 90A; where return has been filed by the assessee for the assessment year relevant to such order, total income as per such return does not exceed fifty lakh rupees.

This amendment will take effect from the 1st day of April, 2021.



Clause 67 of the Bill seeks to amend section 245N of the Income-tax Act relating to definitions.

It is proposed to omit sub-clauses (B), (C) and (D) of said section with effect from such date as may be appointed by the Central Government by notification in the Official Gazette.

It is further proposed to amend clause (c) of said section so as to insert the words “or the Board for Advance Rulings”. It is also proposed to insert clause (ca) to said section so as to provide definitions of Board for Advance Rulings and members of the Board for Advance Rulings.

This amendment will take effect from 1st April, 2021.

Clause 68 of the Bill seeks to amend section 245-O of the Income-tax Act relating to Authority for Advance Rulings.

It also proposed to insert a proviso in the sub-section (1) of said section so as to provide that the Authority constituted under the said sub-section shall cease to operate on and from such date as may be appointed by the Central Government by notification in the Official Gazette.

This amendment will take effect from 1st April, 2021.

Clause 69 of the Bill seeks to insert a section 245-OB relating to Board for Advance Rulings so as to provide that the Central Government shall constitute one or more Board for Advance Rulings, as may be necessary, for giving advance rulings under this Chapter on or after such date as may be appointed by the Central Government by notification in the Official Gazette. The Board for Advance Rulings constituted shall consist of two members, each being an officer not below the rank of Chief Commissioner, as may be nominated by the Board.

This amendment will take effect from 1st April, 2021.

Clause 70 of the Bill seeks to amend section 245P of the Income-tax Act relating to vacancies, etc., not to invalidate proceedings.

It is proposed to insert sub-section (2) in the said section so as to provide that on and from the notified date, the provisions of the said section shall have effect as if for the words “Authority”, the words “Board for Advance Rulings” had been substituted.

This amendment will take effect from 1st April, 2021.

Clause 71 of the Bill seeks to amend section 245Q of the Income-tax Act relating to application for advance ruling.

It is proposed to amend sub-section (1) of said section so as to omit the portion “or under Chapter IIIA of the Central Excise Act, 1944 under Chapter VA of the Finance Act, 1994” with effect from such date as may be appointed by the Central Government by



notification in the Official Gazette.

It is further proposed to insert sub-section (4) so as to provide where an application was made under the said section before the notified date but in respect of which no order under sub-section (2) of section 245R has been passed or advance ruling under sub-section (4) of section 245R has been pronounced before such date, such application along with all the relevant records, documents or material, by whatever name called, on the file of the Authority shall be transferred to the Board for Advance Rulings and shall be deemed to be the records before it for all purposes.

This amendment will take effect from 1st April, 2021.

Clause 72 of the Bill seeks to amend section 245R of the Income-tax Act relating to procedure on receipt of application.

It is proposed to insert sub-sections (8), (9), (10) and (11) so as to provide that on such date as may be appointed by the Central Government by notification in the Official Gazette, the provisions of the said section shall have effect as if for the words “Authority”, the words “Board for Advance Rulings” had been substituted and the provisions of that section shall apply *mutatis mutandis* to the Board for Advance Rulings as they apply to the Authority. Further, it provides that the Central Government may make a scheme, by notification in the Official Gazette, for the purposes of giving advance ruling under Chapter XIX-B by the Board for Advance Rulings, so as to impart greater efficiency, transparency and accountability by eliminating the interface between the Board for Advance Rulings and the applicant in the course of proceedings to the extent technologically feasible; optimising utilisation of the resources through economies of scale and functional specialisation; introducing a system with dynamic jurisdiction. It also provides that the Central Government may, for the purposes of giving effect to the said scheme, by notification in the Official Gazette, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no direction shall be issued after 31st March, 2023. Every notification so issued shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

These amendments will take effect from 1st April, 2021.

Clause 73 of the Bill seeks to amend section 245S of the Income-tax Act relating to applicability of advance ruling.

It is proposed to amend the said section to insert sub-section (3) so as to provide that nothing contained in this section shall apply to any advance ruling pronounced under section 245R on or after on such date as may be appointed by the Central Government by notification in the Official Gazette.

This amendment will take effect from 1st April, 2021.

Clause 74 of the Bill seeks to amend section 245T of the Income-tax Act relating to advanced ruling to be void in certain circumstances.

It is proposed to amend the said section so as to provide that the reference in sub-



section (1) to advance ruling pronounced by the Authority shall be omitted by omitting the words “by it”. It is also proposed to insert sub-section (3) to the said section so as to provide that on and from such date as may be appointed by the Central Government by notification in the Official Gazette the provisions of that section shall have effect as if for the word “Authority”, the words “Board for Advance Rulings” had been substituted.

