Issue: October 2017 Vol. 10 No. 1

BMC Advisors

Corporate Laws and Intellectual Property Rights Consultants

What's Inside

- MCA Update
- SEBI Update
- RBI Update
- Income Tax Update
- IPR Update
- Service Tax
- Excise Update
- Custom Update
- GST Update
- DGFT Update

WEEKLY UPDATES

SEPTEMBER 25TH, 2017-OCTOBER 1ST, 2017

INDEX

MCA UPDATES

General Circular No. 11 /2017

No. 1/8/2013- CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhawan,
Dr. R. P. Road, New Delhi
Dated: 27th September, 2017

To
All Regional Directors,
All Registrar of Companies,
All Stakeholders.

Subject: Clarification regarding the timelines for making applicable/available new Form DPT-3 issued vide the Companies (Acceptance of Deposits) Second Amendment Rules, 2017 -reg.

Sir,

This Ministry, vide notification number G.S.R. 1172(E) dated 19th September, 2017 has issued the Companies (Acceptance of Deposits) Second Amendment Rules, 2017 thereby amending the Companies (Acceptance of Deposits) Rules, 2014. The said amendment Rules *inter-alia* provide for substitution of existing Form DPT-3 with a new Form DPT-3. Stakeholders have sought clarifications w.r.t. timelines of the applicability/availability of the new Form DPT-3.

2. The matter has been examined and it is hereby clarified that new Form DPT-3 shall be made available for E-filing after the month of November, 2017 and till the time the new e-form is made available, the existing e-form can be used.

3. This issues with the approval of Competent Authority.

Yours faithfully,

(K.M.S. Narayanan)
Assistant Director
Tel: 23387263

SEBI UPDATES

CIRCULAR

CIR/HO/MIRSD/MIR SD2/CIR/PB/2017/107

September 25, 2017

To,
The Managing Directors of all Recognized Stock Exchanges

Dear Sir/Madam,

Sub: Clarification to Enhanced Supervision Circular

1. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, has issued guidelines covering broad areas for enhanced supervision based on the recommendation of the committee constituted by SEBI. Further SEBI issued certain clarification vide circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017.

2. Subsequently, SEBI has received representations from the stock exchanges with respect to Clause 3.2 & 7 of the annexure to the aforesaid circular, expressing operational difficulties caused to the stock brokers on uploading data of the clients. Accordingly, in view of the operational difficulties being faced by the stock brokers, Clause 3.2 & 7 to the annexure to the aforesaid circular are clarified as follows:

   i. With respect to clause 3.2, stock broker shall submit the data as on the last trading day of every month to the Stock Exchanges on or before the next three trading days till March 31, 2018. Thereafter, the uploading of that data by the stock broker to the Stock Exchanges shall be on weekly basis i.e. stock brokers shall submit the data as on last trading day of every week on or before the next three trading days. Further, the Stock Broker shall not be required to upload data with respect to custodian settled clients.

   ii. Uploading of data as per clause 7 is hereby simplified and the stock broker shall not be required to upload the data for the following clients onto the stock exchange system:

      a) Custodian settled clients

      b) Client with zero funds and securities zero balances and also not traded in the last 12 months.

   iii. With respect to clause 7.1.4, it is clarified that the stock brokers shall submit the data within seven calendar days of the last trading day of the month.

3. In furtherance to the above, after 4.6.1 an additional clause 4.6.2 is inserted, as:

   Stock Exchanges shall ensure that, the Internal Auditors also monitor the corrective steps taken by the stock brokers to rectify the deficiencies observed in the inspection carried out by SEBI/Stock Exchanges and the compliance thereof. The compliance status shall be made as part of the internal audit report.

4. The Stock Exchanges are directed to:

   a) bring the contents of this circular to the notice of the Stock Brokers and also disseminate the same on their websites.

b) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions in co-ordination with one another to achieve uniformity in approach.

5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

6. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework".

Yours faithfully,

Debashis Bandyopadhyay
General Manager

CIRCULAR

CIR/HO/MIRSD/MIRSD2/CIR/P/2017/108 **September 26, 2017**

To

All recognized Stock Exchanges,

Dear Sir / Madam,

Sub: Prevention of Unauthorised Trading by Stock Brokers

I. SEBI in the past has taken several steps to tackle the menace of "Unauthorized Trades" viz Periodic Running Account Settlement, Post transactions SMS/email by exchanges/Depositories, Ticker on broker/DP websites etc. It was observed that in spite of measures taken, a considerable proportion of investor complaints is of the nature of "Unauthorized Trades".

II. The current regulatory requirements in commodity derivative markets require that "*The members shall execute the trade of clients only after keeping evidence of the client placing such order; it could be, interalia, in the form of sound recording.*" There are no such requirements in Equity, Equity Derivative and Currency Derivative Market side.

III. To further strengthen regulatory provisions against un-authorized trades and also to harmonise the requirements across markets, it has now been decided that all brokers shall execute trades of clients only after keeping evidence of the client placing such order, it could be, inter alia, in the form of:

a. Physical record written & signed by client,
b. Telephone recording,
c. Email from authorized email id,
d. Log for internet transactions,
e. Record of SMS messages,
f. Any other legally verifiable record.

When dispute arises, the burden of proof will be on the broker to produce the above records for the disputed trades.

IV. Further, wherever the order instructions are received from clients through the telephone, the stock broker shall mandatorily use telephone recording system to record the instructions and maintain telephone recordings as part of its records.

V. This circular shall be effective with effect from 1st January 2018.

VI. The Stock Exchanges are directed to:

a. bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites.
b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions in co-ordination with one another to achieve uniformity in approach.
c. communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.

VII. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interest of investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,

Debashis Bandyopadhyay
General Manager

CIRCULAR

SEBI/HO/CDMRD/DMP/CIR/P/2017/106 **September 26, 2017**

1. All Recognized Stock Exchanges in International Financial Services Centre (IFSC)
2. All Foreign Portfolio Investors (FPIs) through their Designated Depository Participants (DDPs)/ Custodian of Securities (Custodians)
3. All DDPs/ Custodians

Dear Sir / Madam,

Sub.: Participation of Foreign Portfolio Investors (FPIs) in Commodity Derivatives in IFSC

1. SEBI (International Financial Services Centres) Guidelines, 2015 were issued on March 27, 2015. Subsequently, vide circular CIR/MRD/DSA/41/2016 dated March 17, 2016, SEBI has specified that 'Commodity Derivatives' shall be eligible as securities for trading and the stock exchanges operating in IFSC may permit dealing in commodity derivatives.

