



**LIST OF MAJOR AMENDMENTS MADE BY
FINANCE ACT 2022**

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Section	Particulars
2(12A)	<p>Definition of ‘books of account’</p> <p>Amendment to expand the definition by inserting the words <i>“written form or in electronic form or in digital form or as print outs of data stored in such electronic form or in digital form”</i> in the place of the words <i>“in the written form or a print outs of data stored in”</i> appearing presently in the provision.</p>
2(42C)	<p>Amendment to Definition of Slump Sale</p> <ul style="list-style-type: none"> • Vide Finance Act 2021, definition of Slump Sale was amended to expand its scope to cover all types of transfers. However inadvertently, there was still a reference to the word “sales” in the definition. • Now amendment has been made through Finance Act 2022 to substitute the word “sales” with the word “transfer” to address any anomaly by way of an amendment to Section 2(42C)) <p>Applicable w.e.f. AY 2021-22 and onwards</p>
10(4E), 10(4F), 10(4G), 56(viib), 80LA	<p>Tax incentives to IFSC</p> <p>To further incentivize operations from IFSC following amendments have been made through Finance Act 2022:</p> <ul style="list-style-type: none"> • Section 10(4E) amended to extend exemption to income accrued or arisen to or received by a non-resident as a result of transfer of offshore derivative instruments or OTC derivatives. • Section 10(4F) amended to extend exemption to income of a non-resident by way of royalty or interest, on account of lease of a ship in a previous year, paid by a unit of an IFSC, if the unit

	<p>has commenced its operations on or before the 31st March, 2024.</p> <ul style="list-style-type: none"> • Section 10(4G) amended to provide exemption to any income received by a non-resident from portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident, in an account maintained with an Offshore Banking Unit, in any IFSC, to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India. • Explanation to Section 56(viib) amended to provide that specified fund shall also include Category I or a Category II Alternative Investment Fund which is regulated under the International Financial Services Centres Authority Act, 2019. • Section 80LA(2)(d) amended to provide that in addition to the income arising from the transfer of an asset being an aircraft, the income arising from the transfer of an asset, being a ship, which was leased by a unit of the IFSC to any person shall also be eligible for deduction under section (1A) of the said section, subject to the condition that the unit has commenced operation on or before the 31st day of March, 2024. It is also proposed to provide that ship shall have the same meaning as provided under clause (4F) of section 10. <p>Applicable w.e.f. AY 2023-24</p>
<p>12AB, 115BBI, 271AAE, 10(23C), 115TD</p>	<p>Rationalisation of the provisions of Charitable Trust and Institutions</p> <p>Cancellation of registration: Section 12AB(4) has been substituted as well as the term ‘specified violation’ has been inserted by way of Explanation to section 12AB(4) to provide as under:</p> <ul style="list-style-type: none"> • A PCIT/CIT can cancel the trust registration if he notices one or more specified violations during any previous year or has received a reference from the AO or case selected as per the board’s risk management strategy.

- Scope of cancellation enhanced to include inter alia
 - application of income other than for objects for which it is established;
 - non-maintenance of separate books of accounts in respect of incidental business activities or undertaking business activities not incidental to objects of the Trust;
 - the trust or the institution has applied any part of its income from the property held under a trust for private religious purposes which does not ensure for the benefit of the public
 - application of income for the benefit of a particular religious community.
 - activity being carried out which are not genuine or not in accordance with conditions it was subject to.
- Order for the cancellation to be passed within six months from the end of the quarter in which inquiry initiated.

Special tax rate: New section 115BBI has been inserted, which has provided that following incomes of the trusts or institutions shall be chargeable to tax at the special rate of 30%, without allowing any expenditure or allowance or set-off of losses, etc.,:

- a) Investment of funds in an unspecified manner
- b) The benefit to the specified person
- c) Income accumulated or set apart in excess of 15%
- d) Deemed income under Section 11(1B) or Section 11(3)
- e) Any income which is not included u/s 11(1)(c)

Earlier in the case of (a) and (b), the whole of the exemption was denied for that year irrespective of the amount of default, however, now the amount of default will be taxable @ 30%.

