



FTCCI Review

THE FEDERATION OF TELANGANA CHAMBERS OF COMMERCE & INDUSTRY

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Ministry of Finance

CBDT issues clarification in respect of Income-tax clearance certificate (ITCC)

It is being erroneously reported that all Indian citizens must obtain income-tax clearance certificate (ITCC) before leaving the country - a position that is factually incorrect

Posted On: 20 AUG 2024 9:19PM by PIB Delhi

Section 230 (1A) of the Income-tax Act, 1961 (the 'Act') relates to obtaining of a tax clearance certificate, in certain circumstances, by persons domiciled in India. The said provision, as it stands, came on the statute through the Finance Act, 2003 w.e.f. 1.6.2003. The Finance (No.2) Act, 2024 has made only an amendment in Section 230(1A) of the Act, vide which, reference of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (the 'Black Money Act') has been inserted in the said Section. This insertion has been made to also cover the liabilities under the Black Money Act in the same manner as the liabilities under the Income-tax Act, 1961 and other Acts dealing with direct taxes for the purpose of Section 230(1A) of the Income-tax Act, 1961.

There appears to be a mis-information about the said amendment emanating from incorrect interpretation of the amendment. It is being erroneously reported that all Indian citizens must obtain income-tax clearance certificate (ITCC) before leaving the country. **This position is factually incorrect**

As per section 230 of the Act, every person is not required to obtain a tax clearance certificate. Only certain persons, in respect of whom circumstances exist which make it necessary to obtain a tax clearance certificate, are required to obtain the said certificate. This position has been in the statute since 2003 and remains unchanged even with the amendments vide Finance (No. 2) Act, 2024.

In this context, the CBDT, vide its Instruction No. 1/2004, dated 05.02.2004, has specified that the tax clearance certificate under Section 230(1A) of the Act, may be required to be obtained by persons domiciled in India only in the following circumstances:

- where the person is involved in serious financial irregularities and his presence is necessary in investigation of cases under the Income-tax Act or the Wealth-tax Act and it is likely that a tax demand will be raised against him, or
- where the person has direct tax arrears exceeding Rs. 10 lakh outstanding against him which have not been stayed by any authority

Further, a person can be asked to obtain a tax clearance certificate only after recording the reasons for the same and after taking approval from the Principal Chief Commissioner of Income-tax or Chief Commissioner of Income-tax.

In view thereof, it is reiterated that the ITCC under Section 230(1A) of the Act, is needed by residents domiciled in India, only in rare cases, such as (a) where a person is involved in serious financial irregularities or (b) where a tax demand of more than Rs. 10 lakh is pending which is not stayed by any authority.

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade

Vanijya Bhawan, New Delhi
Date: 14th August 2024

Trade Notice No. 12/2024-25

To

1. All Exporters/Members of Trade & Industry
2. All Banking and Financial institutions
3. All Export Promotion Councils/Commodity Boards
4. All DGFT Regional Authorities

Subject: API Integration and Bulk Upload Facility for Self-Certification of eBRC -reg.

Reference is made to the earlier Trade Notice No. 33/2023-24 dated 10th November 2023, where this Directorate piloted an online self-certification process for the electronic Bank Realisation Certificate (eBRC), aimed at simplifying and streamlining the reconciliation of export realizations for both merchandise and service sectors. Building on the pilot phase, the Directorate has now seamlessly integrated banks with the DGFT eBRC System, facilitating the automatic transmission of Inward Remittance Messages (IRMs) for all Trade Account transactions. Exporters accordingly login to the DGFT Website (<https://dgft.gov.in>) to review IRMs shared by their respective banks and efficiently self-certify their eBRCs by matching with the relevant invoice or Shipping Bill details.

2. To further facilitate the eBRC self-certification process, the Directorate is pleased to introduce two additional functionalities, effective from 20.08.2024:

a. Bulk Upload

Exporters shall now have the capability to generate multiple eBRCs concurrently through the bulk upload functionality. By uploading a spreadsheet that contains the requisite IRM mapping along with Shipping Bill and Invoice details, exporters can facilitate the automatic certification of multiple eBRCs. Exporters shall be required to adhere to the prescribed rules and guidelines specified in the spreadsheet template to ensure compliance with the applicable business rules and data formats in the eBRC workflow. This feature is intended to enhance efficiency, minimize manual entry errors, and further streamline the management of eBRC self-certification documentation.

b. API Integration

The Application Programming Interface (API) integration provides exporters with the capability to interface their Enterprise Resource Planning (ERP), Accounting, or other software systems directly with the DGFT eBRC system in near real-time. The API shall facilitate the retrieval of IRM/ORM data from the DGFT eBRC systems and enable the request and verification of eBRCs in accordance with the guidelines delineated on the DGFT website (Services -> eBRC -> eBRC Generation Rules). This API integration shall ensure a secure and faster certification process, with controlled access through credential management.

The following stipulations shall apply for enabling API integration:

- Exporters are required to complete an online registration process, specifying the IEC for which the API will be utilized. This registration must be authenticated through the IEC holder's account.
- It is the responsibility of exporters to manage API consumer access, including its activation, deactivation, and re-authorization. The API consumer will be unable to interact with DGFT systems once deactivated and otherwise reactivated by the IEC holder.

