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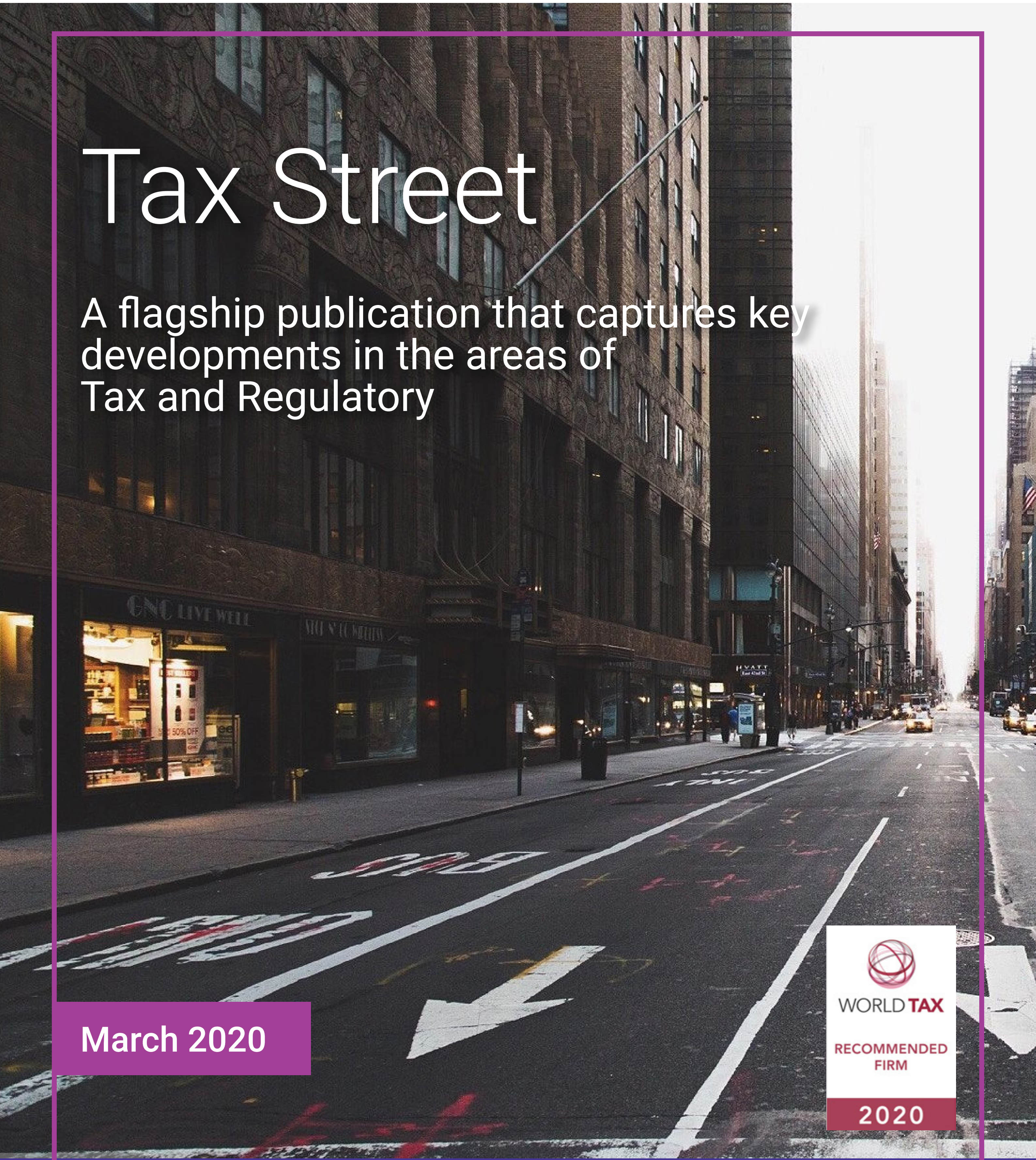

Tax Street

A flagship publication that captures key developments in the areas of Tax and Regulatory

March 2020

WORLD TAX
RECOMMENDED FIRM
2020

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Tax Street

Stay Safe. Stay Healthy. Please follow CDC and WHO Guidelines

Introduction

We are pleased to present the latest edition of Tax Street – our newsletter that covers all the key developments and updates in the realm of taxation in India and across the globe for the month of March 2020.

- The **'Focus Point'** covers the economic impact of COVID-19, leading to compliance relaxation which paves a way to adopt proactive measures to manage business in these challenging times.
- Under the **'From the Judiciary'** section, we provide in brief, the key rulings on important cases, and our take on the same.
- Our **'Tax Talk'** provides key updates on the important tax-related news from India and across the globe.
- Under **'Compliance Calendar'**, we list down the important due dates with regard to direct tax, transfer pricing and indirect tax in the month.

We hope you find our newsletter useful and we look forward to your feedback. You can write to us at taxstreet@skpgroup.com. We would be happy to hear your thoughts on what more can we include in our newsletter and incorporate your feedback in our future editions.

Warm regards,
The Nexdigm (SKP) Team

Focus Point

COVID-19 – Managing Tax and Compliance Function in difficult times

The spread of pandemic COVID-19 has left the entire world grappling with its negative impact on the socioeconomic front. With most of the countries steadily going into lockdown, the businesses across the globe have taken or started taking a hit.

The outbreak has far-reaching consequences on the businesses – disruption of supply chain management, piling up of inventory, a mounting number of accounts receivables and payables, cash management issues, defaults in honoring debt servicing obligations, just to name a few. Such matters have forced the businesses to take unpopular decisions of downsizing, initiating pay cuts, discontinuance of product lines, operations, etc.

Handling these challenging times may require the organizations to adopt proactive realignment/restructuring/curative measures. Here, we have tried to cover how can the tax function at the organization manage its functions and assist businesses in these challenging times.

As is rightly said, extraordinary times call for innovative thinking and extraordinary solutions. Instead of halting operations in the lockdown, corporates can use technology effectively to ensure the smooth functioning of business operations as well as compliances. We have tried to capture a few aspects of how corporates can manage tax and compliance function.

Managing withholding Tax Compliances (Local and Foreign Remittance)

- The Indian Government has not extended the due date for deposting withholding taxes but merely granted a relaxation in payment of interest by reducing the interest rates from 12%-18% to 9%. It is thus imperative for the companies to ensure that taxes are deposited within the prescribed time and manage the compliances in order to avoid interest costs in such challenging times;
- Companies can look at using various automated tools, which help in working on data remotely and also helps in managing compliances.
- In respect of Foreign Remittances, Nexdigm has also developed a web-based, automated tool that is hosted on a secure cloud server. The entire process of foreign remittances can be done online through this tool without any need for physical presence in the office.

Managing Tax Assessments

Not only the business houses, but even the revenue authorities have shifted from the usual assessment procedure to digital platforms. New applications are developed to bring a paradigm shift in taxation by promoting faceless assessment. It ensures the ease of compliance, transparency, efficiency, and expeditious disposal of cases.

