

# TAX FLASH NEWS

13 August 2019



## **CBDT issues FAQs for filling-up the updated ITR forms for the Assessment Year 2019-20**

Recently, the Central Board of Direct Taxes (CBDT) issued a notification<sup>1</sup> amending Rule 12 of the Income-tax Rules, 1962 (the Rules) and Income Tax Return (ITR) forms for Assessment Year (AY) 2019-20. Subsequently, the instructions for filing ITR forms were issued and the software utility for e-filing of all the ITR forms were also released. In this regard, various queries were raised by the stakeholders in respect of filling-up of the ITR forms.

In order to address such queries, the CBDT vide Circular No. 18 of 2019 issued a clarification in the form of Frequently Asked Questions (FAQs) in respect of filling-up of the ITR forms for the Assessment Year 2019-20.

### **Key clarifications issued by CBDT**

#### ***Reporting of Tax payer identification number (TIN) in case of Non Resident taxpayers***

- Non Resident (NR) taxpayers are required to disclose their jurisdiction of residence and TIN. In case TIN has not been allotted, the passport number and place of issuance of such passport must be filled in the place of TIN and jurisdiction of residence respectively.

#### ***Directorship in a foreign company***

- Details of directorship in a foreign company are required to be disclosed by the taxpayer irrespective of the residential status in India.
- In case of a foreign company PAN is not mandatory, however, if PAN is available the same should be mentioned.

#### ***Unlisted equity shares***

- Shares listed in a recognised stock exchange outside India need not be reported under unlisted shares column in ITR 2
- In case of un-availability of PAN of a delisted company, a default value such as, 'NNNNN0000N' may be mentioned
- Where unlisted shares are acquired by way of gift, will, amalgamation, merger, demerger or bonus issue, etc., the value zero or appropriate value may be entered against 'cost of acquisition' or 'sale consideration
- Unlisted shares of foreign company are required to be reported under unlisted equity shares as well as foreign assets schedule
- Unlisted equity shares held as stock-in-trade of business during the relevant previous year would also need to be reported as above

#### ***Sale of land or building***

- Quoting of PAN of the buyer is mandatory only if taxes are withheld under the provisions of the Income-tax Act, 1961 in case of sale of land and building to a non-resident.
- Quoting of PAN of a buyer in case sale of land and building situated outside India by resident is mandatory only if taxes are withheld under the provisions of the Act.

<sup>1</sup> Notification No. 32/2019, dated 1 April 2019

## **Long term capital Gains (LTCG) arising on sale of shares/mutual funds units**

- The tools for computation of LTCG under sections 112A and 115AD have been provided in the departmental utility for the convenience of taxpayers, which is then populated in the respective items in Schedule CG. Alternatively, the taxpayers can compute the aggregate LTCG or loss manually and input the same in the respective place.

## **Foreign Assets (FA)**

- Details of foreign assets held during the relevant AY are required to be reported both in FA schedule and assets and liability schedule in ITR form.

## **Company related reporting**

- A company is required to disclose break-up of all payments and receipts during the year, in foreign currency, as per Schedule FD of ITR-6 (if it is not required to get the accounts audited under Section 44AB). It is now clarified that only the receipts/payments related to business operations in India are required to be reported in Schedule FD.

## **Reporting by foreign company**

- An unlisted foreign company is not required to furnish details of shareholding as well as details of assets and liabilities.

## **Stock-in-trade**

- In case of jewellery/motor vehicle, etc. held as stock-in-trade of business, the drop-down value 'stock-in-trade' should be selected against the field 'purpose for which used', while filling up details in the relevant table (table I or table H). In such cases, only the aggregate values are required to be filled up, and the particular details of each asset held as stock-in-trade is not required to be reported.

## **Others**

- In cases where TDS is deducted by the payer in current year, but corresponding income is to be offered in future years, then in TDS Schedule, no TDS credit should be claimed under column, 'in own hands' for the relevant AY.