2. In this regard, based on the representations received from the exchanges operating in IFSC and after consultations with Government of India and RBI, it has been decided that FPIs shall be permitted to participate in commodity derivatives contracts traded in stock exchanges in IFSC subject to following conditions:-

2.1. The participation would be limited to the derivatives contracts in non-agricultural commodities only.

2.2. Contracts would be cash settled on the settlement price determined on overseas exchanges.

2.3. All the transactions shall be denominated in foreign currency only.

3. The provisions of this circular shall come into effect from the date of this Circular.

4. The Exchanges are advised to:

i. take steps to make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the same.

ii. bring the provisions of this circular to the notice of the members of the Exchange and also to disseminate the same on their website.

5. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars", "Info for Commodity Derivatives"

Yours faithfully,

Vikas Sukhwal
Deputy General Manager
Division of Market Policy
Commodity Derivatives Market Regulation Department
Email: vikass@sebi.gov.in

CIRCULAR

SEBI/HO/IMD/DF2/CIR/P/2017/109 **September 27, 2017**

All Mutual Funds/ Asset Management Companies (AMCs)/
Trustee Companies/ Boards of Trustees of Mutual Funds

Sir/Madam,

Sub: Review of norms for participation in derivatives by Mutual Funds

1. Please refer to SEBI circulars No.MFD/CIR/15/19133/2002 dated September 30, 2002, No.SEBI/MFD/CIR No.03/158/03 dated June 10, 2003, No.DNPD/CIR-29/2005 dated September 14, 2005 and No.IMD/DF/11/2010 dated August 18, 2010 on investment in derivatives by mutual funds and disclosures thereof.

2. In order to enable mutual funds to hedge the debt portfolio from interest rate volatility, SEBI held a series of meetings with various stakeholders of the mutual fund industry. Accordingly, it has been decided to implement the following:

Exposure Limits

3. In addition to the existing provisions of SEBI circular No.IMD/DF/11/2010 dated August 18, 2010, the following are prescribed:

i. To reduce interest rate risk in a debt portfolio, mutual funds may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{\text{(Portfolio Modified Duration*Market Value of Portfolio)}}{\text{(Futures Modified Duration*Futures Price/PAR)}}$$

ii. In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

iii. Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:

a) Exposure to IRFs is created ***only for hedging*** the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b) Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio *(excluding the hedged portions, if any)* and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 3 of SEBI circular dated August 18, 2010. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:

i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or

ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.

c) At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

d) The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of Para 3 of SEBI circular dated August 18, 2010.

iv. The basic characteristics of the scheme should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.

Explanation: In case of long term bond fund, after hedging the portfolio based on the modified duration of the portfolio, the net modified duration should not be less than the minimum modified duration of the portfolio as required to consider the fund as a long term bond fund.

v. The interest rate hedging of the portfolio should be in the interest of the investors.

4. Mutual Fund schemes may imperfectly hedge their portfolio or part of their portfolio using IRFs, subject to the following conditions:

i. Prior to commencement of imperfect hedging, existing schemes shall comply with the provisions of Regulation 18 (15A) of SEBI (Mutual Funds) Regulations, 1996 and all unit holders shall be given a time-period of at least 30 days to exercise the option to exit at prevailing NAV without charging of exit load.

The risks associated with imperfect hedging shall be disclosed and explained by suitable numerical examples in the offer documents and also needs to be communicated to the investors through public notice or any other form of correspondence.

ii. In case of new schemes, the risks associated with imperfect hedging shall be disclosed and explained by suitable numerical examples in the offer documents.

Disclosure of Derivative Positions

5. In addition to the existing provisions, the mutual funds shall also make the following disclosures:

i. Separately disclose the hedging positions through IRF (both perfectly and imperfectly) in respective debt portfolios as per the format prescribed in para-13 of SEBI circular no.IMD/DF/11/2010 dated August 18, 2010,

ii. Investment in interest rate derivatives (both IRS/IRF) shall also be disclosed in the monthly portfolio disclosure as per para-H of SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 and

iii. Disclosure of the details of interest rate derivatives (both IRS/IRF) used for hedging along with debt and money market securities transacted on its website and also forwarded to AMFI as per para-B(3) of SEBI Circular No.Cir/IMD/DF/6/2012 dated February 28, 2012.

Applicability

6. The aforesaid circular stands modified to the said extent from the date of this circular and all other provisions of the above mentioned circulars remains unchanged.

7. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Harini Balaji
General Manager
Tel no.: 022-26449372
Email: harinib@sebi.gov.in

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2017/112
September 29, 2017

To
All Foreign Portfolio Investors
through their designated Custodians of Securities

The Depositories (NSDL and CDSL)

Sir / Madam,

Subject: Foreign Portfolio Investment in Corporate debt securities

1. SEBI, vide circular SEBI/HO/IMD/FPIC/CIR/P/2016/67 dated August 04, 2016 had redefined the INR 244,323 cr Corporate debt limit for FPIs as the Combined Corporate Debt Limit (CCDL) for all foreign investments in Rupee denominated bonds issued both onshore and overseas by Indian corporates.

2. RBI vide circular RBI/2017-18/64 A.P. (DIR Series) Circular No. 05 dated September 22, 2017 has decided to exclude foreign investment in rupee denominated bonds (RDB) issued overseas by Indian corporates, from the Combined Corporate Debt Limit (CCDL).

3. Accordingly, in partial modification to Para 2 & 3 of the SEBI circular dated August 04, 2016, with effect from October 03, 2017, foreign investments in RDB shall no longer be reckoned against the CCDL. Further, the CCDL shall be renamed as the Corporate Debt Investment Limits (CDIL) for FPIs. The upper limit for CDIL shall, henceforth, be stated only in Rupee terms.

4. As on September 22, 2017, foreign investments in RDB was INR 32,381 cr while the undrawn amount against RDB was INR 11,620 cr. Thus, a total of INR 44,001 cr has been reckoned against RDB within the CCDL of INR 244,323 cr. This amount shall be carved out of erstwhile CCDL and will be added to the new limit of CDIL as under:-

All figures are in INR cr

	October 02, 2017	October 03, 2017	January 01, 2018
CCDL*	244,323	0	0
CDIL	0	227,322	244,323
Sub-Limit for investment by Long Term FPIs in the infrastructure sector	NA	9,500	19,000

(*) includes RDB of INR 44,001 cr

5. A sub-limit exclusively for investments by Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in the infrastructure sector shall be created within the overall CDIL. The term 'Infrastructure' shall be as defined under the Master Direction on External Commercial Borrowings issued by the Reserve Bank of India. However, Long term FPIs will continue to be eligible to invest in sectors other than infrastructure, as hitherto.