With the outbreak of COVID-19, the Indian Judiciary has also shifted to digital modes of hearing like:

- Supreme court had announced hearing of urgent cases via video conferencing;
- The appellate tribunals accepted adjournments over e-mails;
- The revenue officers are also working from home.

In such an environment, it becomes a task for the corporates to be compliant with the notices issued by the tax department. Given that entities no longer work from their office arena, software applications that maintain tax documents and litigation trackers would prove to be a knight in the shining armor. It is also important to evaluate whether it's possible to fast track pending litigations at various forums where significant relief is possible, leading to the release of tax demand that was paid.

Optimizing Tax cash flows

It is imperative that the tax function re-evaluates various tax positions of the company in order to optimize the tax costs and improve after-tax profits. It may be noted that tax positions taken earlier with certain assumptions may not hold good in light of changing circumstances.

It would also be worthwhile to look at pending refund claims with tax authorities and rigorously follow up for the same since such cash refunds would come in handy in these times. Similarly, it is critical to relook and revise the revenue and profitability projections for the upcoming financial year and see whether it make sense to apply for a lower/nil withholding tax certificate to maximize the cash flow to the organization again.

Lastly, it is important for the tax function to analyze what could be extraordinary expenses/claims that could arise on account of the pandemic and whether the same could be allowed for a tax deduction. For example, there could be write-offs of inventory, debtors, or even investments, and one has to conduct proper research on tax-deductibility of such expenses as well as create the robust backup documentation for the same.

Goods and Services Tax

Communication with vendors for timely filing of GSTR-1

- The government has granted significant relaxations in the filing of GSTR-3B and payment of GST liability (especially for businesses with a turnover of up to INR 50 million).
- In this backdrop, large businesses should communicate with their vendors to ensure that they file their GSTR-1 in time.
- This would ensure that input tax credit (ITC) of such large businesses is not blocked due to non-appearance of invoices in GSTR-2A, and they can continue to file their returns without further blockage of working capital in times of already contracted business.

Utilization of lockdown to expedite GST audits based on historical data

- The continuous cycle of GST returns means businesses have always found it difficult to allocate sufficient time for GST annual return and audit-related work during the normal course of business.
- Given the virtual shut down of most businesses, and therefore minimal complications in relation to regular GST compliances, this period can be utilized to expedite the GST annual return and GST audit of the financial year 2018-19, which essentially relies on historical data.

Utilization of lockdown to rectify long-standing mismatches with GSTR-2A

- There can be some items in the purchase register of a business that have not appeared in GSTR-2A for a considerable period of time.
- The businesses may look to identify such items and coordinate with the vendors to understand the reason for a mismatch and further rectify it. This can be easily done in case of vendors that have implemented 'Work from Home' in their organization.

Monitoring of GST refund claims and other rebates/ drawbacks etc.

- Export-oriented businesses should closely monitor the status of their refund, drawbacks and other similar claims, which may be subject to delays given that the lockdown has impacted the government departments too.
- Early identification of potential delays can help businesses in undertaking timely mitigation measures to meet the working capital requirements in these tough times.

Customs Duty

Re-scheduling of imports and exports

- The government has announced that the Customs clearance will continue 24/7. However, there may be practical difficulties with transportation from Customs port to warehouse/factory and other logistical factors.
- Businesses may be well-advised to monitor these challenges closely and re-schedule import and export shipments wherever possible, to minimize warehousing and transport costs, etc.

Transfer Pricing

The pandemic has thrown an additional challenge to MNCs - reconsidering the reasonability of the pricing strategies being adopted for intercompany transactions.

Transfer pricing is an economics and functional analysis based study. There could be a need to re-examine the transfer pricing policies/models in case if there is any change or re-allocation of the functions performed or risk assumed within the group. Further, a detailed industrial analysis reflecting the impact of this pandemic on the industry, in general, is indispensable.

A few important considerations for corporates from a transfer pricing standpoint could be –

For a captive (Software development/IT-enabled services) services provider, having cost plus mark-up remuneration model, it would be important to factor the impact on operations/profitability at the group level while re-negotiating the mark-up rate with the parent entity (service recipient). The analysis of the impact will have to be well documented to justify any reduced mark-up rate and the factors considered while re-negotiation.

Similarly, taxpayers who are using profit-based methods to justify their intra-group transactions also need to carefully analyze the financial statements of comparable companies to assess how they are impacted due to COVID-19 while making economic adjustments.

Advance Pricing Agreement (APA) program has been highly successful in India, since its introduction. Considering the impact that COVID-19 has had on the businesses across the world, it is very likely that the corporates would have to re-negotiate the intra-group pricing policy, despite an APA in place. It is pertinent to note that the Indian APA program has necessary provisions to enable both tax authorities as well as taxpayers, to re-negotiate the APA terms. It will not be surprising if we see taxpayer (already having entered into APA) in large numbers approaching the authority with a request to renegotiate the APA terms to reflect the commercial reality and the impact of COVID-19.

The existing safe harbor regime in India enables taxpayers to apply for the Safe Harbor scheme for the financial year up to FY 2018-19. The CBDT is yet to renew the said provisions for FY 2019-20 and onwards. Given the current environment, it is highly possible that the CBDT would announce lower safe harbor margins for the covered transactions from the existing level.

Managing associates and team

There is no denying from the fact that the lock-down may create a slowdown in overall business activity. This time could be utilized by tax heads/managers to connect with the team through various initiatives:

- Professional training for the team
- Group and team bonding activity – ensuring continuous communication with the team in these times and motivating the team to perform at full strength.
- Brainstorming with the team on streamlining the process and ensuring compliances are managed on a timely basis.

While the Indian Government has done whatever it could in terms of providing liquidity and relief wherever possible, now it is up to the corporates to overcome these challenging times and emerge stronger. This crisis once again reiterates the fact that more and more businesses would have to look at digitally transforming every function of their business so that disruptions like COVID-19 do not impact the business significantly.

From the Judiciary

Direct Tax

A payment made to a non-resident celebrity for appearance in an event held outside India for promoting business in India, whether taxable in India?

Where the specific provision for taxability of an entertainer under section 115 BBA fails, whether the income falls outside the ambit of taxability?

M/s. Volkswagen Finance Pvt Ltd [ITA No. 2195/Mum/2017]

Background

The taxpayer, an Indian Company, organized an event at Dubai for the launch of its new model of car exclusively for the Indian Market. Around 150 people, mostly prospective Indian customers and journalists were flown to Dubai for their participation in the event. The taxpayer charged the expense of the event in its books of accounts.

Consideration was paid to an Oscar-winning celebrity for making an appearance at the event. The Indian company had full rights to use "free, non-exclusive' promotional usage of all the event footage/ material/ films/ stills/ interviews, etc." of the above-mentioned launch.

The taxpayer did not withhold any taxes on payments made to celebrity for an appearance on the grounds that the event was not held in India, and hence the income did not accrue or arise in India.

Further, the taxpayer also contended that the specific provision pertaining to the taxability of the entertainer clearly states that income earned should be from a performance in India. Given that the event in the current case was held in Dubai, the income falls outside the ambit of taxation in India.