These amendments will take effect from 1st April, 2021.

Clause 75 of the Bill seeks to amend section 245U of the Income-tax Act relating to powers of Authority.

It is proposed to insert sub-section (3) to the said section so as to provide that on and from such date as may be appointed by the Central Government by notification in the Official Gazette, the powers of the Authority under this section shall be exercised by the Board for Advance Rulings and the provisions of this section shall apply *mutatis mutandis* to the Board for Advance Rulings as they apply to the Authority.

This amendment will take effect from 1st April, 2021.

Clause 76 of the Bill seeks to amend section 245V of the Income-tax Act relating to procedure of Authority.

It is proposed to insert a proviso to the said section so as to provide that nothing contained in that section shall apply on or after the notified date.

This amendment will take effect from 1st April, 2021.

Clause 77 of the Bill seeks to insert a new section 245W to the Income-tax Act relating to Appeal.

It is proposed to insert a new section 245W so as to provide that the applicant may, if he is aggrieved by any ruling pronounced or order passed by the Board for Advance Rulings; or the Assessing Officer, on the directions of the Principal Commissioner or Commissioner, appeal to the High Court within sixty days from the date of the communication of such ruling or order, in such form and manner as may be provided by rules. However, where the High Court is satisfied, on an application made by the appellant in this behalf, that the appellant was prevented by sufficient cause from presenting the appeal within the period specified in sub-section (1), it may grant a further period of thirty days for filing such appeal. It is also proposed that the Central Government may make a scheme, by notification in the Official Gazette, for the purposes of preferring appeal to the High Court by the Assessing Officer, so as to impart greater efficiency, transparency and accountability by optimising utilisation of the resources through economies of scale and functional specialisation; introducing a team-based mechanism with dynamic jurisdiction. It is also proposed that the Central Government may, for the purposes of giving effect to the said scheme, by notification in the Official Gazette, direct that any of the provisions of the Income-tax Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. However, no direction shall be issued after 31st March, 2023. Every notification so issued shall, as soon as may be after the notification is issued, be laid before each House of Parliament.



This amendment will take effect from 1st April, 2021.

Clause 78 of the Bill seeks to amend the section 255 of the Income-tax Act relating to procedure of Appellate Tribunal.

It is proposed to insert sub-sections (7), (8) and (9) in the said section so as to, *inter alia*, provide for a scheme, by notification in the Official Gazette, for the disposal of appeals under that section.

This amendment will take effect from 1st April, 2021.

Clause 79 of the Bill seeks to amend the section 281B of the Income-tax Act relating to provisional attachment to protect revenue in certain cases.

The said section provides for the provisional attachment of any property belonging to the assessee by the Assessing Officer, with the prior approval of the authorities specified therein, in case of pending assessment or reassessment proceedings so as to protect the interest of revenue.

It is proposed to amend sub-section (1) of the said section so as to provide that the aforesaid provisional attachment of a property of the assessee may also be made during the pendency of proceedings for imposition of penalty under section 271AAD where the amount or aggregate of amounts of penalty likely to be imposed under that section exceeds two crore rupees.

This amendment will take effect from 1st April, 2021.

Customs

Clause 80 of the Bill seeks to amend section 2 of the Customs Act by inserting a new clause (7B) therein so as to define the expression “common portal”.

Clause 81 of the Bill seeks to make amendment in sub-section (3) of section 5 of the Customs Act so as to substitute the words and figures “Chapter XV and section 108” with the words, figures, brackets and letter “Chapter XV, section 108 and sub-section (1D) of section 110” for indicating the powers of the Commissioner (Appeals).

Clause 82 of the Bill seeks to insert a new sub-section (4A) in section 25 of the Customs Act so as to provide that the exemption to be granted subject to conditions under sub-section (1) shall, unless otherwise specified or varied or rescinded, be valid for a period upto the 31st March falling immediately after two years from the date of such grant or variation.

It further seeks to insert a proviso therein to provide that in respect of any such exemption in force as on the date on which the Finance Bill, 2021 receives the assent of the President, the said period of two years shall be reckoned from the 1st February, 2021.

Clause 83 of the Bill seeks to insert a new section 28BB in the Customs Act so as to provide time limit for completion of certain actions under this Act.



Clause 84 of the Bill seeks to amend sub-section (3) of section 46 of the Customs Act so as to ensure mandatory filing of bill of entry in advance, i.e. before the day of arrival (including holidays) of conveyance. It further seeks to insert a proviso therein to empower the Board to provide different time limits for presentation of bill of entry in such cases, as it deems fit, to ensure faster clearance.