6. This sub-limit for Long Term FPIs shall be INR 9,500 cr with effect from October 03, 2017 and shall be enhanced to INR 19,000 cr on January 01, 2018. This sub-limit shall be available for investment on tap.

7. The sub-limit for Long Term FPIs shall include their investment in both listed and unlisted corporate debt issued by companies in the infrastructure sector. As prescribed in the SEBI circular SEBI/HO/IMD/FPIC/CIR/P/2017/16 dated February 28, 2017, investments by FPIs in the unlisted corporate debt securities and securitised debt instruments shall not exceed INR 35,000 cr within the extant CDIL.

8. All other extant conditions with respect to FPI investments in corporate debt securities shall continue to apply.

This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the links "Legal Framework Circulars" and "Info for F.P.I" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

CIRCULAR

SEBI/HO/IMD/DF1/CIR/P/2017/110 **September 29, 2017**

To

All Registered Category III Alternative Investment Funds
All Custodian(s) of Securities

Dear Sir / Madam,

Sub: Change in reporting norms for Category III Alternative Investment Funds ("AIFs") regarding investment in commodity derivatives market.

1. In terms of circular no. SEBI/HO/CDMRD/DMP/CIR/P/2017/61 dated June 21, 2017, the Category III Alternative Investment Funds (AIFs) are allowed to participate in the commodity derivatives market, subject to certain conditions which inter-alia include the following:
i. Category III AIFs shall invest not more than ten percent of the investable funds in one underlying commodity.
ii. Category III AIF shall be subject to the reporting requirements as may be specified by SEBI.

2. In view of the above, it is decided to revise the reporting formats for Category III AIFs so as to capture the information pertaining to investment in commodity derivatives as per enclosed Annexure. Accordingly, circular no. CIR/IMD/DF/10/2013 dated July 29, 2013 issued for operational, prudential and reporting requirements for AIFs stands modified.

3.All Category III AIFs are advised to submit the monthly/quarterly report in the revised format for the period ended September 30, 2017 onwards.

4.This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

5.This circular is available on SEBI website at www.sebi.gov.in under the categories "Circulars" and "Info for -Alternative Investment Funds".

Yours faithfully,

Naveen Sharma
Deputy General Manager
022-26449709
Email: naveens@sebi.gov.in

For Annexure, please find below link:
http://www.sebi.gov.in/legal/circulars/sep-2017/change-in-reporting-norms-for-category-iii-alternative-investment-funds-aifs-regarding-investment-in-commodity-derivatives-market_36135.html

RBI UPDATES

RBI/2017-18/66
DBR.No.FSD.BC.89/24.01.040/2017-18

September 25, 2017

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir/ Madam,

Amendments to Master Direction- Reserve Bank of India (Financial Services provided by Banks) Directions, 2016

Considering the suggestions and queries received from SEBI, banks and other stakeholders, Reserve Bank of India has decided to make certain amendments to Master Direction - Reserve Bank of India (Financial Services provided by Banks) Direction No.DBR.FSD.No.101/24.01.041/2015-16 dated May 26, 2016. In pursuance of these changes, Para 5(a)(v) of the Master Direction on Financial Services provided by Banks is amended to read as under:

"v. No bank shall

a) Hold more than 10 per cent in the equity of a deposit taking NBFC.

Provided that this does not apply to a housing finance company.

b) Make an investment of more than 10 per cent of the unit capital of a Real Estate Investment Trust/Infrastructure Investment Trust subject to overall ceiling of 20 per cent of its net worth permitted for direct investments in shares, convertible bonds/ debentures, units of equity-oriented mutual funds and exposures to Alternative Investment Funds.

c) Hold more than 10 per cent of the paid up capital of a company, not being its subsidiary engaged in non-financial services or 10 per cent of the bank's paid up capital and reserves, whichever is lower.

Provided investments in excess of 10 per cent but not exceeding 30 per cent of the paid up share capital of such investee company shall be permissible in the following circumstances:

(i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, 1949; or

(ii) the additional acquisition is through restructuring of debt or to protect the banks' interest on loans/investments made to a company. The bank shall submit a time bound action plan for disposal of such shares within a specified period to RBI.

d) Hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by Asset Management Companies (AMCs) controlled by the bank, more than 20 per cent of the paid up share capital of an investee company engaged in non-financial services. However, this cap does not apply to the cases mentioned at 5(a)(v)(c)(i) and (ii) above.

e) Make any investment in a Category III Alternative Investment Fund (AIF). Investment by a bank's subsidiary in a Category III AIF shall be restricted to the regulatory minima prescribed by SEBI."

2. Para 5(a)(vi)(b) is being amended to read as under:
"investments in excess of 10 per cent in non-financial companies acquired in circumstances as mentioned at 5 (a) (v) (c) (ii) above."

3. Para 5(b)(i)(b) is being amended to read as under:
"The bank has the minimum prescribed capital (including Capital Conservation Buffer) and has also made a net profit in that immediate preceding financial year; and."

4. Section 5(b)(i)(d) is being amended to read as under:
"The aggregate shareholding of the bank along with shareholdings, if any, by its subsidiaries or joint ventures or other entities directly or indirectly controlled by the bank, is less than 20 per cent of the investee company's paid up capital.

Explanation: Prior approval of RBI shall not be required if the investments in the financial services companies are held under the 'Held for Trading' category and are not held beyond 90 days."

5. In Para 5(b), the following is being added as (iii):
"(iii) investment of more than 10 per cent of the paid up capital/ unit capital in a Category I/ Category II Alternative Investment Fund."

6. A new Para 5(c) is being inserted after Para 5(b), which reads as under:
"Banks shall ascertain the risks arising on account of equity investments in Alternative Investment Funds done directly or through their subsidiaries, within the Internal Capital Adequacy Assessment Process (ICAAP) framework and determine the additional capital required which will be subject to supervisory examination as part of Supervisory Review and Evaluation Process. This shall also be applicable to sponsoring of Infrastructure Debt Funds by banks."

7. The explanation to Para 7(d) is being amended to read as under:
"Explanation: This shall not apply to the investments made by a Category I and II AIF set up by the subsidiary."