Penalty: New Section 271AAE has been inserted to provide that if an unreasonable benefit is passed on to a specified person then a penalty equal to 100% of the amount applied in case of first-time default and 200% in case of any subsequent default.

	<p>Clarification that application will be allowed only when it is paid: In order to remove ambiguity, new explanation 3 to 10(23C) and Explanation to section 11 has been inserted to clarify that any amount shall be considered as an application of income in the year in which it is actually paid irrespective of the method of accounting followed.</p> <p>Tax on accreted income: Section 115TD has been amended to propose that exit tax upon conversion of the charitable institution into a non-charitable institution to be extended to trusts or institutions covered u/s 10(23C) as well.</p> <ul style="list-style-type: none"> • Provisions under section 10(23C) and section 12AA/ 12AB (both, concerning the taxability of charitable trusts and institutions) have been aligned <p>Applicable w.e.f. AY 2023-24</p>
<p>14A</p>	<p>Clarification that disallowance u/s 14A shall be made even if no exempt income is earned during the year.</p> <ul style="list-style-type: none"> • Some courts have taken a view that where no exempt income has been earned during a year, no disallowance u/s 14A can be made. This is stated to be against the legislative intent of both section 14A as well as section 37. Accordingly, New Explanation to section 14A has been inserted to clarify that the subject provisions shall apply and shall be deemed to have always applied in case where exempt income has not accrued or arisen or has not been received during the previous year relevant to an assessment year and the expenditure has been incurred during the said previous year in relation to such exempt income. <p>Applicable w.e.f AY 2022-23</p>

<p>17(2) , 56(2)(x)</p>	<p>Exemption of amount received for medical treatment and on account of death due to Covid-19</p> <ul style="list-style-type: none"> • In order to provide the relief as stated in the press statement dated 25.06.2021, Section 17(2) has been amended to state that any sum paid by the employer in respect of any expenditure actually incurred by the employee on his medical treatment or treatment of any member of his family in respect of any illness relating to COVID-19 shall not be form part of “perquisite”. <p>Further, Section 56(2)(x) has been amended to provide that-</p> <ul style="list-style-type: none"> • Money received by an individual, from any person, for expenditure actually incurred by him on his medical treatment or of his family, in respect of any illness related to COVID-19 shall not be the income of such person; • Money received by a member of the family of a deceased person, from the employer of the deceased person (without limit), or from any other person or persons upto INR 10 Lakhs, where the cause of death of such person is illness relating to COVID-19 and the payment is, received within twelve months from the date of death of such person shall not be the income of such person. <p>Applicable with retrospective effect from AY 2020-21</p>
<p>37</p>	<p>Clarification on allowability of expenditure u/s 37(1) for Pharma Cos. & for offence under foreign law</p> <ul style="list-style-type: none"> • New Explanation to section 37(1) has been inserted to further clarify that the expression “expenditure incurred by an assessee for any purpose which is an offence or which is prohibited by law”, under Explanation 1, shall include and shall be deemed to have always included the expenditure incurred by an assessee, — <ul style="list-style-type: none"> ▪ for any purpose which is an offence under, or which is prohibited by, any law for the time being in force, in India or outside India; or