Held

Dismissing the plea of the taxpayer, the Mumbai Tax Tribunal held that the first limb of section 5(2)(b), i.e. "accrues or arise" has to be read with section 9(1)(i) which extends the scope of income accruing or arising in India by including, in the deeming fiction. It provides for taxability of income which, directly or indirectly, accrues or arises to a non-resident, through or from any business connection in India, is also chargeable to tax in India. The expression "through" includes 'by means of,' 'in consequence of' or 'by reason of.'

The Tax Tribunal held that the payment made by the taxpayer was for "below the line publicity" incurred wholly and exclusively for the business of taxpayer in India. Thus, there was an established business connection between the event held in Dubai and the taxpayer's business in India. As a corollary thereto, it was held that the income from an appearance in the event, the non-resident has an intangible business connection in India.

Further, Mumbai Tax Tribunal held that specific provisions for entertainers only deal with the mode and rate of tax in the hands of a non-resident. The modality of taxation cannot be treated as restrictions on chargeability to tax under section 5(2)(b) r.w. section 9.

Our Comments

This is an interesting ruling as it discusses the concept of intangible business connection.

The tax tribunal has taken a compelling argument, and now it appears more and more revenue authorities would travel beyond the conventional concepts to get people under the tax net.

Its time that corporates look at their tax position very carefully and thoroughly evaluate the risks before taking any aggressive tax positions.

Whether the deeming fiction of Explanation 5 to section 9 can be stretched beyond comprehension for treating a foreign company as a resident in India?

Can unilateral amendments, either made retrospective or prospective, to the provisions in the domestic laws, be read into and override the provisions of DTAA?

M/s. Sofina S.A. vs ACIT
[ITA No.7241/Mum/2018]

Background

The taxpayer is a Belgium based Venture Capital Investor, listed on Euronext, who has invested across 9 countries. The company holds a stake of 11.34% in Accelyst Pte Ltd, a tax resident of Singapore (hereinafter referred to as 'The Singaporean Company'). The Singaporean company had no other assets apart from its investments in Accelyst Solutions Pvt. Ltd, India (hereinafter referred to as the Indian Company).

During the year under consideration, the taxpayer sold its entire stake in the Singaporean company. Since the Singaporean company substantially derived its value from India, the shares sold by the taxpayer were deemed to be situated in India as per Explanation 5 of section 9 and Article 13(5) of the India Belgium tax treaty (indirect transfer provisions). The tax officer went a step further and held that the transfer should be considered as a transfer of capital stock of a company resident in India.

Further, the tax officer also extended the see-through approach to Article 13(4) of India Belgium Tax Treaty to para 5 of article 13.

Held

Considering the claim of the revenue to be fallacious, the Mumbai Tax Tribunal held that explanation 5 of section 9 was made available by the legislature to create a deeming fiction for the purpose of taxation of capital gains under the IT Act. It cannot be extended to determine the residential status of the company. Further, in the absence of any corresponding amendment in the tax treaty, the unilateral amendment of explanation 5 of section 9 cannot be read into the India Belgium tax treaty.

Further, where the India Belgium treaty includes a see-through provision in paragraph 4 of Article 5, the same cannot be extended to paragraph 5 of the article unless specifically provided.

Our Comments

The decision of the Mumbai Tax Tribunal once again clarifies that amendments under the Act cannot be unilaterally applied to the Tax Treaty. It also approves the availability of Tax Treaty benefits in case of indirect transfer cases.

Whether AAR ruling, which is not absolute and unqualified, is binding the revenue authorities?

Whether deputation of experienced and knowledgeable employees to another country makes available technical knowledge?

Whether fees for included services from a permanent establishment need to be offered to tax on a net basis or gross basis

M/s. General Motors Overseas Corporation
[ITA NO. 1282/MUM/2009]

Background

The taxpayer is a company incorporated in the USA, engaged in the business of providing management and consulting services to the group entities worldwide. The taxpayer had entered into a Management Provision Agreement ('MPA') with an Indian company (one of its group companies) to provide executive personnel in connection with the development of various operating activities to the Indian company. During the year, the President, the Managing Director and the Vice president (Manufacturing) of the taxpayer were deputed to India to render such service.

During the year under consideration, the taxpayer had obtained an advance ruling from the AAR for taxability of the amount received from its India affiliate as reimbursement of the salary of deputed employees. However, AAR passed an unqualified opinion in the absence of information about the actual services rendered by the employees. Power was given to the authorities to examine the actual conduct of the parties.

Further, given that the taxpayer constituted a Permanent Establishment (PE) in India, it had offered the net income to tax in light of Article 7.

Held

Taking on record the material produced by both the parties, the tribunal held that where the ruling of AAR was not absolute and unqualified and where the power was given by the AAR to the authority to examine the actual conduct, the revenue has not erred in passing an order different from AAR ruling.

Further, with respect to reimbursement of salary cost, the tribunal has held that the experience of an expert lies in the mind of an expert. If such an expert having knowledge and expertise is transferred from one tax jurisdiction to another tax jurisdiction, then it cannot be said that only the employees were per se transferred and not the technology. Since the deputed employee would implement the standards of the taxpayer in India, such technology will be considered as made available. Thus, the reimbursement of the salary shall qualify as Fees for Included Service.

As a corollary, the tribunal rejected the contention of the taxpayer of taxing the reimbursement income on a net basis. It was provided that in the case where foreign company constitutes PE, the income shall be taxed on a net basis subject to limitations provided under the domestic taxation law. Thus, according to section 44D of the Act, the taxpayer was not entitled to any deduction for the purpose of computing income by way of fees for technical services.

Our Comments

The debate on the taxability of reimbursement of salaries on deputation arrangement has been ongoing. It's crucial for the company to draft a deputation agreement as well as the modalities of arrangement appropriately from a tax perspective in order to avoid any tax risks.

Transfer Pricing

Whether aggregation of loans from two entities holds true for determining AE relationship u/s 92A(2)(c)?

Soveresign Safeship Management Pvt Ltd - ITA No.2070/Mum/2016

Ruling

The taxpayer is engaged in providing ship management and consultancy services. For AY 2011-12, it had reported international transactions in the form of advances received in the course of business from two group companies by considering these entities as Associated Enterprises (AE).

TPO also considered the two group entities as AEs u/s 92A(2)(m), i.e., there exists a relationship of mutual interest between the taxpayer and the two group entities.

At the DRP level, it was held that the taxpayer did not render any services to the concerned AEs, and hence the advances received by the taxpayer should be treated as loans taken from the AEs. It was also observed that since the aggregate of the loans availed from the two entities amounted to more than 51% of the assets of the taxpayer, they were AEs of the taxpayer u/s 92A(2)(c).