Clause 85 of the Bill seeks to amend section 110 of the Customs Act and to insert a new sub-section (1D) so as to provide that where gold in any form has been seized by a proper officer under sub-section (1), he shall make the application referred to in sub-section (1B) to the Commissioner (Appeals) having jurisdiction, who shall, as soon as may be, allow the application and the proper officer shall thereafter dispose of the goods in such manner as the Central Government may determine.

Clause 86 of the Bill seeks to insert a new clause (ja) in section 113 of the Customs Act so as to provide that any goods entered for exportation under claim of remission or refund of any duty or tax or levy, to make a wrongful claim in contravention of the Act or any other law for the time being in force shall be liable to confiscation.

Clause 87 of the Bill seeks to insert a new section 114AC in the Customs Act so as to provide penalty for fraudulent utilisation of input tax credit for discharging any duty or tax on goods entered for exportation under claim of refund and such penalty shall be equivalent to five times the refund claimed.

Clause 88 of the Bill also seeks to make consequential amendment in the *Explanation* to section 139 of the Customs Act so as to include inventories, photographs and lists certified by the Commissioner (Appeals) under sub-section (1D) to the documents within the meaning of that section to give evidentiary value to such documents.

Clause 89 of the Bill seeks to amend section 149 of the Customs Act by inserting second and third provisos therein so as to provide that documents may be amended electronically through the customs automated system and also to enable certain amendments to be done by the importer or exporter on common portal.

Clause 90 of the Bill seeks to amend sub-section (1) of section 153 of the Customs Act by inserting clause (ca) therein so as to enable service of order, summons, notice or any other communication under the said Act by making it available on the common portal.

Clause 91 of the Bill seeks to insert a new section 154C in the Customs Act so as to empower the Board to notify a common portal to be called the Common Customs Electronic Portal for facilitating registration, filing of bill of entry, shipping bill, other documents and forms, payment of duty and for such other purposes as may be specified by the Board.

Customs tariff

Clause 92 of the Bill seeks to amend sub-section (6) of section 8B of the Customs Tariff Act to make both conditions thereunder mutually exclusive and to define the expression 'special economic zone' in the same manner as defined in the Special Economic Zone Act, 2005 (28 of 2005).



Clause 93 of the Bill seeks to amend sub-section (1A) of section 9 of the Customs Tariff Act to provide for retrospective levy of countervailing duty to counter circumvention. It further seeks to insert a new sub-section (1B) in the said section to provide for anti-absorption measures in countervailing duty. It also seeks to insert a new sub-section (2A) in that section to align it with the provisions contained in sub-section (6) of section 8B of the said Act relating to safeguard measures. It also seeks to amend sub-section (6) thereof to provide for further imposition of countervailing duty after review, for a period upto five years. It also seeks to insert a third proviso therein so as to provide that if countervailing duty is revoked temporarily, the period of such revocation shall not be more than one year at a time.

Clause 94 of the Bill seeks to amend sub-section (1A) of section 9A of the Customs Tariff Act to provide for retrospective levy of anti-dumping duty to counter circumvention. It further seeks to insert a new sub-section (1B) in the said section to provide for anti-absorption measures in anti-dumping duty. It also seeks to substitute sub-section (2A) in that section to align it with the provisions contained in sub-section (6) of section 8B of the said Act relating to safeguard measures. It also seeks to amend sub-section (5) thereof to provide for further imposition of anti-dumping duty after review, for a period upto five years. It also seeks to insert a third proviso therein so as to provide that if anti-dumping duty is revoked temporarily, the period of such revocation shall not be more than one year at a time.

Clause 95 of the Bill seeks to amend the First Schedule to the Customs Tariff Act, 1975, so as to —

(i) revise the tariff rates in respect of certain tariff items in the manner specified in the Second Schedule with effect from the 2nd February, 2021;

(ii) amend certain tariff entries to align with the entries in the Fourth Schedule to the Central Excise Act in the manner specified in the Third Schedule with effect from the 1st April, 2021;

(iii) harmonise certain entries with Harmonised System of Nomenclature and to create new tariff lines in respect of certain entries in the manner specified in the Fourth Schedule with effect from the 1st January, 2022.

Excise

Clause 96 of the Bill seeks to amend the Fourth Schedule to the Central Excise Act.

Sub-clause (i) of the said clause seeks to revise the heading, tariff items and entries falling under the heading 2709 of Chapter 27 thereof, with effect from the 1st April, 2021 in the manner specified in the Fifth Schedule;

Sub-clause (ii) of the said clause seeks to amend Section heading of SECTION IV and certain entries of Chapter 24 thereof, with effect from the 1st January, 2022 in the manner specified in the Sixth Schedule.



