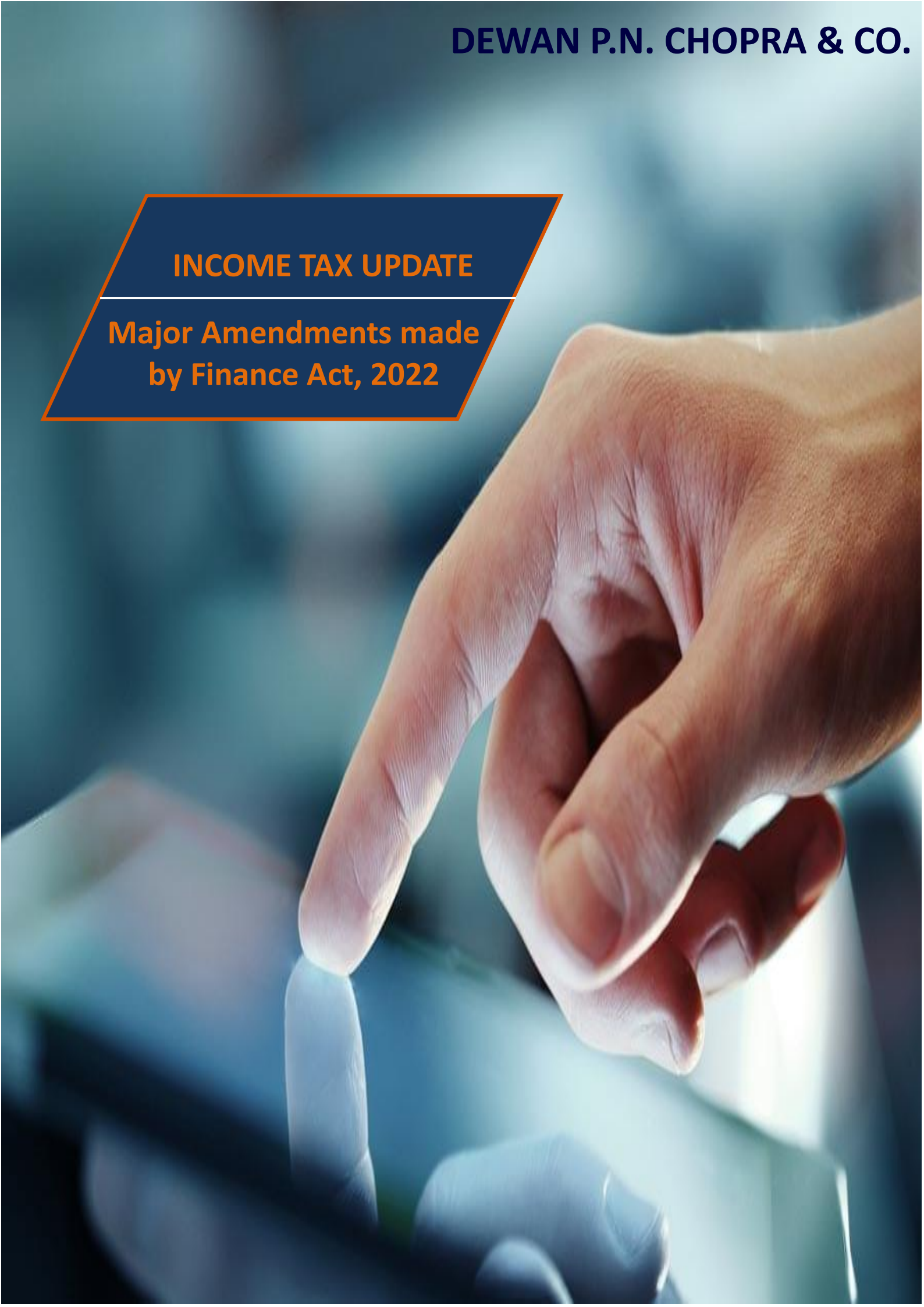


INCOME TAX UPDATE

**Major Amendments made
by Finance Act, 2022**



List of Major Amendments made by Finance Act 2022

Section	Particulars
2(12A)	Amendment to Definition of 'books of account'
2(42C)	Amendment to Definition of Slump Sale
10(4E), 10(4F), 10(4G), 56(viib), 80LA	Tax incentives to IFSC
12AB, 115BBI, 271AAE, 10(23C), 115TD	Rationalisation of the provisions of Charitable Trust and Institutions
14A	Clarification that disallowance u/s 14A shall be made even if no exempt income is earned during the year.

