

- **Extension of Time Limit for Filing Form -67 to claim Foreign Tax Credit**

The Central Board of Direct Taxes vide notification no - NOTIFICATION G.S.R. 636(E) [NO. 100/2022/F.NO. 370142/35/2022-TPL], DATED 18-8-2022, in exercise of the powers conferred by Section 295 (2)(h) Of Income Tax Act gives the Income-tax (27th Amendment) Rules, 2022. It amends Rule 128 (9) of Income Tax Rules. It extend the time limit for furnishing of Form No. 67 to claim credit of taxes paid in a foreign country, known as Foreign Tax Credit(FTC).

It provides that Form No. 67 can now be furnished electronically on or before the end of the assessment year relevant to the previous year in which the income has been offered to tax or assessed to tax in India and the return of income is furnished under section 139 of the Income-tax Act, 1961. Further, FTC can be claimed for filing belated returns under section 139(4) as well as updated returns under section 139(8A) of the Act.

Now as per Rule 128(9), the statement in Form No. 67 and the certificate or the statement shall be furnished on or before the end of the assessment year relevant to the previous year in which the foreign income has been offered to tax or assessed to tax in India and the return for such assessment year has been furnished within the time specified under Section 139(1) or (4) of the Act. Further, where the return has been furnished under Section 139 (8A), the statement in Form No. 67 and the certificate or the statement to the extent it relates to the income included in the updated return, shall be furnished on or before the date on which such return is furnished.

This amendment in Rule 128 is effective from 01-04-2022 and shall apply to all the claims of foreign tax credit (FTC) in Form No. 67 furnished during the financial year 2022-2023

- **Amendment in Rule 17 CB to include Specified Person for Section 115TD**

The Central Board of Direct Taxes, vide notification no – NOTIFICATION G.S.R. 647(E) [NO. 101/2022/F.NO. 370142/37/2022-TPL], DATED 22-8-2022 in exercise of the powers conferred by Section 115TD (2), read with section 295, of the Income-tax Act gives the Income-tax (Twenty Eighth Amendment) Rules, 2022. It amends Rule 17 CB of the Income-tax Rules, 1962.

Rule 17CB is amended to include specified persons in place of ‘trusts or institutions’ in order to incorporate the amendments introduced by the Finance Act, 2022 in section 115TD of the Income-tax Act. Further, an Explanation has been added to define the meaning of ‘specified person’. The explanation in the Rule refers to the definition of ‘specified person’ as assigned to it in clause (iia) of the Explanation to section 115TD.

“Specified person” has been defined in section 115TD as follows:

- (a) any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in section 10(23C) (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) ; or
- (b) a trust or institution registered under section 12AA or section 12AB.

Section 115TD was introduced by the Finance Act 2016 to provide for the taxation of accreted income of the trust in certain cases. It is amended with effect from 1st April 2023 to make this section applicable to any trust or institution approved under section 10(23C) (iv)/(v)/(vi)/(via) in addition to a trust or institution registered under section 12AA or section 12AB of the Act.

- **Exclusion of Government from mandatory quoting of PAN in banking transaction prescribed under Rule 114BB**

The Central Board of Direct Taxes vide notification no – NOTIFICATION G.S.R. 677(E) [NO. 105/2022/F.NO. 370142/38/2022-TPL-PART-I], DATED 1-9-2022 in exercise of the powers conferred by section 139A, read with section 295 of the Income-tax Act. It gives the Income-tax (29th Amendment) Rules, 2022.

It amends Rule 114BB of Income-tax Rules,1962 by inserting Proviso to it. The rule is effective from 09.07.2022. By virtue of this amendment, it excluded Central Government, the State Government or the Consular Office from mandatory quoting of PAN while entering into banking transactions of cash withdrawals and deposits aggregating to Rs. 20 Lakh or more in a financial year or opening

of a current account or a cash credit account with any banking company or a co-operative bank to which the Banking Regulation Act, 1949 applies in accordance with the provisions of section 139A(6A) of the Income-tax Act

Section 139A of the Act provides for mandatorily quoting of PAN by a person in the documents pertaining to certain prescribed transactions as envisaged in sub-section (6A) of this section. In this regard, the Board has prescribed certain transaction for mandatory quoting of PAN.

With this exemption, Central Government, the State Government or the Consular Office shall not be required to quote PAN even if they enter into the prescribed transactions specified under 114BB(1).

Readers may refer to complete text of the notification for further details.

- **Additional Guidelines for removal of difficulties under Section 194R (2) of the Act.**

The Central Board of Direct Taxes vide Circular No 18 of 2022 dated 13.09.2022 gives additional guidelines to remove difficulties regarding TDS on business benefits and perquisites as per the provisions of Section 194R of the Income-tax Act, 1961, which came into effect from 1st July, 2022.

This Circular is in continuation of Circular No. 12 issued earlier on 16.06.2022. These additional set of guidelines clarifies earlier guidelines issued by the CBDT.

The Board has issued the various clarification. These are explained in summarized manner.

- No tax is required to be deducted under section 194R in respect of benefits provided to its borrowers by waiver of loan or advance by way of one-time settlement.
- Where tax is deducted as per the provisions of section 194C or section 194J of the Act on reimbursement of expenses, no tax is further required to be deducted under section 194R
- No tax is required to be deducted under the provisions of section 194R in the case of the issue of bonus shares or rights shares. However, the Circular has restricted this exclusion only in the case of a company in which public is substantially interested. On a plain reading, it implies that tax is required to be deducted by a company in which public is not substantially interested in case of issue of bonus shares or rights shares to its shareholders.