In the appeal before Mumbai Tribunal, the following observations were noted:

- As per sec 92A(2)(c), each enterprise should advance a loan of more than 51% of the assets to constitute itself as an AE.
- A part of the advances received by the taxpayer from the AE was in connection with rendering ship management and consultancy services and hence could not be treated as a loan received.
- In view of the above facts, both the group companies would not be treated as AEs since the loans from the individual entities did not satisfy the condition specified in sec 92(A)(2)(c). Also, rejecting the Revenue's argument that the taxpayer had reported them to be AEs in Form 3CEB, ITAT specified that the facts in the financial statements and the unambiguous meaning of AEs overrides the transactions reported by the taxpayer.

In conclusion, Tribunal held that the mentioned two companies are not AEs of the taxpayer, and hence no adjustment to arm's length price in respect of the transactions undertaken needs to be carried out.

Our Comments

There are significant differences in the decisions of the appellate forums, but the interpretation of the law in its original form holds true in any situation.

This decision re-confirms the fact that for determining the AE relationship, section 92A(1) cannot be applied on a standalone basis and needs to read in conjunction with section 92A(2).

This decision also supports the taxpayer in a scenario whereby the transactions have been reported in Form 3CEB as undertaken with related parties, the same can be challenged by the taxpayer if it is proven to be an inadvertent mistake in interpreting the law.

Whether it is appropriate to change the comparables with the change in the method of determining ALP?

MTU India Private Limited - ITA No.1744/PUN/2019

Ruling

The taxpayer was engaged in the marketing and distribution of diesel engines and spare parts, including overhauling and repairing diesel engines and earned commission income on the sale of spare parts, associated equipment, and engines of overseas MTU entities to customers in India. The taxpayer had aggregated the different segments, namely indenting, trading and services, while benchmarking the transactions and had used TNMM as the most appropriate method.

In AY 2015-16, TPO proposed TP adjustments due to the following primary concerns:

- Aggregation of transactions in indenting, trading, and service segments.
- An appropriate method for benchmarking the engine sale and after-sale service segments.

TPO did not approve the aggregation of the different business segments and proposed a TP adjustment post bifurcation of the segments. TPO allocated the costs to three segments on the basis of ad-hoc keys of allocation.

On segregation of the above transactions, the taxpayer requested to apply RPM for the segment of trading of spare parts. However, TPO preferred TNMM citing unavailability of 'same or nearly similar' comparable companies and holding that TNMM accepts broader similarity. DRP also agreed with the TPO and preferred TNMM over RPM.

When the taxpayer appealed to the Tribunal, it observed the following points:

Segregation of Indenting, Trading, and Service segments:

Tribunal found that the taxpayer's activity of indenting meant securing orders from Indian customers for the diesel engines supplied by its parent company, i.e., a pre-sale activity. Trading and Service segments were after-sale activities as they were related to the trading of spare parts and servicing of the diesel engines.

Referring to the definition of 'Transaction' provided by Sec 92F(v) and Rule 10A(d), Tribunal opined that since the risks and rewards of all the three segments had no relation with each, they cannot be deemed as 'closely linked transactions.' Hence Tribunal upheld the decision of the TPO and DRP of segregating the three segments of Indenting, Trading, and Services for the purpose of benchmarking.

Most Appropriate Method of benchmarking for the Trading segment:

Tribunal relied on Rule 10B(1)(b) and opined that RPM is specifically meant for purchasing the goods and selling the same as such. Also, it confirmed that the comparables have to be selected on the basis of similarity in business operations irrespective of the method applied for benchmarking.

Thus, it concluded that the TPO was not just in applying TNMM with functionally dissimilar companies and redirected the TPO to determine ALP under RPM.

Transfer Pricing Adjustment:

Tribunal also condemned the TPO's act of allocating the costs to the different segments on an ad-hoc basis and directed to undertake the allocation on some logical or reasonable keys.

The taxpayer had also appealed for the TP adjustment made in the trading segment for non-AE transactions. Relying on some judicial precedents, ITAT directed to restrict the TP adjustment to the transactions with the AE in the trading segment.

Our Comments

This case emphasizes on clarifying the ambiguities while interpreting aggregating transactions for benchmarking. Further, it stresses on the fact that once comparable companies are found to be fit, the same cannot vary with respect to change in the method applied.

Can the TPO determine the ALP without using any of the methods specified u/s 92C?

Anheuser Busch InBev India Ltd - ITA no.1205/Mum./2016

Ruling

The taxpayer is engaged in the business of brewing, packaging, distribution, marketing, and selling of beer. The taxpayer was incorporated from various business acquisitions done by the group in India. After the process of acquisitions was completed in India, the taxpayer had entered into a Technology Transfer Agreement(TTA) with the holding company of the group for obtaining technical know-how and support in the initial years of business set up in India. With the progress in time, the taxpayer upgraded its facilities in the business strategy, and the need for technical support from the holding company ceased, resulting in the termination of the TTA.

Consequently, the taxpayer entered into another General Service Agreement (GSA) with the group for obtaining various business services on a centralized basis, consistent with the standard practice adopted by the group for other countries.

During AY 2011-12, the taxpayer paid an amount of INR 26.22 crores to its AE for the services mentioned in the GSA. When the case was referred to the TPO, the taxpayer submitted the calculations in the form of an auditor certified cost base for the charges paid, which was allocated to the different entities on a reasonable basis like time spent, headcount, etc. In the submitted documents, AE was considered as the tested party, and this cost base was found to be at ALP using TNMM.

To justify the arm's length of the payment made towards intragroup services, the taxpayer had submitted copies of email correspondences, group presentations, cost center reports, margin variance analysis, etc. with the AO. However, the AO was not convinced by the supporting documents provided by the taxpayer.

Further, TPO also observed that some evidence provided by the AE did not have clarity on the value, cost, or benefit of the services provided by the AE. Hence TPO determined the ALP of the services provided to be 'NIL' and made an adjustment of INR 26.22 crores without applying any specified method mandated by law. DRP also upheld the findings of the TPO.

At the Tribunal level, the following observations were made:

- The taxpayer had submitted voluminous documents to show the actual rendition and benefit of the services received.
- An economic analysis was also provided by the taxpayer in the TP Study, which proved the transaction to be at arm's length using TNMM.
- In light of the above points, the Tribunal opined that the TPO had not accepted the economic analysis of the taxpayer and not performed any independent benchmarking as mandated by sec 92C and rule 10B after rejecting the analysis under TNMM.
- Further Tribunal also observed that the taxpayer's AE had approached the AAR for issues involved in the above-mentioned services. AAR observed that AE was providing specialized services to fulfill the exclusive needs of the Indian companies for the manufacture of beer under its brand name and not offering a standard service for general use.
- AAR further observed that AE had provided such service through human intervention by training the personnel of Indian Companies through various programs, models and by allowing online access to secret information. Thus, stating that the services were not merely managerial but also technical in nature.
- In its ruling on 6 June 2018, AAR concluded that the amount paid for the services provided by the AE was 'fees for technical services.'
- Relying on the above ruling, Tribunal confirmed that the taxpayer had received and benefited from services rendered by the AE.

- Thus it concluded that the determination of ALP as 'NIL' had no legal sanctity and hence, cannot be sustained. The TP adjustment was, therefore, deleted.
- Relying on precedents, Tribunal also highlighted the fact that the taxpayer does not need to show that any legitimate expenditure incurred by it was also incurred out of necessity nor to show that any expenditure incurred by him for the purpose of any business conducted by him had actually resulted in profit or income either in the same year or in any of the subsequent years.