8. Section 14(a)(ii) is being amended to read as under:
"It has the minimum prescribed capital (including Capital Conservation Buffer) after investment."

9. Section 14(b)(ii) is being amended to read as under:
"It complies with conditions stated at 14 (a) ii, iii, iv and v."

10. Para 14(c) is being amended to read as under:
"Insurance broking services departmentally:
A bank may, at its option, act as an insurance broker departmentally subject to the conditions mentioned under Section 18(d) on insurance agency business."

11. Section 15(ii) is being amended to read as under:
"It has the minimum prescribed capital (including Capital Conservation Buffer) after investment."

12. Section 21(a)(ii) is being amended to read as under:

"It has the minimum prescribed capital (including Capital Conservation Buffer)".

13. A new Para 21(c) is being inserted after Para 21(b), which reads as under:

"No bank shall become a Professional Clearing Member of the commodity derivatives segment of SEBI recognised exchanges unless it satisfies the prudential criteria (as given in Para 21(a) (i) to (iv)) and shall do so subject to the following conditions:

(i) The bank shall satisfy the membership criteria of the stock exchanges and comply with the regulatory norms laid down by SEBI and the respective stock exchanges.

(ii) The bank shall, with the approval of Board, put in place effective risk control measures, prudential norms on risk exposure in respect of each of its trading members, taking into account their net worth, business turnover, etc.

(iii) The bank shall not undertake trading in the derivative segment of the commodity exchange on its own account and shall restrict itself only to clearing and settlement transactions done by the trading members/ clients on the exchange.

(iv) The bank shall take exposure on its trading members as per the policy approved by its board.

(v) The bank may fulfil pay-in obligations arising out of trades executed by its clients, as clearing member of the exchange subject to the condition that the total exposure which the bank would take on its registered clients should be determined by the Board in relation to the net worth of the bank and should be monitored regularly. However, the bank shall not meet pay-in obligations of any transaction other than what is required in its role as a Professional Clearing Member.

(vi) The bank shall ensure strict compliance with various margin requirements as may be prescribed by the Bank's board or the Commodity Exchanges as also the extant RBI guidelines regarding guarantees issued on behalf of commodity brokers."

14. A new Para 22 is being inserted in the MD which reads as under:

"22. Broking services for Commodity Derivatives Segment

(a) No bank shall offer broking services for the commodity derivatives segment of SEBI recognised stock exchanges except through a separate subsidiary set up for the purpose or one of its existing subsidiaries and shall do so subject to the following conditions:

(i) The subsidiary shall, with the approval of its Board, put in place effective risk control measures including prudential norms on risk exposure in respect of each of its clients, taking into account their net worth, business turnover, etc.

(ii) The subsidiary shall not undertake proprietary positions in the commodity derivatives segments.

(iii) The subsidiary shall ensure strict compliance with various margin requirements as may be prescribed by SEBI, its own board or the Commodity Exchanges."

15. The Master Direction has been suitably updated.

(Dr. S K Kar)
Chief General Manager

RBI/2017-18/68

A.P.(DIR Series) Circular No. 7

September 28, 2017

To,
All Authorized Persons
Madam / Sir

Investment by Foreign Portfolio Investors (FPI) in Government Securities
Medium Term Framework

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time. Attention is also drawn to RBI/2017-18/12 A.P. (Dir Series) Circular No.1 dated July 3, 2017.

Revision of Limits for the next quarter Oct-Dec 2017

2. The limits for investment by FPIs for the quarter October-December 2017 is increased by INR 80 billion in Central Government Securities and INR 62 billion in State Development Loans. The revised limits are allocated as per the modified framework prescribed in the RBI/2017-18/12 A.P.(Dir Series) Circular No.1 dated July 3, 2017, and given as under.

Limits for FPI investment in Government Securities

₹ Billion

Quarter Ending	Central Government securities			State Development Loans			Aggregate
	General	Long Term	Total	General	Long Term	Total	
Existing Limits	1877	543	2420	285	46	331	2751
December 31, 2017	1897	603	2500	300	93	393	2893

3. The revised limits will be effective from October 3, 2017.

4. The operational guidelines relating to allocation and monitoring of limits will be issued by the Securities and Exchange Board of India (SEBI).

5. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approval, if any, required under any other law.

Yours faithfully
(T. Rabi Sankar)
Chief General Manager

INCOME TAX UPDATES

MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 26th September, 2017

(INCOME-TAX)

S.O. 3129(E).—In exercise of the powers conferred by clause (39) of the section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies the following as the international sporting event, persons and specified income for the purpose of the said clause namely:—

(a) Fédération *internationale* de Football Association under-17 Football World Cup as the international sporting event;

(b) the Fédération *internationale* de Football Association, as the person;

(c) the following income as specified income arising to Fédération *internationale* de Football Association, from organising the Fédération *internationale* de Football Association under-17 Football World Cup, 2017, India:—

(i) income arising from the receipt from National supporters namely Hero Motocorp Ltd., Bank of Baroda and Coal India Ltd. – rupees twenty-nine crore eighty-nine lakhs fifty-two thousand and two hundred and fifty-two (Rs. 29,89,52,250) only; and

(ii) income arising from the receipt of ticket sales –rupees six crore eighty-one lakhs fifteen thousand one hundred a

[Notification No. 85/2017/F. No. 200/24/2017-ITA-I]

DEEPSHIKHA SHARMA, Director (ITA-I)

SERVICE TAX UPDATES

Circular 207/5/2017-Service Tax

F.No 137/16/2017 – Service Tax
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
Service Tax Wing
***

New Delhi dated 28th September 2017

All Principal Chief/Chief Commissioners of GST and Central Excise
All Principal Directors General/Directors General of Systems and Data Management/
GST Intelligence/ Audit

Madam/Sir

Subject: Certain transitional issues arising with respect to payment of Service tax after 30th June 2017

I am directed to refer to two such issues which have arisen in the above context and to state that these issues have been examined and the following clarifications are issued.

2.0 Reflection of transitional credit arising out of payment of service tax on reverse charge basis after 30th June 2017 and by 5th/6th July 2017

2.1 I am directed to refer to certain instances of assesses, who had chosen to wait till 5th/6th July 2017 to make the payment of service tax on reverse charge basis, instead of paying the same by 30-6-2017. These cases would be ones where the service was received before 1-7-2017 and the payment for the value of the service was also made before 1-7-2017. Since the input tax credit in cases of payment under reverse charge would be available only after payment of service tax, these assesses had doubts as to whether the details of credit should be included in the return in Form ST-3 or in Form GST TRAN-1.