	<ul style="list-style-type: none"> ▪ to provide any benefit or perquisite, in whatever form, to a person, whether or not carrying on a business or exercising a profession, and acceptance of such benefit or perquisite by such person is in violation of any law or rule or regulation or guidelines, as the case may be, for the time being in force, governing the conduct of such person; or ▪ to compound an offence under any law for the time being in force, in India or outside India <p>Applicable w.e.f. 01.04.2022</p>
<p>40</p>	<p>Clarification that ‘Cess’ & ‘Surcharge’ is nothing but tax and needs to be disallowed u/s 40</p> <ul style="list-style-type: none"> • New Explanation has been inserted in section 40 retrospectively to clarify that the term “tax” includes and shall be deemed to have always included any surcharge or cess, by whatever name called, on such tax. • Judicial interpretation allowing cess or surcharge as business expenditure is against legislative intent. <p>Applicable with retrospective effect from AY 2005-06.</p>
<p>43, 50</p>	<p>Reduction of Goodwill from Block of Assets to be Regarded as ‘Transfer’</p> <ul style="list-style-type: none"> • With effect from AY 2021-22 and onwards, Goodwill is not regarded as a depreciable asset. To enable this, Section 43(6)(C)(ii)(B) provides for reduction of the opening written down value of the Goodwill from the block of asset. • It is clarified by way of an amendment to Section 50 that such reduction of the amount of goodwill of a business or profession, from the block of asset in accordance with sub item (B) of item (ii) of sub-clause (c) of clause (6) of section 43, shall be deemed to be transfer. <p>Applicable w.e.f. AY 2021-22 and onwards</p>

<p>43B</p>	<p>Clarification u/s 43B - Deduction not allowable on conversion of interest liability into other debt instrument.</p> <ul style="list-style-type: none"> Some courts have taken a view that deduction u/s 43B can be claimed on account of conversion of interest payable on an existing loan into a debenture or any other instrument on the ground that such conversion is a constructive discharge of interest liability and amounts to actual payment. This is stated to be against the intent of legislation. Accordingly, Explanations to section 43B have been amended to provide that conversion of interest into debenture or any other instrument by which liability to pay is deferred to a future date, shall not be deemed to have been actually paid. <p>Applicable w.e.f AY 2022-23.</p>
<p>56(2) (x)(c)</p>	<p>Proviso to Section 56(2)(x)(c) – Income from Other Sources</p> <ul style="list-style-type: none"> Presently Section 56(2)(x)(c) by clauses (VI) and (VII) to its proviso excludes from its purview any sum of money or property received by any person from entities referred to in Section 10(23C) or from or by a trust or institution registered under Sections 12A/12AA/12AB. A proviso is now inserted with effect from Apr 1, 2023 as per which clauses (VI) and (VII) shall not apply where any sum of money or property is received by any person referred to in Section 13(3). Thus, taxability under Section 56(2)(x)(c) would get attracted for persons falling under the new proviso.
<p>68</p>	<p>Section 68 – Cash Credit - ‘Source of Source’ to be explained for loan or borrowings also.</p> <ul style="list-style-type: none"> For cash credits u/s 68, at present the requirement of proving source of source only applies to share capital/share premium. Now Section 68 has been amended to provide that the nature and source of any sum, whether in form of loan or borrowing, or any such amount by whatever name called credited in the books shall be treated as explained only if the source of funds is also explained in the hands of the creditor involved.

	<p>However, this additional onus of proof of explaining the source in the hands of the creditor, would not apply if the creditor is a well-regulated entity, i.e., it is a Venture Capital Fund, Venture Capital Company registered with SEBI.</p> <p>Applicable w.e.f. AY 2023-24</p>
<p>79</p>	<p>Permissibility of Carry Forward And Set off of Losses Available to Erstwhile Public Sector Undertaking Pursuant to Strategic Disinvestment</p> <ul style="list-style-type: none"> • Section 79 has been amended to provide that provisions of Section 79 shall not apply to erstwhile PSU which has become so as a result of strategic disinvestment provided that the ultimate holding company of such company, immediately after the completion of strategic disinvestment, continues to hold, directly or through its subsidiary or subsidiaries, at least 51% of the voting power of such company in aggregate. • It is further provided that if the above condition is not complied with in any previous year after the completion of strategic disinvestment, the provisions of sub-section (1) shall apply for such previous year and subsequent previous years <p>Applicable w.e.f. 01.04.2022</p>
<p>79A</p>	<p>Penalty u/s 272A increased from INR 100 per day to INR 500 per day</p> <ul style="list-style-type: none"> • Section 272A of the Act provides for penalty for failure to answer questions, sign statements, furnish information, returns or statements, allow inspections etc. Based on the recommendation of CAG, the sum of penalty stands increased from INR 100 per day of default to INR 500 per day of the default. <p>Applicable w.e.f. 01.04.2022</p>