In conclusion, since the TPO did not determine the ALP by using one of the methods mandated by the law, the Tribunal rejected the adjustment proposed by the TPO.

Our Comments

This case highlights an important fact that AO/TPO cannot reject the ALP accepted by the taxpayer without substantiating the rejection by another price determined using the methods specified u/s 92C. Also, TPO has the powers to only determine the ALP of a particular transaction and cannot step into the shoes of the AO to either look into the commercial expediency or benefit derived.

Can Sec 92A(1) be applied on a standalone basis without considering the conditions provided in Sec 92A(2) to determine the AE relationship?

Kaybee Pvt Ltd - ITA No 2165/Mum/15

The taxpayer is an Indian company having an individual as a shareholder holding 99.9% shares in the company. During AY 2007-08, the taxpayer had entered into international transactions with a company wherein its majority shareholder was appointed as the director. AO stated that both the companies were AEs u/s 92(A)(1)(b), i.e., in respect of which one or more persons participate, directly or indirectly, or through one or more intermediaries, in management control or capital of both the enterprises.

When appealed before the Mumbai Tribunal, it was observed that in case of the taxpayer for a previous year, a co-ordinate bench had relied on a previous judgment and treated the two entities as AEs on applying Sec 92(A)(1) on a standalone basis. Further, it was noted by the Tribunal that the amendment in the finance bill of 2002 was inadvertently missed by the Tribunal while delivering the previous judgment. The said amendment in the section clearly mentioned that for the purpose of applying subsection (1) of 92A, the conditions specified in subsection (2) should be satisfied. It also highlighted that mere participation by one enterprise in the management or control or capital of the other would not render them as AEs unless a criterion mentioned in subsection (2) of sec 92A is satisfied.

The Tribunal also placed reliance on the Gujarat High Court ruling of the case of Veer Gems. Subsequently, Revenue's SLP dismissed by Supreme Court wherein it was held that there was no AE relationship between family-controlled entities if conduction mentioned in 92A(2) were not fulfilled.

On request of the revenue to refer the case to a larger bench, Tribunal stated that once a higher judicial forum has expressed its view on the matter, it would not be appropriate to carry out a parallel exercise here.

Thus, in conclusion, Tribunal opined that the two entities were not AEs since none of the conditions under section 92(A)(2) were getting satisfied and thus deleted the TP adjustment.

Our Comments

Understanding of the above case confirms the correct interpretation of law and rules out the ambiguity in terms of establishing AE relationship, especially family-owned companies. Further, it also states that the Tribunal can review the matter afresh even if there are judicial precedents available in the taxpayer's case in case of any inadvertent mistakes/misinterpretations are found in the precedents.

Indirect Tax

Whether identifying customers in India for a foreign supplier qualifies as 'intermediary services' under the GST law?

[Background: The place of supply in case of 'intermediary services' is the location of the supplier of services. Therefore, such services supplied by an Indian service provider become taxable to GST in India even if they otherwise fulfill the criteria to qualify as 'export of services.']

Fom Aluminium Machines Pvt. Ltd. - Authority for Advance Ruling (AAR), Karnataka [2020 (3) TMI 894]

Facts

- The applicant was engaged in the following activities:
  - Booking orders from Indian customers of its foreign parent company;
  - Promotion and developing sales of machinery produced by a third party supplier;
  - In both the above cases, the applicant received consideration in the form of a sales commission.

In view of the above, the AAR ruled as follows:

- As per Section 2(13) of the IGST Act, "intermediary" means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both, or securities on his own account.
- In the above-mentioned case, the applicant acts as the agent to the foreign parent company as well as the third party supplier beyond doubt.
- Therefore, the applicant's services squarely fall under intermediary services.

Our Comments

In this case, the applicant was involved in identifying customers in India for foreign suppliers. The fact that the applicant's consideration was in the form of sales commission further substantiated the fact that the applicant is acting as an 'agent.' Therefore, the AAR ruled that the applicant's services fall squarely within the ambit of intermediary services.

Whether input tax credit (ITC) can be claimed in relation to inputs used in the construction of a warehouse in a case where such a warehouse is given on rent on which GST is payable?

[Background: In view of Section 17(5) of the CGST Act, ITC pertaining to goods or services received for construction of the immovable property is not eligible for set-off against the outward tax liability.]

Unity Traders - AAR, Madhya Pradesh [2020 (3) TMI 618]

Applicants contentions

- It is liable to pay GST on the rent realized from renting the warehouse.
- Section 17(5) provides for a situation where inputs are consumed in the construction of an immovable property which is meant and intended to be sold. This is because the sale of the immovable property post-issuance of completion certificate does not attract any levy of GST.
- In the present situation, denial of ITC would be unjust and opposed to the basic rationale of the GST law.

The AAR in view of the facts of the case and the applicant's contentions ruled as follows:

- Section 17(5) is an exclusion in spite of the goods or services used in the course or for the furtherance of his business as per Section 16.
- The said section is very clear, and there is no scope of any other interpretation.
- Therefore, ITC is not admissible on the goods and services received for construction of the warehouse used for letting out on rent.

Our Comments

In a similar case [2019 (5) TMI 701], the Hon'ble High Court of Orissa read down Section 17(5)(d) to provide that ITC should be available to a person when he is engaged in providing the immovable property on rent. It is expected that the issue will remain litigation-prone until ruled upon by the Supreme Court.

Tax Talk

Indian Developments

Direct Tax

India Considers Easier Loan, Tax Rules to Help Economy Endure Virus

COVID-19 has largely affected the Indian economy. India is considering offering easier loan repayment terms and tax breaks for small and medium-sized companies, extending loan tenors, and relaxing bad-debt norms for small firms. In a letter to the RBI, the finance ministry has proposed a moratorium of a few months on the payment of EMIs, interest and loan repayments, and a relaxation in the classification of bad loans.

Apart from various economic relief measures, on the regulatory front too, the Finance Minister announced numerous relief measures on 24 March 2020 related to Taxation (extension of due dates for multiple filings, deduction linked investments, Vivad Se Vishwas Scheme, etc.), Corporate Affairs, Insolvency, and Bankruptcy Code (IBC), Fisheries, Financial Services, and Commerce Sector.

For details, refer to our tax alert dated 26 March 2020.

A rise in Income Tax surveys detect a steady increase in unreported income

A tougher enforcement action to widen the tax base has been a part of the government's agenda of plugging the fiscal gap caused by unaccounted income. It was observed that the number of surveys jumped from 4,428 in FY16 to 15,401 in FY19, with the amount of previously undisclosed income detected or brought to taxation surging from INR 9,699.85 crore in FY16 to INR 16,125.58 crore in FY19. In this fiscal year through 31 March, 5,808 searches were made so far, which led to the detection of approximately INR 12,793.6 crore in undisclosed incomes. The figures for the current year are tentative and will be updated later.