2.2 The matter has been examined. In such cases, details of credit arising as a consequence of payment of Service tax on reverse charge basis after 30th June 2017 by 5th/6th July 2017, the details should be indicated in Part I of Form ST-3 in entries, I3.1.2.6, I3 2.2.6 and I3 3.2.6. Linked entries should be made in Part H of Form ST-3. In case the return has already been filed by or after the due date, these details should be indicated in the revised return, the time for filing of which is 45 days from the date of filing of the return.

2.3 It is necessary to give compliant assesses who had filed their ST 3 return by the due date or some days later, an immediate and viable window in which a revise return can be filed consequent to the issue of this instruction. Hence all ST 3 returns for the period 1-4-2017 to 30-6-2017 which have been filed upto and inclusive of the 31st day of August 2017, shall be deemed to have been filed on

31-8-2017. This will give all such assesses some more days to file a revised return, if necessitated. Once details of such credit are reflected in the ST-3, the assessee may proceed to fill in the details in Form GST TRAN-1. It may be noted that as on date, GST TRAN-1 can be filed upto 31-10-2017 and can also be revised.

3.0 Payment of service tax on or after 1-7-2017 as a consequence of detection of evasion or any other circumstances

3.1 This issue will arise only in the case of assesses who were not registered under ACES. It may be recalled that in the registration module of ACES, there is a category of "non assessee registration". This may be used to obtain registration and make payment of service tax. Any difficulty in this regard may be resolved with the office of the Additional Director General, Directorate of Systems and Data Management, Chennai.

4. The contents of this circular may be brought to the notice of assesses by issuing Public/Trade Notices.

Yours faithfully

(Pallabika Dutta)
Deputy Commissioner and OSD Service Tax Wing
Telephone 011-23095438
Email: commr.st-cbec@gov.in

EXCISE UPDATES

F. No. 390/Review/49/2017-JC
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
(Judicial & Review Cell)

New Delhi, Dated 29.09.2017

To,

All the Chief Commissioners of Central Excise and Service Tax,
All the Chief Commissioners of Customs
Webmaster (webmaster.cbec@icegate.gov.in)

Madam/Sir,

Subject: Extension of time for Review by Review Committees of Chief Commissioners or Commissioners of Customs, Central Excise and Service Tax under Section 129D (3) of the Customs Act,1962 and Section 35E (3) of the Central Excise Act,1944 and Section 86 (3) of the Finance Act, 1994-regd.

1. (a) Attention is invited to section 129D (3) of the Customs Act, 1932 and section 35E (3) of the Central Excise Act,1944, wherein the time prescribed for Review of the orders is **three months** from the date of the communication of the orders in original. This period is further extendable by another **30 days by the Board** on sufficient cause being shown in the Customs and Central Excise Acts, respectively. However, as per Section 86(3) of the Finance Act, 1994, the period for Review is already prescribed as 4 months without any provision for extension by the Board.

   (b) Further, in terms of section 129A (1B) of the Customs Act, 1962 and section 35B (1B) of the Central Excise Act, 1944 and Section 86(1A) of the Finance Act, 1994, the review committees of the Commissioners for reviewing the orders in Appeal of the Commissioner (Appeals) is also appointed by the Board. The period of review is prescribed as 3 months without any extension provision.

2. Despite the sufficient time limits provided in the said acts, instances have been noticed where the proposals for the constitution/re-constitution of the Review Committees of the Chief Commissioners, with or without the request to extend the time period by another 30 days are sent extremely close to the last date. As a result, the time left for the Board to issue the Office Orders for the same is too short, and it becomes very difficult to have the necessary action completed within the stipulated time.

3. To obviate this situation, the following actions may be taken:

   a) It may kindly be ensured that, the self contained proposals for reconstitution of the review committees and/or requests for extension of time period of Review, must be sent to the Board **at least 21 days prior to the last date of the Review** along with the reasons for the delay.

   b) The last date for review should be prominently indicated in the proposal.

c) Suggestion for the reconstitution of the Review Committees of the Chief Commissioners or the Commissioners, as the case may be, are to be given.

4. The above Instruction may kindly be noted for strict compliance.

(Rohit Singhal)
Director (Review)

CUSTOM UPDATES

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART-II, SECTION-3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)
(Central Board of Excise and Customs)

Notification No. 91/2017-CUSTOMS (N.T.)

New Delhi, 26th September, 2017
4 Asvina, 1939 (SAKA)

G.S.R. ….. (E).– In exercise of the powers conferred by section 156 read with section 14 of the Customs Act, 1962 (52 of 1962), the Central Government, hereby makes the following rules to amend the Customs Valuation (Determination of Value of Imported Goods) Rules 2007, namely:-

2. (i) These rules may be called the Customs Valuation (Determination of Value of Imported Goods) Amendment Rules, 2017.

(ii) They shall come into force on the date of their publication in the Official Gazette.

3. In the Customs Valuation (Determination of Value of Imported Goods) Rules 2007, -

(a) in rule 2, after clause (d), the following shall be inserted, namely: -

"(da) "place of importation" means the customs station, where the goods are brought for being cleared for home consumption or for being removed for deposit in a warehouse;"

(b) in rule 10, for sub-rule (2), the following shall be substituted, namely: -

"(2) For the purposes of sub-section (1) of section 14 of the Customs Act, 1962 (52 of 1962) and these rules, the value of the imported goods shall be the value of such goods, and shall include -

(a) the cost of transport, loading, unloading and handling charges associated with the delivery of the imported goods to the place of importation;
(b) the cost of insurance to the place of importation:

Provided that where the cost referred to in clause (a) is not ascertainable, such cost shall be twenty per cent of the free on board value of the goods:

Provided further that where the free on board value of the goods is not ascertainable but the sum of free on board value of the goods and the cost referred to in clause (b) is ascertainable, the cost referred to in clause (a) shall be twenty per cent of such sum:

Provided also that where the cost referred to in clause (b) is not ascertainable, such cost shall be 1.125% of free on board value of the goods:

Provided also that where the free on board value of the goods is not ascertainable but the sum of free on board value of the goods and the cost referred to in clause (a) is ascertainable, the cost referred to in clause (b) shall be 1.125% of such sum:

Provided also that in the case of goods imported by air, where the cost referred to in clause (a) is ascertainable, such cost shall not exceed twenty per cent of free on board value of the goods:

Provided also that in the case of goods imported by sea or air and transshipped to another customs station in India, the cost of insurance, transport, loading, unloading, handling charges associated with such transshipment shall be excluded.