3. Outreach, Awareness & Feedback:

User Manuals may be accessed on the DGFT website under the 'Learn' section (Application Help and FAQs -> eBRC). The manuals also provide detailed guidance on the alignment of purpose codes with eBRC fields and the validation rules for eBRC generation. Additionally, DGFT Regional Authorities (RAs) will host Exporter Outreach Programs to promote awareness and demonstrate the advanced eBRC capabilities. Stakeholders are encouraged to provide their feedback via email to ebrc-dgft@gov.in

4. Support Channels:

Exporters and other stakeholders may contact the DGFT Helpdesk for eBRC-related assistance through the following channels:

- Call the Toll-Free Helpdesk support number.
- Raise a Helpdesk ticket via the DGFT website (Services -> DGFT Helpdesk Service) and track the status of previously filed tickets.

5. This initiative is part of this Directorate's ongoing efforts to streamline operations, reduce complexity, to improve ease of doing business, and empower exporters to focus on their growth.

This notice is issued with the approval of the competent authority.

Sd/-
(Md. Moin Afaqe)
Joint Director General of Foreign Trade
E-mail: afaque.moin@gov.in

(Issued from File No.: 01/02/127/AM22/EG&TF)

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade

Vanijya Bhawan, New Delhi
Date: 16th August 2024

Trade Notice No. 13/2024-25

To

1. All Exporters/Members of Trade & Industry
2. All Agencies / Chamber enlisted under FTP
3. All Export Promotion Councils / Trade and Industry Associations
4. All DGFT Regional Authorities

Subject: Launch of Revamped Non-Preferential Certificate of Origin (eCoO) 2.0 System-reg.

It is hereby informed that enhanced version of the Non-Preferential Certificate of Origin (eCoO) system - eCoO 2.0 - is scheduled for launch. This upgraded system offers several new and user-friendly features aimed at streamlining the certification process for exporters. Some notable features of the revamped eCoO 2.0 system include:

- I. **Multi-User Access:** Exporters can now assign multiple users/applicants under a single Importer Exporter Code (IEC).
- II. **E-Signature Options:** In addition to the digital signature token, Aadhaarbased e-signing would be available.
- III. **Integrated Dashboard:** A common platform will provide seamless access to eCoO and other related services such as Free Trade Agreement (FTA) information, trade events, and more.

The eCoO 2.0 system will be hosted on the following web-domain: <https://www.trade.gov.in>

2. Key Dates for Implementation:

- I. **Onboarding of Issuing Agencies:** The process for on boarding Chambers of Commerce and Industry, along with other notified issuing agencies (as per Appendix-2E of the FTP), will commence on 19th August 2024 and conclude preferably by 27th August 2024.
- II. **Filing of Non-Preferential Certificates:** Exporters may begin filing Non- Preferential Certificates of Origin through the new system with issuing agencies starting from 28th August 2024.

3. Specific points for attention of the Issuing Agencies are as follows-

I. For the Issuing Agency Administrator Account:

- i. All authorized issuing agencies are required to designate an administrator for online user management and office management functionalities. The administrator shall register on the eCoO 2.0 system by navigating to the eCoO 2.0 system website → Register and select 'Register User As' - 'CoO Authorized Agency'. Then, select the concerned issuing agency and the role (Administrator) and attach the authorisation letter. The administrator user shall attach the authorisation letter on the issuing agency's letterhead along with their official email as recorded with DGFT.
- ii. After successful activation of their account, the administrator shall add their regional office(s) details navigating to: My Dashboard → Office Management → Add office details.
- iii. As a one-time exercise, upload images of the stamps for all regional offices under My Dashboard → Office Management.
- iv. As a one-time exercise, upload images of all Issuing Officers' signatures under My Dashboard → User Management.
- v. Administrators must ensure to remove the background from the stamp and signature images before uploading.
- vi. Agencies may Activate, deactivate, or map issuing officers to respective offices through the User Management tab under My Dashboard.

Visit here for more information : https://www.ftcci.in/source/tradenotice_eCoO.pdf



The Federation of Telangana Chambers of Commerce and Industry

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The Federation of
Telangana Chambers of
Commerce and Industry

Webinar on INCOME TAX

4th September, 2024 | 3.00 pm to 5.30 pm
Online



Scan/Click to Register

TOPIC 1

Understanding the requirements of Income Tax Clearance Certificate (ITCC)

With the latest amendments in the Finance Bill, 2024 presented by Smt. Nirmala Sitharaman, Hon'ble Finance Minister, Government of India in the Union Budget 2024-25 regarding Income Tax Clearance Certificate (ITCC), this webinar enables understanding the requirements of Income Tax Clearance Certificate (ITCC) and provides clarification and procedures with respect to ITCC.

TOPIC 2

Preparedness to Tax Audit - Action points for Accountants

Enabling accountants and finance team of an organization to readily prepare themselves with the required details and documentations needed for filing of Tax Audit as per the Income Tax Act. This Programme gives detailed exposure for the preparedness to Tax Audit by the Accountants and Finance Team well in advance.

TECHNICAL SESSION SPEAKERS



Sri Mohan Kumar R, IRS (Retd)
Addl. Commissioner of Income Tax



Smt. Aravinda Garikipati
Chartered Accountant
Proprietor, Aravinda & Associates

Delegate Fee (Incl GST)
For Members : Rs. 400/-
For Non-Members : Rs. 500/-

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