<p>80CCD</p>	<p>Incentives to National Pension System (NPS) subscribers (State government employees)</p> <ul style="list-style-type: none"> • Limit of deduction u/s 80CCD has been increased from the existing 10% to 14% in respect of contribution made by the State Government to the account of its employees. <p>Applicable with retrospective effect from AY 2020-21</p>
<p>80-IAC</p>	<p>Extension of Date of Incorporation for Eligible Start Up for Exemption</p> <ul style="list-style-type: none"> • The provisions of Section 80-IAC of the Act provide for deduction of an amount equal to 100% of the profits or gains derived by an eligible start-up for consecutive three assessment years subject to the start-up has been incorporated on or after 1st day of April, 2016 but before 1st day of April 2022. • Section 80-IAC of the Act has been amended (w.e.f. 01.04.2022) to extend the outer date for incorporation of the start up from 31.03.2022 to 31.03.2023
<p>94</p>	<p>Rationalisation of Bonus Stripping and Dividend Stripping Provisions</p> <ul style="list-style-type: none"> • The present provisions of bonus stripping do not apply to securities and also do not cover the units of AIFs, REITs and InvIT. Further provisions of dividend stripping do not cover the units of AIFs, REITs and InvIT. • Section 94(8) has been amended (w.e.f. 01.04.2023) relating to bonus stripping to cover securities in addition to units. Further the explanation to 94(8) has been amended (w.e.f. 01.04.2023) to amend the definition of units to cover the units of AIFs, REITs and InvIT.
<p>115BAB</p>	<p>Extension of Date of Commencement for New Manufacturing Companies eligible for lower 15% tax rate</p> <ul style="list-style-type: none"> • The provisions of Section 115BAB of the Act provides for concessional tax rate of 15% which is available for newly domestic manufacturing companies commencing manufacturing or production on or before Mar 31, 2023.

	<p>This date of commencement of manufacturing or production has been extended to March 31, 2024.</p>
<p>115BBD</p>	<p>Section 115BBD providing concessional tax rate of 15% on dividend income received by an Indian Company from a specified foreign company abolished.</p> <ul style="list-style-type: none"> To provide parity in the tax treatment in the case of dividends received by Indian companies from specified foreign companies vis a vis dividend received from domestic companies, Section 115BBD of the Act has been withdrawn which provides for a concessional rate of tax of 15%. <p>Applicable w.e.f AY 2023-24</p>
<p>115BBH, 47A, 56(2)(x) & 194S</p>	<p>Virtual Digital Assets New Tax Regime for Virtual Digital Assets (VDA)</p> <ul style="list-style-type: none"> Tax @ 30%: New Section 115BBH has been introduced w.e.f. AY 2023-24 which provides for charge of tax on income from transfer of any virtual digital assets at the rate of 30%. No deduction for any expenditure (apart from deduction for cost of acquisition, if any) or allowance or set off of any loss shall be allowed while computing income from transfer of such asset. Further, no set off of any loss arising from transfer of virtual digital asset shall be allowed against any income and such loss shall not be allowed to be carried forward to subsequent AYs Definition of Virtual Digital asset: A new clause (47A) has been inserted in Section 2 to define "Virtual digital asset" as (a) any information or code or number or token (not being Indian currency or any foreign currency), generated through cryptographic means or otherwise. (b) a non-fungible token or any other token of similar nature by whatever name called; (c) any other digital asset as may be notified by the Central Government. Gifting of Virtual Digital assets is taxable: Section 56(2)(x) has been modified w.e.f. AY 2023-24 to provide for taxing the gifting of virtual digital assets in the hands of the recipient and