Explanation-

The cost of transport of the imported goods referred to in clause (a) includes the ship demurrage charges on charted vessels, lighterage or barge charges."

[F. No. 466/32/2015-Cus-V]

(Satyajit Mohanty)
Director (ICD)

Note: - The principle rules were published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (i), vide Notification No.94/2007–Customs (N.T.), dated the 13th September, 2007, *vide* number G.S.R. 592 (E), dated the 13th September, 2007.

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART-II, SECTION-3, SUB-SECTION (ii)]

Government of India
Ministry of Finance
(Department of Revenue)
(Central Board of Excise and Customs)

Notification No. 93/2017-CUSTOMS (N.T.)

New Delhi, 29th September, 2017
7 Asvina, 1939 (SAKA)

S.O. … (E).– In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

"TABLE-1

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	743
2	1511 90 10	RBD Palm Oil	780
3	1511 90 90	Others – Palm Oil	762
4	1511 10 00	Crude Palmolein	785
5	1511 90 20	RBD Palmolein	788
6	1511 90 90	Others – Palmolein	787
7	1507 10 00	Crude Soya bean Oil	851
8	7404 00 22	Brass Scrap (all grades)	3602
9	1207 91 00	Poppy seeds	2485

TABLE-2

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 and 358 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	413 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 and 359 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	541 per kilogram

TABLE-3

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	3858"

[F. No. 467/01/2017 -Cus-V]

(Satyajit Mohanty)
Director (ICD)

Note: - The principal notification was published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide Notification No. 36/2001–Customs (N.T.), dated the 3rd August, 2001, vide number S. O. 748 (E), dated the 3rd August, 2001 and was last amended vide Notification No. 87/2017-Customs (N.T.), dated the 15th September, 2017, e-published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 3061(E), dated 15th September, 2017.

Circular 39 / 2017-Customs

F. No: 466 / 32 / 2015 – Cus V
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

New Delhi
Dated, the 26th September 2017

To,

All Principal Chief Commissioners of Customs
All Chief Commissioners of Customs
All Principal Commissioners of Customs
All Commissioner of Customs

Sub:- Amendment to Customs Valuation Rules – Notification No. 91/2017 (NT) dated 26.9.17

The valuation of imported and export goods is governed by the provisions of Section 14 of the Customs Act, 1962 and the rules made thereunder. The Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR) contain the detailed provisions for arriving at the transaction value of the imported goods, on which the customs duty is levied.

2. A need had arisen to examine certain provisions of the CVR in light of Supreme Court's ruling in the case of M/s Wipro Ltd. Vs. Assistant Collector of Customs - 2015 (319) ELT 177 - S.C dated 16/04/2015

2.1 After examination and public consultations, the Government has amended the CVR vide Notification 91/2017 Customs (N.T) dated 26th September, 2017, as explained below:

Definition of the term 'place of importation'

3. The term "place of importation" has been used in the CVR; however, the term was not defined. To bring in clarity, the "place of importation" has been defined as:

> *"Place of Importation" means the customs station where the goods are brought for being cleared for home consumption or for being removed for deposit in a warehouse"*

3.1 In view of the above definition, the transaction value of the imported goods in terms of section 14 of the Customs Act, 1962 would include the costs incurred up to the place of importation, as defined above.

Treatment of the loading, unloading and handling charges

4. The Hon'ble Supreme Court had ruled in the case of M/s Wipro Ltd. Vs Assistant Collector of Customs-2015 (319) ELT 177 (S.C.) dated 16/04/2015 that the landing charges to be added to the value of goods, should be based on actual charges incurred, and not a notional charge of 1% as has been provided in the Rules.

4.1 By virtue of the amendment now carried out to the CVR, 2007, the loading, unloading and handling charges associated with the delivery of the imported goods **at** the place of importation, shall no longer be added to the CIF value of the goods.

4.2 The phrase "loading, unloading and handling charges" appearing in the amended Rule 10 (2) (a) is to be understood in context of Article 8(2) of the WTO Agreement which reads as *"the cost of transport of the imported goods **to** the port or **place of importation**"*. Thus, only charges incurred for delivery of goods "to" the place of importation (such as the loading and handling charges incurred at the load port) shall now be includible in the transaction value.

Computation of freight and insurance

5. Now, the 2nd and 4th provisos to Rule 10 (2) impart more clarity in computation of transport and insurance charges, when actuals of each individual element are not known, but the cumulative value of FOB and freight, or, FOB and insurance charges are known.

Treatment of transshipment costs

6. In the erstwhile 4th proviso to Rule 10(2), while the transshipment charges with respect to a container being moved from port to an ICD and CFS were excluded from the transaction value of the goods, there was no mention of a similar treatment to transshipment of goods by sea or air. Now, by virtue of the 6th proviso to Rule 10 (2), costs related to transshipment of goods (from ports to ICDs; port to port, port to CFS, Airport to Airport etc.) within India will be excluded, providing uniform treatment to different modes of transshipment.

7. Difficulties, if any, faced in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(S.Kumar)
Commissioner (Cus & EP)

Instruction No. 13/2017-Customs

F.No. 394/150/2014-Cus (AS)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
(Anti –Smuggling Unit)
***

New Delhi, dated 27th September 2017

To
All Principal Chief Commissioners /Chief Commissioners of Customs/Customs (Preventive),
All Principal Chief Commissioners /Chief Commissioners of Customs & Central Tax/Central Excise,
All Principal Commissioners /Commissioners of Customs/Customs (Preventive)
All Principal Commissioners /Commissioners of Customs & Central Tax/Central Excise.
The Director General, Directorate General of Revenue Intelligence.

Subject: Illegal import of fireworks/crackers-Judgment dated 12.09.2017 of the Hon'ble Supreme Court in Writ Petition (Civil) No. 728 of 2015 - reg.

Madam/Sir,

The directorate of Revenue Intelligence has been, from time to time, issuing alerts regarding sensitization of officers and taking suitable measures to ensure prevention of illegal import of fireworks/crackers of foreign origin.