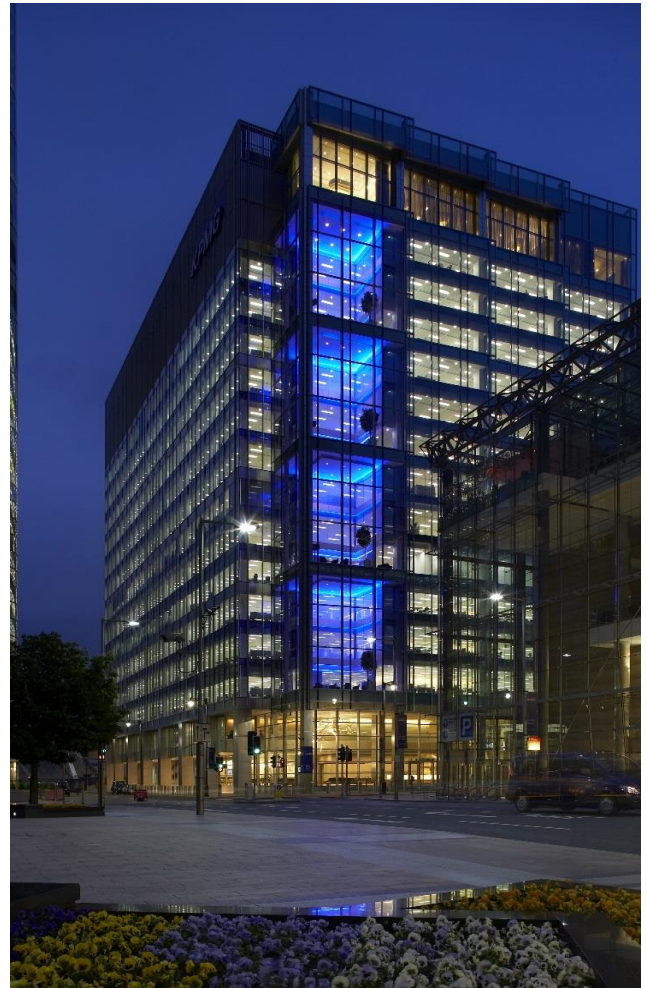
## **Our comments**

The clarifications issued by CBDT clears the queries raised by taxpayers and provides much needed help to such taxpayers for the purpose of completing the income tax return for the AY 2019-20.

FAQs, inter alia, clarified with respect to reporting of unlisted shares received by way of gift, will or amalgamation, etc. and also assets held as 'stock-in-trade'.

It is important to note that on requirement to disclose break-up of all payments and receipts during the year in foreign currency, the FAQs clarify that the break-up of receipts and payments in foreign currency is required to be reported only in respect of business operations in India.

These clarifications will help the taxpayers to file their income-tax returns smoothly.



[home.kpmg/in](http://home.kpmg/in)

#### Ahmedabad

Commerce House V, 9th Floor,  
902, Near Vodafone House,  
Corporate Road,  
Pralhad Nagar,  
Ahmedabad – 380 051.  
Tel: +91 79 4040 2200

#### Bengaluru

Maruthi Info-Tech Centre  
11-12/1, Inner Ring Road  
Koramangala,  
Bengaluru – 560 071.  
Tel: +91 80 3980 6000

#### Chandigarh

SCO 22-23 (1st Floor),  
Sector 8C, Madhya Marg,  
Chandigarh – 160 009.  
Tel: +91 172 664 4000

#### Chennai

KRM Towers, Ground Floor,  
1, 2 & 3 Floor, Harrington Road,  
Chetpet, Chennai – 600 031.  
Tel: +91 44 3914 5000

#### Gurugram

Building No.10, 8th Floor,  
DLF Cyber City, Phase II,  
Gurugram, Haryana – 122 002.  
Tel: +91 124 307 4000

#### Hyderabad

Salarpuria Knowledge City,  
6th Floor, Unit 3, Phase III,  
Sy No. 83/1, Plot No 2,  
Serilingampally Mandal,  
Ranga Reddy District,  
Hyderabad – 500 081.  
Tel: +91 40 6111 6000

#### Jaipur

Regus Radiant Centre Pvt Ltd.,  
Level 6, Jaipur Centre Mall,  
B2 By pass Tonk Road,  
Jaipur – 302 018.  
Tel: +91 141 - 7103224

#### Kochi

Syama Business Centre,  
3rd Floor, NH By Pass Road,  
Vytilla, Kochi – 682 019.  
Tel: +91 484 302 5600

#### Kolkata

Unit No. 604,  
6th Floor, Tower – 1,  
Godrej Waterside,  
Sector – V, Salt Lake,  
Kolkata – 700 091.  
Tel: +91 33 4403 4000

#### Mumbai

1st Floor, Lodha Excelus,  
Apollo Mills,  
N. M. Joshi Marg,  
Mahalaxmi,  
Mumbai – 400 011.  
Tel: +91 22 3989 6000

#### Noida

Unit No. 501, 5th Floor,  
Advant Navis Business Park,  
Tower-A, Plot# 7, Sector 142,  
Expressway Noida,  
Gautam Budh Nagar,  
Noida – 201 305.  
Tel: +91 0120 386 8000

#### Pune

9th floor, Business Plaza,  
Westin Hotel Campus, 36/3-B,  
Koregaon Park Annex,  
Mundhwa Road, Ghorpadi,  
Pune – 411 001.  
Tel: +91 20 6747 7000

#### Vadodara

Ocean Building, 303, 3rd Floor,  
Beside Center Square Mall,  
Opp. Vadodara Central Mall,  
Dr. Vikram Sarabhai Marg,  
Vadodara – 390 023.  
Tel: +91 265 619 4200

#### Vijayawada

Door No. 54-15-18E,  
Sai Odyssey,  
Gurunanak Nagar Road, NH 5,  
Opp. Executive Club, Vijayawada,  
Krishna District,  
Andhra Pradesh – 520 008.  
Tel: +91 0866 669 1000

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2019 KPMG, an Indian Registered Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

This document is meant for e-communication only