	<p>accordingly the expression “property” shall include virtual digital asset.</p> <ul style="list-style-type: none"> • TDS on payment for Virtual Digital Assets: Also, TDS @1% w.e.f July 1, 2022 has been introduced through a new section 194S on transfer of consideration paid/payable/in kind/exchange of another VDA to residents. However, specified persons are exempted for TDS liability. <p>Specified persons means Individual or HUF having business or profession turnover less than INR 1 crore or professional receipts less than INR 50 lacs or Individual or HUF not having business or profession.</p>
<p>115JC, 115JF</p>	<p>Reduction of AMT payable by Co-operative Societies from 18.5% to 15%</p> <ul style="list-style-type: none"> • Section 115JC and 115JF have been amended to reduce AMT payable by Co-operative societies from 18.5% to 15%. <p>Applicable w.e.f. AY 2023-24</p>
<p>119</p>	<p>Powers to CBDT to provide relaxation from imposition of fee for late filing of ITRs u/s 234F:</p> <ul style="list-style-type: none"> • Section 119 has been amended to empower CBDT to provide relaxation from provisions of section 234F (fee for delay in filing of ITR) to certain classes of persons by way of general or special orders considering the genuine hardships faced by them in filing return of income. <p>Applicable w.e.f. 01.04.2022</p>
<p>139(8A)</p>	<p>Filing of updated Return u/s 139(8A) within 2 years from the end of AY</p> <p>Section 139 has been amended to provide that:</p> <ul style="list-style-type: none"> • Any person, whether or not he has furnished a return u/s 139, for an AY, may furnish an updated return of his income within 24 months from the end of the AY. • The proposed Section 139(8A) shall not apply, if the updated return, is a return of a loss or has the effect of decreasing the

	<p>total tax liability or results in refund or increases the refund due.</p> <ul style="list-style-type: none"> • A person shall not be eligible to furnish an updated return under the proposed Section 139(8A) in certain circumstances like search-initiated u/s 132 or survey conducted u/s 133A, assessment/ reassessment/ revision proceedings are pending or completed, information under PMLA Act, BMA Act, Benami Property Act, communicated to the person prior to filing of Updated return, etc. • Such updated return shall be defective unless such return is accompanied by the proof of payment of Additional tax as required under the proposed section 140B. • Additional Tax @ 25% of aggregate of tax and interest shall be payable if updated return is filed within 12 months from the end of AY. Else additional tax of 50% is payable. <p>In view of new Section 139(8A) and new section 140B, consequential amendments in section 144, section 153, section 234A and section 234B and 276CC have also been made.</p> <p>Applicable w.e.f. 01.04.2022</p>
<p>144B</p>	<p>Amendment to Faceless Assessment Scheme</p> <p>Section 144B has been amended to provide the following:</p> <ul style="list-style-type: none"> • Allow mandatory personal hearing if it is requested by the taxpayer. The income tax authority shall allow personal hearing through video conferencing or video telephony. (applicable w.e.f 01.04.2022) • Sub-section (9) which provided that assessment proceedings shall be void if the procedures mentioned in section 144B was not followed is proposed to be omitted from its inception. (applicable retrospectively w.e.f 01.04.2021) • Timeline for issuing notification for faceless assessment scheme for transfer pricing assessments, proceedings with Dispute Resolution Panel and proceedings before ITAT