Reduction in Corporate Taxes expected to boost the 'Make in India Initiative': Survey

In September 2019, with an upgrade in the Income Tax Act, tax rates applicable to companies were reduced from 30% to 22% for existing companies, and from 22% to 15% for newly set-up manufacturing units. A survey by Duff & Phelps reveals that the majority of the industry respondents believe that such a reduction would surely boost the Make-in-India initiative. With the current downward revision of GDP growth for India, the tax rate cut has provided a boost to the economy. The auto and ancillary sector is perceived to be the biggest beneficiary; it is followed by fast-moving consumer goods (FMCGs). Overall, the reduction in corporate tax rates will support start-ups, attracting more funding from venture capitalists. However, the overall impact depends on the corresponding increase in consumption levels, which remains to be seen and could be substantially delayed, given the current set back to the economy due to the COVID-19 outbreak.

SC adjourns software taxation matter by six weeks

Supreme Court adjourns IBM and 100+ assessees' appeal on software royalty taxation matter by six weeks. This is one of the most awaited and watched upon judgment by a large number of corporates.

New slabs make Income Tax structure more equitable: Ajay Bhushan Pandey

The number of slabs will increase to seven from four earlier. Ajay Pandey was of the opinion that fewer income tax slabs can lead to inequity, hitting low-income taxpayers more. He rejected suggestions that the introduction of more slab rates would make things complicated. He mentioned that Singapore has 11 slabs, and China has 7 with the highest rate at 45% - this helps to spread out the tax rates depending on the economic appetite of the taxpayers. IT-enabled tools such as pre-filled return forms would make it easy for taxpayers to file returns.

Empty restaurants call for relief on rent, tax, power usage

Restaurant owners have also suggested aggressive measures to beat the loss in business - Deferment of principal and interest for three quarters, with the deferred amount to be paid over 12 months; a 4% reduction in working capital interest rates; 50% increase in working capital credit limits for six months; 50% deferment of GST liability for the same period, and an extension of existing licenses for six months without charge.

The travel and hotel industry also made representations to the government, urging relief in taxation and waiving of GST to mitigate losses. Further, the industry body National Restaurant Association of India (NRAI) has sought relief on rents, energy costs, overall credit limits and taxation, as malls and restaurants have registered a 30-35% decline in footfalls with the spread of COVID-19 in the country.

Indirect Tax

Amendments to Foreign Trade Policy (FTP) 2015-2020

- The validity of FTP 2015-2020 has been extended from 31 March 2020 to 31 March 2021. Accordingly, the new FTP 2020-2025 would be introduced in April 2021.
- The time limit for filing MEIS application for the shipping bills filed during the period 1 February 2019 to 31 May 2019 would be as under – Later of –
  - 15 months (earlier 12 months) from the Let Export Order (LEO) date or
  - 3 months from the date of uploading the EDI shipping bill into the DGFT server by Customs.
- The due date to file Services Exports from India Scheme (SEIS) applications for export of services made during FY 2018-2019 has been extended from 31 March 2020 to 31 December 2020.
- Various relaxations have also been announced in relation to norms, validity, etc. of Advance Authorisation and Export Promotion of Capital Goods (EPCG) schemes.

Amendments to GST Rules

- The applicability of e-invoicing and QR code provisions has been postponed to 1 October 2020. Further, the following companies have been excluded from compliance with e-invoicing provisions –

  a. Insurance Company;

  b. Banking Companies and Financial Institutions;

  c. Non-banking Financial Institution (NBFC);

  d. Goods Transport Agency;

  e. Passenger Transportation Company;

  f. A company involved by way of admission to an exhibition of cinematographic films in multiplex screens.
- The due date to furnish GSTR-9 (annual return) and GSTR-9C (reconciliation statement/GST audit) for FY 2-18-19 has been extended to 30 June 2020.
- A restriction has been imposed in the GST refund-related provisions whereby the value of zero-rated supply of goods exported without payment of IGST has been restricted to the value that is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier.

Tax Talk

Global Developments

Direct Tax

Turkey to introduce new taxes on Digital Services and Accommodations Services

The Turkish government on 5 December 2019, passed a law to introduce the following new taxes:

Digital Services Tax:

This tax would be imposed on gross revenues generated from services provided in Turkey, which would include:

- Digital advertising services
- The sale of all kinds of audio, visual, and digital content on the digital medium (including computer programs, applications, etc.) and provision of streaming services
- Services for the provision and operation of digital media in which users may interact with each other (including platforms enabling the sale of goods or services among users)
- Intermediary services provided in the digital environment for the above services

Revenues from such services would be taxed @7.5% (The president may alter the tax rate within the range of 1% to 15%).

However, businesses whose gross revenue in Turkey is less than USD 3.5 million or global gross revenue is less than USD 837.6 million would be exempt from the Digital Tax. This tax has come into effect from 1 March 2020, and it's the highest Digital Services Tax Rate imposed among European Union members.

Accommodations Tax:

A tax rate of 2% (The president may alter the tax rate within the range of 1% to 4%) on gross revenues from the provision of lodging services by hotels, motels, holiday resorts, etc. including food, drinks, entertainment services, etc. in relation to such lodging services on the premise.

It has come into force from 1 April 2020.

New plans, taxes unveiled in Chancellor Rishi Sunak's maiden UK Budget 2020

Digital Services Tax:

Despite an increased likelihood of a long-term multilateral solution by the OECD and concerns raised by the US Government in respect of similar proposals in France, UK announced a Digital Tax @2% on online revenues generated by large multi-national corporations (MNCs) derived from the provision of a social media service, a search engine or an online marketplace to UK users.

The MNCs mainly affected would comprise Facebook, Google and Amazon. The tax was introduced amidst criticism for paying very little tax on the large revenues which these MNCs generate in the UK. The aforesaid digital service tax has come in force from 1 April 2020.

Stamp Duty:

The UK government, in its Budget 2020, announced a new stamp duty surcharge on the purchase of homes in the UK by non-UK residents @2% from April 2021. Buyers who become UK residents after their purchase may become eligible for a refund of surcharge.

The new surcharge, affecting non-UK taxpayers buying a property in England, will be in addition to the existing stamp duty charge for properties, as well as the additional 3% levy on the purchase of second homes or buy-to-let properties, leaving many with a sizeable tax bill.

Transfer Pricing

Increased focus on transfer pricing by Spanish Tax authorities

The Spanish Tax authorities have announced the Tax Control Plan for 2020, underlined the government's objective of emphasizing tax enforcement. By introducing the Tax Control Plan 2020, special attention will be given to the fulfillment of the documentation and information obligations regarding transfer pricing, including the analysis of the assessment of functions, assets, and risks contained in the documentation.

The Spanish Tax authorities will implement a new transfer pricing risk analysis system, which will be based on information available on inter-company transactions that the authorities obtained through the OECD/G20 Base Erosion and Profit Shifting Project (BEPS) project as well as disclosure requirements mandated by the European Union. The primary sources of information will include automatic exchanges of information, country-by-country reporting, unilateral agreements, tax audits, prior advanced price agreements, mutual agreement procedures, etc. The renewed plan will allow the Tax authorities to conduct a better risk analysis through the development of indicators, indexes and models, and the identification of high fiscal risk behavior patterns.