2. In this context, attention is invited to the Judgment dated 12.09.2017 of the Hon'ble Supreme Court delivered in I.A. No. 52448 of 2017 in Writ Petition (Civil) No. 728 of 2015 in the matter of Arjun Gopal & ors. Vs UOI & ors. The Apex Court, in the said matter, has *inter-alia* directed the Union of India to take action as under:

> *The Union of India will ensure strict compliance with the Notification GSR No. 64 (E) dated 27th January, 1992 regarding the ban on import of fireworks. The Union of India as at liberty to update and revise this notification in view of the passage of time and further knowledge gained over the last 25 years and issue a fresh notification, if necessary."*

2. The Department of Industrial Development (now Department of Industrial Policy & Promotion), vide Notification G.S.R. No 64 (E) dated 27.01.1992 prohibited the manufacture, possession and importation of any explosive consisting of or sulphur or sulphret in admixture with chlorate of potassium or any other chlorate.

3. The import of fireworks is 'restricted' under ITC (HS) and requires an import licence from the DGFT. Further, till date, no licence to import fireworks has been granted for possession and /or sale under the Explosive Rules, 2008 by petroleum and Explosives Safety Organization.

4. In view of the above, it is requested that the officers under your jurisdiction may be suitable alerted and appropriate measure may be taken to ensure strict compliance with the Notification GST No. 64 (E) dated 27.01.1992 regarding the ban on import of fireworks.

Yours Faithfully,

(Rohit Anand)
Under Secretary to the Government of India

F. No. 390/Review/49/2017-JC
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
(Judicial & Review Cell)

New Delhi, Dated 29 .09.2017

To,
All the Chief Commissioners of Central Excise and Service Tax, All the Chief Commissioners of Customs

Webmaster (webmaster.cbec@icegate.gov.in)

Madam/Sir,

Subject: Extension of time for Review by Review Committees of Chief Commissioners or Commissioners of Customs, Central Excise and Service Tax under Section 129D (3) of the Customs Act, 1962 and Section 35E (3) of the Central Excise Act, 1944 and Section 86 (3) of the Finance Act, 1994 regd.

1. (a) Attention is invited to section 129D(3) of the Customs Act, 1932 and section 35E (3) of the Central Excise Act, 1944, wherein the time prescribed for Review of the orders is **three months** from the date of the communication of the orders in original. This period is further extendable by another **30 days by the Board** on sufficient cause being shown in the Customs and Central Excise Acts, respectively. However, as per Section 86(3) of the Finance Act, 1994, the period for Review is already prescribed as 4 months without any provisions for extension by the Board.

(b) Further, in terms of section 129A (1B) of the Customs Act, 1962 and section 35B (1B) of the Central Excise Act, 1944 and Section 86(1A) of the Finance Act, 1994, the review committees of the Commissioners for reviewing the orders in Appeal of the Commissioner (Appeals) is also appointed by the Board. The period of review is prescribed as 3 months without any extension provision.

2. Despite the sufficient time limits provided in the said acts, instances have been noticed where the proposals for the constitution/ re-constitution of the Review Committees of the Chief Commissioners, with or without the request to extend the time period by another 30 days are sent extremely close to the last date. As a result, the time left for the Board to issue the Office Orders for the same, is too short, and it becomes very difficult to have the necessary action completed within the stipulated time.

3. To obviate this situation, the following actions may be taken:

a) It may kindly be ensured that, the self contained proposals for reconstitution of the review committees and/or requests for extension of time period of Review, must be sent to the Board **at least 21 days prior to the last date of the Review** along with the reasons for the delay.

b) The last date for review should be prominently indicated in the proposal.

c) Suggestions for the reconstitution of the Review Committees of the Chief Commissioners or the Commissioners, as the case may be, are to be given.

4. The above Instruction may kindly be noted for strict compliance.

(Rohit Singhal)
Director (Review)

GST UPDATES

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

Notification No. 36/2017 – Central Tax

New Delhi, the 29th September, 2017

G.S.R……(E):- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

1 These rules may be called the Central Goods and Services Tax (Eighth Amendment) Rules, 2017.

2. In the Central Goods and Services Tax Rules, 2017, –

(i) in rule 24, in sub-rule (4), for the figures, letters and word, "30th September", the figures, letters and word "31st October" shall be substituted;

(ii) in rule 118, for the words "a period of ninety days of the appointed day", the words and figures "the period specified in rule 117 or such further period as extended by the Commissioner" shall be substituted;

(iii) in rule 119, for the words "ninety days of the appointed day", the words and figures "the period specified in rule 117 or such further period as extended by the Commissioner" shall be substituted;

(iv) in rule 120, for the words "ninety days of the appointed day", the words and figures "the period specified in rule 117 or such further period as extended by the Commissioner" shall be substituted;

(v) in rule 120A, the marginal heading "**Revision of declaration in FORM GST TRAN-1**" shall be inserted;

(vi) in **FORM GST REG-29**, -

(a) for the heading, "**APPLICATION FOR CANCELATION OF PROVISIONAL REGISTRATION**", the heading, "**APPLICATION FOR CANCELATION OF REGISTRATION OF MIGRATED TAXPAYERS**" shall be substituted;

(b) under sub-heading PART-A, against item (i), for the word and letters "Provisional ID", the letters "GSTIN" shall be substituted.

[F. No. 349/58/2017-GST(Pt.)]

(Dr.Sreeparvathy S.L.)
Under Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (i) vide notification No. 3/2017-Central Tax, dated the 19th June, 2017, published vide number G.S.R 610 (E), dated the 19th June, 2017 and last amended vide notification No. 34/2017-Central Tax, dated the 15th September, 2017, published vide number G.S.R 1165 (E), dated the 15th September, 2017.

[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]
Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 30/2017- Central Tax (Rate)

New Delhi, the 29th September, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.12/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)*vide* number G.S.R. 691(E), dated the 28th June, 2017, namely:-

In the said notification, in the Table, after serial number 9A and the entries relating thereto, the following shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)
"9B	Chapter 99	Supply of services associated with transit cargo to Nepal and Bhutan (landlocked countries).	Nil	Nil".

[F. No.354/221/2017 -TRU]

(Ruchi Bisht)
Under Secretary to the Government of India

Note: - The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 12/2017 - Central Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 691 (E), dated the 28th June, 2017 and was last amended by notification No. 25/2017 - Central Tax (Rate), dated the 21st September, 2017 *vide* number G.S.R. 1180 (E), dated the 21st September, 2017.