	<p>extended from March 31, 2022 to March 31, 2024 (applicable w.e.f. 01.04.2022)</p>
<p>148, 148A</p>	<p>Rationalization of provisions relating to assessment and reassessment</p> <ul style="list-style-type: none"> • The requirement for approval to issue notice u/s 148 shall not required if the AO has passed an order u/s 148A(d) with prior approval. • The requirement of approval of specified authority is omitted in respect of inquiries to be carried out by the AO u/s 148A. • Scope of ‘information’ available with AO for reopening assessment widened to cover: <ul style="list-style-type: none"> ▪ Any audit objection (as against CAG objection) that the assessment not made in accordance with provisions of Act ▪ Exchange of information under tax treaties ▪ Information available under scheme for faceless collection of information • Information requiring action pursuant to order of Tribunal or Court • In case of search, books of account/ documents/ assets are requisitioned, survey is conducted, AO deemed to have information for reopening upto ten years • Re-opening upto ten years extended to cover cases where escaped income represented in form of: <ul style="list-style-type: none"> ▪ Expenditure in relation to a transaction, event or occasion; and ▪ Entry in the books of account ▪ Investment in asset / expenditure incurred in multiple PYs – Notice to be issued for all such PYs (within the ten years’ time limit) – where aggregate value exceeds INR 50 lacs. • No order of assessment or reassessment or recomputation shall be passed by an Assessing Officer below the rank of Joint Commissioner, in respect of an AY to which clause (i) or clause (ii) or clause (iii) or clause (iv) of Explanation 2 to Section 148

	<p>apply except with the prior approval of the Additional Commissioner or Additional Director or Joint Commissioner or Joint Director.</p> <p>Applicable w.e.f. 01.04.2022</p>
153(1)	<p>Completion of assessment under Section 143/144</p> <p>Amendment of second proviso to Section 153(1) with effect from Apr 1, 2021 to reduce time for completion of assessment under Section 143/144 for AY 2020-21 to 18 months from 21 months. Thus, the assessment order shall be passed by Sep 30, 2022.</p>
153B(1)	<p>Completion of assessment in certain search or requisition cases</p> <p>Sixth proviso to Section 153B(1) inserted with effect from Apr 1, 2021 to provide time limit for completion of assessment by Sep 30, 2022 for AY 2021-22 where: (i) last search authorisation under Section 132 was executed or requisition under Section 132A was made before Mar 31, 2021, OR (ii) books of account of document or assets seized or requisitioned were handed over to AO under Section 153C</p>
154	<p>Retroactive tax or penalty for persons allowed deduction of surcharge or cess</p> <ul style="list-style-type: none"> • Amendment in Section 155 by insertion of sub-section (18) to deem under-reporting of income for the purpose of penalty under Section 270A where surcharge of cess claimed and allowed as expenditure under Section 40 for any previous year. • AO in such a case shall recompute the income by invoking Section 154 where the period of 4 years shall be reckoned from Mar 31, 2022. • Deemed under-reporting not applicable where Assessee applies in prescribed form and time for recomputation of income and pays taxes thereon within specified time without allowing surcharge or cess.

<p>158AB</p>	<p>Litigation management system to be introduced to avoid repetitive appeals by revenue involving identical issues</p> <ul style="list-style-type: none"> • New Section 158AB has been introduced to provide a procedure that when an appeal is pending on an identical question of law before the jurisdictional High Court or Supreme Court in the assessee's own case or in the case of any other assessee for an AY then a collegium may decide and intimate the CIT or PCIT not to file any appeal before ITAT or HC in such cases which are on the identical question of law. Decision on deferment will be subject to acceptance by the assessee that question of law in its case is identical to the question in another case. Further, sunset clause u/s 158AA has been inserted to provide that no direction can be made under the said section on or after 01.04.2022. <p>Applicable w.e.f. 01.04.2022</p>
<p>170, 170A, 156A</p>	<p>Amendments applicable to Successor Entity In Case of Business Reorganizations</p> <ul style="list-style-type: none"> • There is a huge time gap between the date of filing of an application for business reorganization with the adjudicating authority / High Court/ Tribunal and date of decision of the Court. During this time, the proceedings under the IT Act are done on the predecessor entity. In the past, the Courts have held that in case the predecessor ceases to exist pursuant to a business reorganisation, then the tax proceedings against predecessor become illegal and void. • Section 170 has been amended by inserting sub-section 2(A) (w.e.f. 01.04.2022) to provide that the assessment or other proceedings pending or completed on the predecessor during the pendency of business reorganization, shall be deemed to have been made on the successor. Business reorganization is defined to mean reorganization of businesses involving amalgamation or demerger of one or more persons.