Further, the key areas outlining the government's priorities for tax enforcement in 2020 include valuation of intragroup transfer of assets, especially, intangibles; deductions that could significantly erode the tax base, such as payment of royalties or intragroup services and activities carried out by entities characterized as low risk having a significant economic presence (e.g., those in manufacturing and distribution activities), taxation of new, highly digitized models, financial transactions and attribution to permanent establishments.

Our Comments

Spanish tax authorities are focusing on scrutinizing transfer pricing positions of companies domiciled in Spain and carrying out cross border transactions. The execution of a new transfer pricing risk analysis system based on information obtained through the implementation of the BEPS project and other mandatory disclosure requirements shall compel taxpayers in Spain to re-examine their existing transfer pricing policies and take corrective actions to mitigate scrutiny risk. It will bring about greater transparency and prevent tax evasion by MNEs.

Exchange arrangement for CbC Reports between Hong Kong and Mainland China activated

On 4 March 2020, Hong Kong's Inland Revenue Department announced that Hong Kong and China have entered into an arrangement for automatic exchange of CbC reports, which would apply retrospectively to the accounting periods beginning on or after 1 January 2018 (i.e., those ending on or after 31 December 2018). Based on this, Hong Kong entities having ultimate parent entities in China would be absolved from filing CbCR in Hong Kong.

However, Hong Kong entities must make a filing via the CbC online portal on or before 31 March to inform the Inland Revenue Department about such relief.

Our Comments

Although Mainland China and Hong Kong had signed the Comprehensive Double Taxation Agreement enabling automatic exchange of information, there was no agreement for the exchange of CbCR. Therefore, theoretically, Hong Kong subsidiaries whose ultimate parent entity resided in Mainland China were still required to file CbCR. With the exchange of CbCR in place, taxpayers in Hong Kong can simply notify the tax department of their revised position as they are now relieved from their filing obligation. This will provide administrative relief to Hong Kong taxpayers of China-based reportable groups. However, there will be a need to review current transfer pricing positions and maintain proper documentation (Master and Local files) before tax authorities obtain any additional data through the enhanced exchange mechanism.

Public comments released by OECD on 2020 CbC Review consultation document

The BEPS Action 13 report included a requirement that a review of the CbC reporting minimum standard must be completed by the end of 2020. In line with the same, OECD had released a public consultation document (comprising 3 Chapters) on review of CbC Reporting and invited public comments on the draft by 6 March 2020. The draft sought inputs on various questions regarding the implementation and subsequent operation of the BEPS Action 13, along with the scope and contents of the CbCR. The OECD has now published the public comments received on the draft

Some of the primary concerns raised by stakeholders include:

- It is premature to make Action 13 changes before the result of Inclusive Framework's ongoing work on the digital economy project is known;
- Any attempt to make CbCR information public, for several reasons, including that the reports contain commercially sensitive data has been opposed;
- Adoption of one standardized format and secure arrangements for sharing of CbC reports;
- In general, businesses have a concern that any change to the reporting requirements that need additional information should not impose a disproportionate compliance burden.

- CbC reporting should not rewrite accounting standards (which are audited) or establish a new standard on top of accounting standards as it would only increase complexity without ensuring consistency across taxpayers;
- On the appropriate and effective use of CbC reports, it is essential to note that the OECD is involved in developing a CbCR Tax Risk Evaluation & Assessment Tool ('TREAT'), which will aid the Tax authorities in reading and interpreting CbCRs. In this regard, stakeholders opined that until the tax administrations are experienced in effectively handling and using the CbCRs, some of the proposed changes could be overwhelming and potentially burdensome.

Our Comments

2020 CbC Review consultation document is of particular importance in India since the current transfer pricing assessment cycle (i.e., for FY 2016-17) is the first cycle for which CbCR and master file compliances were introduced. In this regard, even though the Indian Tax authority has clarified that the CbCR information should not be used as a substitute for a detailed transfer pricing analysis, however, the possibility of drawing reference from such information on record cannot be completely ruled out. OECD's view on the extent of allowing changes in reporting requirements would need to be assessed from India's perspective since Indian master file requirements deviate to some extent from the standard requirement prescribed by the OECD.

Swedish Tax Agency: Characterizes PUMA Group's Swedish entity as a routine distributor; Rejects intra-group pricing

Facts of the Case:

Taxpayer	Puma Nordic AB ("Puma Sweden")
Income Tax Years	2015-2017
Ownership Structure	Wholly owned subsidiary to the German parent company "Puma SE", selling sports products under the brand "PUMA".
Business Profile	The company operates as a distributor of Puma branded products in the Swedish market.
Related Party Transactions	a. **Purchase of goods** from the Group's sourcing company; and b. **Payment of license fee** to Puma SE for access to the Group's marketing portfolio.
Pricing model	Puma Sweden pays a cost-based fee for the products to the Group's sourcing company as well as a license fee based on sales to external customers to PUMA SE for the use of the PUMA brand and related marketing material.
Transfer pricing position adopted by the taxpayer	Puma Sweden was characterized as a full-fledged distributor exposed to all significant risks in respect of its distribution operations. The inter-company transactions were demonstrated as arm's length using the CUP/CUT method.
An issue raised by the tax authority	The applied transfer pricing model resulted in continuous losses for Puma Sweden, which were justified arguing that the entity was a risk-bearing distributor. Further, Puma Sweden was contractually obliged to create local value for the brand and was not entitled to any compensation for marketing expenses as per the Group's International Marketing Agreement.

Decision of the Swedish tax Agency (STA):

On examination of a variety of documents (including inter-company agreements, group policy documents, transfer pricing analyses, etc.), the Swedish tax Agency made the following observations:

- Puma Sweden conducts its primary **functions** upon the strategies and directions of PUMA SE. It is neither involved in any decisions concerning product development, sourcing, design, nor in the overall marketing strategy.
- Based on the information from the group's annual report and the transfer pricing documentation, STA identified the following key value drivers for Puma Group and assessed the corresponding risk tied to the critical value driver:
  i. building a strong international brand (Brand risk) and
  ii. designing and developing a new product (Product Risk)
- STA found that brand risk and product risk, even though contractually is assumed by Puma Sweden as per the inter-company agreements, the actual conduct of the Swedish entity showed that it did not have the actual capacity to assume these economically significant risks. The people employed by Puma Sweden were in sales, marketing, warehousing, and logistics functions. Whereas, Puma SE employed the key people

with knowledge and capabilities to make strategic decisions on product design, manufacturing, and marketing globally. The fact that Puma Sweden had local marketing know-how was, according to the STA, not sufficient to deem Puma Sweden capable of assuming significant market risks since all decision-making functions were with the Puma SE.

