

EXPORT PROMOTION COUNCIL FOR EOUs AND SEZs

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EPC/SEZ/AM-19/F-14
July 6, 2019

EPCES CIRCULAR NO. 328

Sub :Union Budget 2019

Budget 2019 was presented by Hon'ble Finance Minister Smt. NirmalaSitharaman before Parliament wherein various changes in fiscal and tax provisions were proposed vide Finance Bill, 2019. Various tax proposals were introduced in line with Government's objective of ease of compliance, cashless economy and ensuring reduction in pending tax litigation.

Highlights of **indirect tax proposals** are reproduced below for your ready reference which shall be effective only upon enactment of Finance Bill 2019.:

Goods & Services Tax	<ul style="list-style-type: none">○ For delayed filing of GST return, interest to be levied on cash component only i.e. net tax liability debited in electronic cash ledger;○ Inter-head transfer of any balance in electronic cash ledger to be allowed;○ For obtaining GST registration, verification through Aadhar card shall be mandatory○ For default in compliance with anti-profiteering provisions, penalty equivalent to 10% of profiteered amount provided;○ Empowerment provisions for Government to notify class of taxpayers who shall mandatorily prescribe electronic mode of payment for customers;○ Constitution of National Appellate Authority for Advance Ruling to deal with contradictory orders passed by Advance ruling authorities of different states;
Customs	<ul style="list-style-type: none">○ Procedure of undertaking provided for seizure cases where it is not possible for Customs to take physical possession of goods;○ Provision for attachment of bank accounts inserted for seizure cases;○ Power of officers extended to arrest persons outside India for offences under Indian Customs Act;○ Penal provisions introduced for fraudulently obtaining export incentive instruments such as authorization / license / scrips etc. issued under Foreign Trade (Development and Regulation) Act, 1992 more than INR 50 lacs;○ General penalty limit increased from existing INR 1 lac to INR 4 lacs;
Retrospective service tax exemptions	<ul style="list-style-type: none">○ Exemption to liquor license fees / application fee collected by State Governments as consideration for grant of liquor license during 01st April 2016 to 30th June 2017;○ Exemption on services provided by Indian Institutes of Management under following (<i>except Executive Development Programme</i>) during 01st July 2003 to 31st March 2016:<ul style="list-style-type: none">● 2 year full time PGDM● Fellow programme in Management● Five year integrated programme in Management○ Exemption on upfront payment made to specified Government undertakings against long term (<i>30 years or more</i>) lease of plots for development of infrastructure for financial business during 01st October 2013 to 30th June 2017;

	<ul style="list-style-type: none"> ○ Provision for refund of service tax already paid on account of above; ○ Claim of refund to be filed within 6 months after Finance Bill 2019 receives President's assent and shall be governed by procedures of refund filed under service tax law;
<p>Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019</p>	<ul style="list-style-type: none"> ○ Applicable for Central Excise Act, 1994, Central Excise Tariff Act, 1985, Chapter V of Finance Act, 1994 and other relevant acts; ○ Eligibility is subject to certain exceptions such as cases pending before settlement commission or where final hearing before Commissioner (Appeals) is complete before 30th June 2019; ○ Relief <ul style="list-style-type: none"> • SCN/Appeal/Audit stage where amount has been quantified on or before 30th June 2019 <ul style="list-style-type: none"> ▪ <u>Duty amount upto 50 lacs</u> : 70% relief & 30% to be discharged ▪ <u>Duty amount more than 50 lacs</u> : 50% relief and 50% to be discharged <ul style="list-style-type: none"> • Amount in arrears <ul style="list-style-type: none"> ▪ <u>Duty amount upto 50 lacs</u> : 60% relief & 40% to be discharged ▪ <u>Duty amount more than 50 lacs</u> : 40% relief and 60% to be discharged • SCN only on late fee / penalty <ul style="list-style-type: none"> ▪ 100% relief

This is for kind information of members.