	<ul style="list-style-type: none"> • Further, New Section 170A has been inserted (w.e.f. 01.04.2022) to provide that in cases where the business reorganisation is effective from a period in respect of which a return is already filed, the successor shall furnish a modified return of income, in prescribed manner, within 6 months from the end of the month in which NCLT order is issued. • Additionally, a new section 156A has been inserted (w.e.f. 01.04.2022) to provide that where any notice of demand that has been issued under Section 156 is reduced as a result of an Order of an Adjudicating Authority as defined in Section 5(1) of the IBC 2016, the Assessing Officer shall modify the demand in accordance with such order and serve a notice to the taxpayer.
<p>179</p>	<p>Change in the title of section 179 to “<i>Liability of directors of private company</i>” instead of “<i>Liability of directors of private company in liquidation</i>”:</p> <ul style="list-style-type: none"> • Section 179 makes each director of the private company jointly and severally liable for the payment of taxes that cannot be recovered from the private company itself. The title of the section is modified from “<i>Liability of directors of private company in liquidation</i>” to “<i>Liability of directors of private company</i>” to bring uniformity with the intent of the provisions since they are not conditional upon the company in liquidation <p>Applicable w.e.f. 01.04.2022</p>
<p>194-IA</p>	<p>Rationalization of provisions of TDS on Sale of Immovable Property in light of Stamp duty value.</p> <ul style="list-style-type: none"> • Currently Section 194-IA provides TDS at 1% on the consideration paid by the transferee to the transferor whereas Sections 43CA and 50C provide that transferor is subject to capital gains tax at the value of sale consideration or stamp duty value whichever is higher. In order to remove inconsistency, Section 194-IA has been amended to provide

	<p>that TDS at 1% shall be deducted on the consideration paid or stamp duty value of the immovable property whichever is higher. In case the consideration paid for the transfer of immovable property and the stamp duty value of such property are both less than INR 50 lakhs, then no TDS is required to be deducted.</p> <p>Applicable w.e.f. AY 01.04.2022</p>
<p>194R</p>	<p>TDS@10% on “benefit or perquisite” arising from business or exercise of profession</p> <ul style="list-style-type: none"> • New Section 194R has been inserted to provide that TDS@10% shall be deducted by any resident person providing a resident any benefit or perquisite exceeding INR 20,000/- convertible into money or not, arising from business or profession. However, the subject section shall not be applicable where the person providing benefit or perquisite is an individual or HUF whose total sales, gross receipts or turnover does not exceed INR 1 crore in case of business or INR 50 lacs in case of profession during the FY immediately preceding the FY in which such benefit or perquisite is given. <p>Applicable w.e.f 01.07.2022</p>
<p>206AB, 206CCA</p>	<p>Rationalization of provisions of section 206AB and 206CCA [Higher TDS and TCS for non-filers of ITR] to widen tax-base</p> <ul style="list-style-type: none"> • Section 206AB and 206CCA which provides for Higher TDS and TCS respectively for specified persons (non-filers of ITR) have been amended to provide that “specified person” to mean as a person who has not filed its return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is to be deducted or collected, as the case may be, and the amount of tax collected and deducted at source is INR 50,000 or more in the said previous year. <p>Applicable w.e.f. 01.04.2022</p>