- The only **assets** owned by Puma Sweden, therefore, were customer lists, inventory, sample, etc. akin to any routine distributor. Puma SE, on the other hand, was identified as the owner of all intellectual property rights relating to Puma products, including copyrights, trademarks, patents, models, designs, concepts, and ideas.
- STA also questioned the consistent losses incurred by the distributor (Puma Sweden), given it was precluded from selling any other product. The STA argued that an independent dealer would have either negotiated lower purchase prices or considered switching to other products or in the extreme discontinued operations. The lack of freedom to have done any of these indicated that the entity was not entrepreneurial or capable of bearing economically significant risks.
- Based on the aforementioned evidence, the STA concluded that Puma Sweden was a routine distributor performing less strategic and complex functions vis-à-vis its AEs. Thus, it should not have borne the outcome (operating loss) of such risks. Therefore, applying the Transactional Net Margin Method ("TNMM") by aggregating the two key inter-company transactions and comparing it to margins earned by comparable independent distributors was regarded as the most appropriate analysis.

Puma Sweden has stated that they would most likely appeal the decision to the Swedish Administrative Court.

Our Comments

The case study re-emphasizes the need to conduct a robust Function, Asset and Risk analysis and re-examine if the same matches with the actual conduct of the parties involved or contractual terms in intra-group transactions. Taxpayers need to maintain robust documentation that projects the actual conduct of its operations and ensures consistency in statutory filings to avoid adjustments on account of concealment and tax evasion. Therefore, the need of the hour for the MNEs is to re-align their existing transfer pricing policies with value creation-based on substance and the actual conduct of the parties.

Indirect Tax

Malaysia exempts tax on face masks in view of COVID-19 pandemic

On the background of the COVID-19 pandemic and its rising cases around the world, the Finance Ministry of Malaysia has exempted certain types of face masks from levy of import duty and sales tax to make them accessible to the weaker sections of the society.

Compliance Calender

4 April 2020

- GSTR-3B for the month of February 2020 to be filed by all registered taxpayers

7 April 2020

- Payment of Tax collected at source ('TCS') collected in March 2019

10 April 2020

- GSTR-7 for the month of March 2020 to be filed by taxpayers deducted at source (TDS)
- GSTR-8 for the month of March 2020 to be filed by E-commerce operators required to collect tax at source (TCS)

11 April 2020

- GSTR-1 for the month of March 2020 to be filed by registered taxpayers with an annual aggregate turnover of more than INR 15 million

13 April 2020

- GSTR-6 for the month of March 2020 to be filed by Input service distributors

14 April 2020

- Issue TDS Certificates under section 194IA and 194IB

20 April 2020

- GSTR-3B for the month of March 2020 to be filed by all registered taxpayers with a turnover of more than INR 50 million
- GSTR-5 for the month of March 2020 to be filed by Non-resident taxable person
- GSTR-5A for the month of March 2020 to be filed by persons providing Online Information and Database Access or Retrieval (OIDAR) services

22 April 2020

- GSTR-3B for the month of March 2020 to be filed by registered taxpayers with a turnover less than INR 50 million and belonging to Category 1 states

24 April 2020

- GSTR-3B for the month of March 2020 to be filed by registered taxpayers with a turnover less than INR 50 million and belonging to Category 2 states

30 April 2020

- GSTR-1 for the period from January 2020 to March 2020 to be filed by registered taxpayers with an annual aggregate turnover of up to INR 15 million
- Payment of TDS deducted in March 2019 by non-government deductors on salary and non-salary payments
- Challan-cum-statement for TDS under section 194IA and 194IB for March 2019

Category 1 states: *Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, and Lakshadweep.*

Category 2 states: *Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh, and Delhi.*

Note - *The government has announced that taxpayers will be allowed to file their GST returns for February, March, and April 2020 by the end of June 2020 without any interest, late fee and penalty. However, in the case of taxpayers with an aggregate turnover of more than INR 5 Crores, there will be a levy of interest at the reduced rate of 9% p.a. (as against the actual interest rate of 18% p.a.), in case of delay of more than 15 days in payment of tax, from the due dates applicable presently.*

Nexdigm (SKP) in the News

India tightens rules on tax residency in crackdown on wealthy evaders

– Maulik Doshi

The National newspaper - Abu Dhabi

Read more at https://bit.ly/3d5kbre

India's export vis-à-vis proposed incentive scheme

– Deepti Ahuja

Financial Express

Read more https://bit.ly/38WPoJH

FM Sitharaman eases regulatory, tax compliance burden amid COVID-19

– Maulik Doshi

Financial Express

Read more https://bit.ly/2UfIWJC

COVID-19 relaxations announced by FM

– Neeraj Sharma

Financial Express

Read more https://bit.ly/33UyoD2

Equalization Levy on Non-Resident E-Commerce Operators

– Neeraj Sharma

Tax Sutra

Read more https://bit.ly/2xF4iHu

Events

Webinar - Impact of Economic Substance Regulations in UAE

Organizer - Nexdigm (SKP)

07 April 2020

Watch it here https://youtu.be/y4R5QZcUsoE

Webinar - Amendment to Finance Bill 2020 and other laws due to COVID-19

Organizer - SEAP

09 April 2020

Watch it here https://youtu.be/D0oYaXJuBiQ

Webinar - Intra Group Financing - Transfer Pricing Implications Across The Globe

Organizer - Taxsutra

09 April 2020

Watch it here https://youtu.be/hpzgoqne1yY

Webinar - Effects of Outbreak of COVID-19 on the Ecosystem

Organizer - Indo-American Chamber of Commerce

10 April 2020

Watch it here https://youtu.be/aox20l9OU5o

Webinar - Voluntary Liquidation and Winding Down Companies under IBC

Organizer - Nexdigm (SKP)

21 April 2020

Register here https://bit.ly/2V29sXi

Easy Remittance Tool

The Easy Remittance tool by Nexdigm (SKP) simplifies the mandatory compliance procedure for foreign remittances by automation of Form 15 CB certifications. Through its simple retrieval mechanism for documents and reduced turn around time, the tool has helped us serve large corporates with numerous foreign remittances, enabling our clients to maintain the right tax position, at all times.

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Our cross-functional teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

We provide an array of solutions encompassing Consulting, Business Services, and Professional Services. Our solutions help businesses navigate challenges across all stages of their life-cycle. Through our direct operations in USA, India, and UAE, we serve a diverse range of clients, spanning multinationals, listed companies, privately owned companies, and family-owned businesses from over 50 countries.

Our team provides you with solutions for tomorrow; we help you *Think Next*.

Contact Us

India - Mumbai

Urmi Axis, 7th Floor
Famous Studio Lane, Dr. E. Moses Road
Mahalaxmi, Mumbai 400 011
India
T: +91 22 6730 9000

UAE - Dubai

Emirates Financial Towers
503-C South Tower, DIFC
PO Box 507260, Dubai
UAE
T: +971 4 2866677

USA - Chicago

2917 Oak Brook Hills Road
Oak Brook, IL 60523
USA
T: +1 630 818 1830

Reach out to us at ThinkNext@nexdigm.com

www.nexdigm.com
www.skpgroup.com

@nexdigm
@nexdigm_
@NexdigmThinkNext
@nexdigm

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