17(2) , 56(2)(x)	Exemption of amount received for medical treatment and on account of death due to Covid-19
37	Clarification on allowability of expenditure u/s 37(1) for Pharma Cos. & for offence under foreign law
40	Clarification that 'Cess' & 'Surcharge' is nothing but tax and needs to be disallowed u/s 40
43, 50	Reduction of Goodwill from Block Of Assets to be Regarded as 'Transfer'
43B	Clarification u/s 43B - Deduction not allowable on conversion of interest liability into other debt instrument.
56(2) (x)(c)	Proviso to Section 56(2)(x)(c) – Income from Other Sources
68	Section 68 – Cash Credit - 'Source of Source' to be explained for loan or borrowings also.
79	Permissibility of Carry Forward And Set off of Losses Available to

	Erstwhile Public Sector Undertaking Pursuant to Strategic Disinvestment
79A	Penalty u/s 272A increased from INR 100 per day to INR 500 per day
80CCD	Incentives to National Pension System (NPS) subscribers (State government employees)
80-IAC	Extension of Date of Incorporation for Eligible Start Up for Exemption
94	Rationalisation of Bonus Stripping and Dividend Stripping Provisions
115BAB	Extension of Date of Commencement for New Manufacturing Companies eligible for lower 15% tax rate
115BBD	Section 115BBD providing concessional tax rate of 15% on dividend income received by an Indian Company from a specified foreign company abolished.
115BBH, 47A,	Virtual Digital Assets

56(2)(x) & 194S	New Tax Regime for Virtual Digital Assets (VDA)
115JC, 115JF	Reduction of AMT payable by Co-operative Societies from 18.5% to 15%
119	Powers to CBDT to provide relaxation from imposition of fee for late filing of ITRs u/s 234F:
139(8A)	Filing of updated Return u/s 139(8A) within 2 years from the end of AY
144B	Amendment to Faceless Assessment Scheme
148, 148A	Rationalization of provisions relating to assessment and reassessment
153(1)	Completion of assessment under Section 143/144
153B(1)	Completion of assessment in certain search or requisition cases.
154	Retroactive tax or penalty for persons allowed deduction of surcharge or cess

158AB	Litigation management system to be introduced to avoid repetitive appeals by revenue involving identical issues
170, 170A, 156A	Amendments applicable to Successor Entity In Case of Business Reorganizations
179	Change in the title of section 179 to <i>“Liability of directors of private company”</i> instead of <i>“Liability of directors of private company in liquidation”</i> :
194-IA	Rationalization of provisions of TDS on Sale of Immovable Property in light of Stamp duty value.
194R	TDS@10% on “benefit or perquisite” arising from business or exercise of profession
206AB, 206CCA	Rationalization of provisions of section 206AB and 206CCA [Higher

	TDS and TCS for non-filers of ITR] to widen tax-base
239A	Application for refund of TDS deposited on payment to non-residents to be made to Assessing Officer (Section 239A)
245MA	Amendment to enable the assessing officer to pass an order giving effect to the resolution of dispute by the Dispute Resolution Committee (DRC)
263	TPO's order is now subject to revisionary powers of revenue u/s 263
271AAB, 271AAC, 271AAD	Power is given to CIT(A) to levy penalty u/s 271AAB, 271AAC, and 271AAD
272A	Penalty u/s 272A increased from INR 100 per day to INR 500 per day
278A/ 278AA	Failure to pay TCS to be a prosecutable offence in line with non-payment of TDS

285B

Widening of scope of reporting u/s 285B to include persons engaged in Specified Activities

Disclaimer

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