Clause 97 of the Bill seeks to amend the Fourth Schedule to the Central Excise Act so as to rectified errors in certain entries with retrospective effect from the 1st day of January, 2020.

Clause 98 of the Bill seeks to revise the date of effect to the amendments made in the Fourth Schedule to the Central Excise Act *vide* notification number G.S.R. 978 (E), dated the 31st December, 2019, issued in exercise of powers under section 3C thereof, so as to give effect to said amendments on and from the 1st day of January, 2020.

Central Goods and Services Tax

Clause 99 of the Bill seeks to amend section 7 of the Central Goods and Services Tax Act, 2017, with retrospective effect from the 1st July, 2017, by inserting a new clause (aa) in sub-section (1) thereof, so as to ensure levy of tax on activities or transactions involving supply of goods or services by any person, other than an individual, to its members or constituents or *vice-versa*, for cash, deferred payment or other valuable consideration.

It is also proposed to insert an *Explanation* therein, to clarify that the person or its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions *inter se* shall be deemed to take place from one person to another.

Clause 100 of the Bill seeks to amend section 16 of the Central Goods and Services Tax Act by inserting a new clause (aa) in sub-section (2) thereof, so as to provide that input tax credit on invoice or debit note may be availed only when the details of such invoice or debit note has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note.

Clause 101 of the Bill seeks to omit sub-section (5) of section 35 of the Central Goods and Services Tax Act so as to remove the mandatory requirement of getting annual accounts audited and the reconciliation statement submitted by specified professional.

Clause 102 of the Bill seeks to substitute a new section for section 44 of the Central Goods and Services Tax Act so as to remove the mandatory requirement of furnishing a reconciliation statement duly audited by specified professional and to provide for filing of the annual return on self-certification basis. It further empowers the Commissioner to exempt a class of taxpayers from the requirement of filing the annual return.

Clause 103 of the Bill seeks to amend section 50 of the Central Goods and Services Tax Act to substitute the proviso to sub-section (1) so as to charge interest on net cash liability retrospectively with effect from the 1st July, 2017.

Clause 104 of the Bill seeks to amend section 74 of the Central Goods and Services Tax Act so as to make seizure and confiscation of goods and conveyances in transit a separate proceeding from the recovery of tax.

Clause 105 of the Bill seeks to amend section 75 of the Central Goods and Services Tax Act so as to insert an *Explanation* in sub-section (12) to clarify that “self-assessed tax” shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.



Clause 106 of the Bill seeks to substitute sub-section (1) of section 83 of the Central Goods and Services Tax Act so as to provide that provisional attachment shall remain valid for the entire period starting from the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV till the expiry of a period of one year from the date of order made thereunder.

Clause 107 of the Bill seeks to insert a new proviso in sub-section (6) of section 107 of the Central Goods and Services Tax Act so as to provide that no appeal shall be filed against an order made under sub-section (3) of section 129, unless a sum equal to twenty-five per cent. of the penalty has been paid by the appellant.

Clause 108 of the Bill seeks to amend section 129 of the Central Goods and Services Tax Act so as to delink the proceedings under that section relating to detention, seizure and release of goods and conveyances in transit, from the proceedings under section 130 relating to confiscation of goods or conveyances and levy of penalty.

Clause 109 of the Bill seeks to amend section 130 of the Central Goods and Services Tax Act, so as to delink the proceedings under that section relating to confiscation of goods or conveyances and levy of penalty from the proceedings under section 129 relating to detention, seizure and release of goods and conveyances in transit.

Clause 110 of the Bill seeks to substitute section 151 of the Central Goods and Services Tax Act so as to empower the jurisdictional commissioner to call for information from any person relating to any matters dealt with in connection with the Act.

Clause 111 of the Bill seeks to amend sub-section (1) of section 152 of the Central Goods and Services Tax Act so as to provide that no information obtained under sections 150 and 151 shall be used for the purposes of any proceedings under the Act without giving an opportunity of being heard to the person concerned.

Clause 112 of the Bill seeks to amend section 168 of the Central Goods and Services Tax Act so as to enable the jurisdictional commissioner to exercise powers under section 151 to call for information.

Clause 113 of the Bill seeks to omit paragraph 7 of Schedule II to the Central Goods and Services Tax Act, with retrospective effect from the 1st day of July, 2017, consequent to the amendments made in section 7.

Integrated Goods and Services Tax

Clause 114 of the Bill seeks to amend section 16 of the Integrated Goods and Services Tax Act, 2017 so as to make provisions for restricting the zero rated supply on payment of integrated tax only to specified class of taxpayers or specified supplies of goods or services. It further provides to link the foreign exchange remittance in case of export of goods with refund and further restricting zero rating of supplies made to special economic zone only when such supplies are for authorised operations.