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Relaxation on statutory compliance to cope with COVID-19



As we all are aware of the pandemic strain in the world economy due to the Novel Corona Virus (COVID-19), not only has it impacted the health of individuals but also has serious repercussions on the global economy. Various governments have taken due measures to fight against this lethal disease. The Government has announced relaxed tax compliance and regulatory package to help people cope with the coronavirus crisis, as follows:



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Relaxation of compliance under Income Tax

- ▶ Last date for filing income tax return for AY 2019-20 (FY 2018-19) is extended to 30th June 2020.
- ▶ No extension on due dates for payment of TDS/ TCS, Advance tax, Equalization levy, etc.
- ▶ Interest on delayed payment of advance tax, self-assessment tax, TDS, TCS, equalization levy made between 20th March 2020 to 30th June 2020, reduced to 9% instead of existing 12%/18% for this period.
- ▶ Vivaad se Vishwas scheme date extended to 30th June 2020 without additional payment of 10%.
- ▶ All due dates of issuing Notice/ statements/ orders/ documents to be submitted before any authority under Capital Gains head/ wealth tax act/ Black Money Act/ Benami Act etc. where time was expiring between 20th March 2020 to 29th June 2020 is now extended to 30th June 2020.
- ▶ Aadhar – Pan linking date extended from 31st March 2020 to 30th June 2020.



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Relaxation of compliance under GST

- ▶ Taxpayers having an aggregate annual turnover less than INR 5 crore - Last date for filing GSTR-3B for the month of February, March and April 2020 to be extended to 30th June 2020. No interest, late fee, and penalty to be charged if complied before 30th June 2020.
- ▶ Taxpayers having aggregate annual turnover more than INR 5 crore - Can file GSTR-3B for the month of February, March and April 2020 by 30th June 2020 subject to interest at a reduced rate of 9% per annum (current interest rate is 18 % per annum) from 15 days after the due date. No late fee and penalty to be charged if complied before 30th June 2020.
- ▶ Due date for filing GST annual returns of FY 18-19 extended to 30th June 2020 from 31st March 2020.
- ▶ Date for opting for composition scheme is extended to 30th June 2020. Further, the last date for making payments for the quarter ending 31st March 2020 and filing of return for 2019-20 by the composition dealers to be extended till 30th June 2020.
- ▶ Payment date under Sabka Vishwas Scheme shall be extended to 30th June 2020. No interest for this period to be charged if paid by 30th June 2020.
- ▶ Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing applications, reports, any other documents etc., the time limit for any compliance under the GST Law, Customs Act and other allied laws where the time limit is expiring between 20th March 2020 to 29th June 2020 to be extended to 30th June 2020.
- ▶ 24X7 Custom clearance till 30th June 2020.



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Relaxation of compliance under Companies Act, 2013

- ▶ The mandatory requirement of holding the Board meetings of the companies within the prescribed interval has been extended by a period of additional 60 days till next two quarters i.e., till 30th September 2020.
- ▶ Applicability of Companies (Auditor's Report) Order, 2020 shall be made applicable from the financial year 2020-2021 instead of the financial year 2019-2020 notified earlier.
- ▶ Independent Directors (IDs) are required to hold at least one meeting without the attendance of non-independent directors and members of management. For the year 2019-20, if the IDs of a Company have not been able to hold even one meeting, the same shall not be viewed as a violation.
- ▶ No additional fees shall be charged for late filing during a moratorium period from 01st April to 30th September 2020, in respect of any document, return, statement, etc. required to be filed in the MCA-21.
- ▶ Requirement to invest 15% of debentures maturing during a particular year in specified instruments before 30th April 2020, maybe done so before 30th June 2020.
- ▶ Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, shall not be treated as a violation.
- ▶ Requirement to create a Deposit reserve with respect to deposits maturing during the financial year 2020-21 before 30th April 2020 shall be allowed to be complied with till 30th June 2020.

- ▶ Newly incorporated companies are required to file a declaration for Commencement of Business within 6 months of incorporation. An additional time of 6 months shall be allowed.

Insolvency and Bankruptcy Board of India has relaxed the following rules:

- ▶ By raising the threshold of default by corporate debtors under section 4 of the IBC 2016 to Rs. 1 crore (from the existing threshold of Rs 1 lakh).
- ▶ If the current situation continues beyond 30th of April 2020, they may consider suspending following section of the Insolvency and Bankruptcy Code, 2016 for a period of 6 months.
 - ▶ Section 7: Initiation of corporate insolvency resolution process by a financial creditor.
 - ▶ Section 9: Application for initiation of corporate insolvency resolution process by operational creditor.
 - ▶ Section 10: Initiation of corporate insolvency resolution process by corporate applicant.

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