[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 31/2017-Integrated Tax (Rate)

New Delhi, the 29th September, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.9/2017- Integrated Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)*vide* number G.S.R. 684(E), dated the 28th June, 2017, namely:-

In the said notification, in the Table, after serial number 10A and the entries relating thereto, the following shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
"10B	Chapter 99	Supply of services associated with transit cargo to Nepal and Bhutan (landlocked countries).	Nil	Nil".

[F. No.354/221/2017 -TRU]

(Ruchi Bisht)
Under Secretary to the Government of India

Note:-The principal notification was published in the Gazette of India, Extraordinary, *vide* No.9/2017- Integrated Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 684 (E), dated the 28th June, 2017 and was last amended by notification No. 25/2017 - Integrated Tax (Rate),dated the 21st September, 2017 *vide* number G.S.R.1183 (E), dated the 21st September, 2017.

[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 30/2017- Union Territory Tax (Rate)

New Delhi, the 29th September, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 8 of the Union Territory Goods and Services Tax Act, 2017 (14 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.12/2017- Union Territory Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)*vide* number G.S.R. 703(E), dated the 28th June, 2017, namely:-

In the said notification, in the Table, after serial number 9A and the entries relating thereto, the following shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
"9B	Chapter 99	Supply of services associated with transit cargo to Nepal and Bhutan (landlocked countries).	Nil	Nil".

[F. No.354/221/2017 -TRU]

(Ruchi Bisht)
Under Secretary to the Government of India

Note:-The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 12/2017 - Central Tax (Rate), dated the 28th June, 2017, *vide* number G.S.R. 703(E), dated the 28th June, 2017 and was last amended by notification No.25/2017-Union Territory Tax (Rate), dated the 21st September, 2017 *vide* number G.S.R. 1186 (E).dated the 21st September, 2017.

F. No. 349/58/2017-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
***

New Delhi, the 29th September, 2017

Order No. 04/2017-GST

Subject: Extension of time limit for intimation of details of stock held on the date preceding the date from which the option for composition levy is exercised in FORM GST CMP-03

In exercise of the powers conferred by sub-rule (4) of rule 3 of the Central Goods and Services Tax Rules, 2017 read with section 168 of the Central Goods and Services Tax Act, 2017 (referred to as "the Act" hereafter), on the recommendations of the Council, the period for intimation of details of stock held on the date preceding the date from which the option to pay tax under section 10 of the Act is exercised in **FORM GST CMP-03** is extended till 31st October, 2017.

(Upender Gupta)
Commissioner (GST)

DGFT UPDATES

To be published in the Gazette of India Extraordinary Part-II, Section -3, Sub Section (ii)
Government of India
Ministry of Commerce & Industry
Department of Commerce
Udyog Bhawan, New Delhi

Notification No. 30/2015-2020
Dated the 26 September, 2017

Subject: Amendment in import policy condition of Urea under ITC (HS) code 3102 10 00 of Chapter 31 of ITC (HS), 2012 - Schedule -1 (Import Policy).

S.O. (E): In exercise of powers conferred by Section 3 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby amends the Import Policy of Urea under ITC (HS) code 3102 1000 of Chapter 31 of ITC (HS), 2017 - Schedule - 1 (Import Policy).

2. On amendment, the ITC (HS) code 3102 10 00 will read as:

ITC (HS) Code	Item	Existing Policy	Policy condition	Revised Policy Condition
3102 10 00	Urea, whether or not in aqueous solution	State Trading Enterprise. However, import of Industrial Urea / Technical Grade Urea (TGU) shall be free.	STC, MMTC, and Indian Potash Limited subject to para 2.11 of Foreign Trade policy	STC, MMTC and Indian Potash Limited subject to para 2.20 of Foreign Trade policy. In addition, Rashtriya Chemicals & Fertilizers (RCF) and M/s National Fertilizer Limited (NFL) are permitted to import urea only for three months, from the date of this notification.

3. **Effect of this Notification:** In addition to the existing STEs, M/s and M/s NFL are permitted to import urea only for three months with effect from the date of this notification.

(Alok Vardhan Chaturvedi)
Director General of Foreign Trade
E-mail: dgft@nic.in

(To be published in the Gazette of India Extraordinary Part II Section 3, Sub Section (ii))

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhawan

Notification No. – 31/2015-20
New Delhi, dated the 29 September, 2017

Subject: Amendment in conditions for export of Guar Gum under Sl. No. 89, Chapter 13 of Schedule 2 of ITC (HS) - regarding.

S.O.(E) In exercise of the powers conferred by Section 3 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992), as amended, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy (FTP), 2015-2020, the Central Government hereby makes the following amendment, with immediate effect, in the "Nature of Restriction" at Sl. No. 89 in Chapter 13 of ITC(HS) Classification 2012 - Schedule 2 (Export Policy), as amended from time to time:

The revised Table in respect of Sl. No. 89 in Chapter 13 of Schedule 2 of ITC (HS) Classification 2012 - Schedule 2 (Export Policy), after amendment, will be as under:

S. No.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction
89	1302 1302 32 20 1302 32 30	Kg.	Guar gum Refined split Gaur gum treated and pulverized	Free	Guar gum exports to European Union (EU), originating in or consigned from India and intended for animal or human consumption, allowed subject to issue of Health Certificate by authorized representative of Ministry of Commerce & Industry, Government of India i.e. Shellac & Forest Products Export Promotion Council (SHEFEXIL), Kolkata accompanied by the original analytical report of testing of Penta Chlorophenol (PCP) issued by any of the following agencies certifying that product does not contain more than 0.01 mg per Kg of PCP on sampling done by the authorized representative of the competent authority: (i) Vimta Labs, Hyderabad (ii) Export Inspection Agency (EIA) Lab, Chennai

2. Effect of this Public Notice:

In addition to Vimta Labs, Hyderabad, Export Inspection Agency (EIA) Lab, Chennai has also been authorised to issue the analytical report of testing of Penta Chlorophenol (PCP).

(Alok Vardhan Chaturvedi)
Director General of Foreign Trade
E-mail: dgft@nic.in

BMC ADVISORS

DESTINATION FOR PERFECTION

(Corporate Laws and Intellectual Property Rights Consultants)

Delhi I Mumbai I Pune I Kanpur

Corporate Office: 63/12, First Floor, Main Rama Road, New Delhi-110015

Ph: +91 11 25101016/17, **Mob:** +91-9971666825

Email: brijesh@bmcadvisors.in, brijesh@brijeshmathur.com

Website: www.bmcadvisors.in