<p>239A</p>	<p>Application for refund of TDS deposited on payment to non-residents to be made to Assessing Officer (Section 239A)</p> <ul style="list-style-type: none"> • A new section 239A has been inserted which provides that if under a grossing-up arrangement, a person has made deduction of tax when no tax deduction was required, he may file an application for refund of such tax before the Assessing Officer. Existing process of claiming refund by filing an appeal u/s 248 (post deposit of tax) before CIT(A) is replaced. Furthermore, if that person is not satisfied with the order of the Assessing Officer, he may file an appeal against the same before the Commissioner (Appeals) u/s 246A. <p>Applicable w.e.f. 01.04.2022</p>
<p>245MA</p>	<p>Amendment to enable the assessing officer to pass an order giving effect to the resolution of dispute by the Dispute Resolution Committee (DRC)</p> <ul style="list-style-type: none"> • Existing provisions of section 245MA do not contain provisions enabling the assessing officer to pass order giving effect to the order or directions of the DRC (inter alia comprising of initiation of penalty, issuance of notice of demand u/s 156 etc). In this regard, Section 245MA has been amended to enable the assessing officer to pass an order giving effect. <p>Applicable w.e.f. AY 2022-23</p>
<p>263</p>	<p>TPO's order is now subject to revisionary powers of revenue u/s 263</p> <ul style="list-style-type: none"> • Section 263 has been amended to grant revisionary powers u/s 263 to PCCIT, CCIT, PCIT, or CIT who is assigned the jurisdiction of transfer pricing, whereby any order passed by Transfer Pricing Officer (TPO) u/s 92CA may be subject to revision if it is considered prejudicial to the interest of revenue. • Consequential changes have also been made in section 153 inter alia to provide two months' time to the Assessing Officer

	<p>to give effect to the order of TPO consequent to the directions in the revision order.</p> <p>Applicable w.e.f. 01.04.2022</p>
<p>271AAB, 271AAC, 271AAD</p>	<p>Power is given to CIT(A) to levy penalty u/s 271AAB, 271AAC, and 271AAD</p> <ul style="list-style-type: none"> In the spirit of making powers of Commissioner of Income Tax (Appeals) [CIT(A)] co-terminus with Assessing Officer, CIT(A) is now empowered to levy penalties u/s 271AAB, 271AAC, and 271AAD, in cases involving undisclosed income in cases of search u/s 132 or otherwise false entry, etc. in the books of accounts. <p>Applicable w.e.f. 01.04.2022</p>
<p>272A</p>	<p>Penalty u/s 272A increased from INR 100 per day to INR 500 per day</p> <ul style="list-style-type: none"> Section 272A of the Act provides for penalty for failure to answer questions, sign statements, furnish information, returns or statements, allow inspections etc. Based on the recommendation of CAG, the sum of penalty stands increased from INR 100 per day of default to INR 500 per day of the default. <p>Applicable w.e.f. 01.04.2022</p>
<p>278A/ 278AA</p>	<p>Failure to pay TCS to be a prosecutable offence in line with non-payment of TDS</p> <ul style="list-style-type: none"> Currently, failure to pay TDS to Central Govt. is a punishable offence u/s 278A/278AA liable for prosecution. However, similar provisions for offence with respect to TCS are not there in Section 278A/278AA. Therefore, the said sections have been amended to include the offence of failure to pay TCS to be a prosecutable offence u/s 278A/278AA in line with non-payment of TDS. <p>Applicable w.e.f. 01.04.2022</p>

<p>285B</p>	<p>Widening of scope of reporting u/s 285B to include persons engaged in Specified Activities</p> <ul style="list-style-type: none"> • Scope of section 285B has been widened to include persons engaged in Specified Activities which would mean event management, documentary production, production of programs for telecasting on television or over the top platforms or any other similar platform, sports event management, other performing arts or any other activity as the Central Government may, by notification in the Official Gazette, specify in this behalf. Section 285A inter alia provides to furnish a statement containing particulars of all payments over INR 50,000/-. <p>Applicable w.e.f. 01.04.2022</p>
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