



COMPLIANCE UPDATE

July 2022 | Part 1 of 2

Central Board of Direct Taxes (CBDT)

Income Tax (17th Amendment) Rules, 2022

The CBDT on June 16, 2022 added Rule 21 AIA in the Income Tax Rules, 1962. As per the amendment, a specified fund referred to in Section 10 of the Act shall maintain the following documents in respect of its unit holders:

- Name of the unit holder
- Tax Identification Number of the unit holder in the country of residence at the time the units were issued
- Permanent Account Number, if available
- Total number of units held
- Total value of units held
- Whether unit holder is a sponsor or a manager
- Previous year in which the unit holder became resident
- Date of exit from specified fund

(To view the Notification, please click [here](#))

Income Tax (18th Amendment) Rules, 2022

The CBDT on June 17, 2022 extended the validity of safe harbor provisions for Transfer Pricing (TP) issues of Rule 10TD till Assessment Year 2022-23. Safe harbors provide for circumstances in which a certain category of taxpayers can follow a simple set of rules under which the revenue authorities automatically accept transfer prices.

(To view the Notification, please click [here](#))

Income Tax (19th Amendment) Rules, 2022

The CBDT on June 21, 2022 amended the Income Tax Rules, 1962. As per the amendment, every specified person responsible for deduction of tax at source @1% on the payment of purchase consideration to a resident person, on transfer of a virtual digital asset under Section 194S, shall furnish to the Principal Director General of Income-tax (Systems) a challan-cum-statement in Form No. 26QE electronically within thirty days from the end of the month in which the deduction is made.

(To view the Notification, please click [here](#))

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- **Exemption on TDS on payment in lease rent of aircraft**

The CBDT on June 16, 2022 specified that no deduction of tax shall be made under Section 194-I of the Income Tax Act, 1961 on payment in the nature of lease rent or supplemental lease rent, as the case may be, made by a person (hereafter referred as 'lessee') to a person being a unit located in International Financial Services Center (hereinafter the 'lessor') for lease of an aircraft.

(To view the Notification, please click [here](#))

- **Virtual digital asset as Non-Fungible Token (NFT)**

The CBDT on June 30, 2022 specified a token which qualifies to be a virtual digital asset as Non-Fungible Token (NFT) under Income Tax Act, 1961, but shall not include a NFT whose transfer results in transfer of ownership of underlying tangible asset.

(To view the Notification, please click [here](#))

- **Exclusion of digital assets from definition of virtual digital asset**

The CBDT on June 30, 2022 notified certain gift cards, royalty cards and other discount cards as virtual digital assets under Income Tax Act, 1961.

(To view the Notification, please click [here](#))

Central Board of Indirect Taxes & Customs (CBIC)

- **Foreign currency exchange rates for imports and exports**

The CBIT&C on June 16, 2022 determined the rate of exchange of conversion of foreign currencies.

(To view the Notification, please click [here](#))

Ministry of Corporate Affairs (MCA)

- **National Financial Reporting Authority Amendment Rules, 2022**

The MCA on June 17, 2022 amended Rule 3 of National Financial Reporting Authority Rules, 2018. As per the amendment, whoever contravenes any of the provisions of these Rules, shall be punishable with fine not exceeding five thousand rupees, and where the contravention is a continuing one, with a further fine not exceeding five hundred rupees for every day after the first day of the period during which the contravention continues.

(To view the Notification, please click [here](#))

Securities and Exchange Board of India (SEBI)

- **Naming/tagging of demat accounts maintained by stockbrokers**

SEBI on June 20, 2022 directed all stockbrokers to tag all demat accounts maintained by them. The purpose of tagging is to reflect the purpose for which those demat accounts are being maintained and the reporting of such accounts to the Stock Exchanges/Depositories.

(To view the Circular, please click [here](#))

- **Introduction of Unified Payments Interface (UPI) mechanism for Real Estate Investment Trusts (REITs)**

SEBI on June 24, 2022 provided an additional option to individual investors to apply in public issues of units of REITs with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to INR 5 lakh.

(To view the Circular, please click [here](#))

- **Introduction of Unified Payments Interface (UPI) mechanism for Infrastructure Investment Trusts (InvITs)**

SEBI on June 24, 2022 provided an additional option to individual investors to apply in public issues of units of InvITs with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to INR 5 lakh.

(To view the Notification, please click [here](#))

- **Implementation of Circular on Guidelines in pursuance of amendment to SEBI KYC (Know Your client) Registration Agency (KRA) Regulations, 2011**

SEBI on June 24, 2022 extended the timelines for applicability of the Clause 9 and Clause 13 of the proposed amendment to SEBI KYC (Know Your Client) Registration Agency (KRA) Regulations, 2011. As per the circular:

- KYC records of all existing clients (who have used Aadhaar as an OVD) shall be validated within a period of 180 days from August 01, 2022
- The validation of all KYC records (new and existing) shall commence from August 01, 2022

(To view the Notification, please click [here](#))

Industry-wise updates

Healthcare

- **[Medical Devices \(Fourth Amendment\) Rules, 2022](#)**

Ministry of Health and Family Welfare on June 15, 2022 exempted the requirement of obtaining certificate of test to detect viruses like Transmissible Spongiform Encephalopathies (TSEs) or Bovine Spongiform Encephalopathy (BSE) during import of medical substance extracted from animals.

(To view the Notification, please click [here](#))

- **[Surrogacy \(Regulation\) Rules, 2022](#)**

Ministry of Health and Family Welfare on June 21, 2022 published the Surrogacy (Regulation) Rules, 2022 which explains how surrogacy clinics should be registered, the fee they should charge, and the requirements for people hired to work at a registered surrogacy clinic.

(To view the Notification, please click [here](#))

Utilities

- **[Electricity \(Promoting Renewable Energy Through Green Energy Open Access\) Rules, 2022](#)**

The Ministry of Power, Government of India (MOP) on June 06, 2022 notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. The Rules have introduced a uniform renewable purchase obligation on all obligated entities in area of a distribution licensee.

(To view the Notification, please click [here](#))

- **[Central Electricity Regulatory Commission \(Connectivity and General Network Access to the Inter-State Transmission System\) Regulations, 2022](#)**

The Central Electricity Regulatory Commission on June 07, 2022 notified Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022 with the objective of providing regulatory framework to facilitate non-discriminatory open access to licensees for use of inter-State transmission system.

(To view the Notification, please click [here](#))

State-wise updates

Andhra Pradesh

▪ **Andhra Pradesh Official Languages (Amendment) Act, 2022**

The Government of Andhra Pradesh vide Notification dated June 16, 2022 appointed June 16, 2022 as the date of enforcement for all the provisions of Andhra Pradesh Official Languages Act, 1966.

(To view the Notification, please click [here](#))

▪ **Amendment to the Andhra Pradesh Official Languages Act, 1966**

The Government of Andhra Pradesh vide Notification dated June 16, 2022 added a proviso to Section 2 of Andhra Pradesh Official Languages Act, 1966 to include Urdu as the second language in all the districts of Andhra Pradesh.

(To view the Notification, please click [here](#))

▪ **Amendment in Minimum Wages for Footwear and Leather Industry**

The Government of Andhra Pradesh vide Notification dated June 17, 2022 amended the previous notification dated October 07, 2021 for minimum wages in 'Footwear and Leather Industry'. The preliminary Notification dated October 07, 2021 had invited suggestions and objections for the prescribed rates of minimum wages in this industry, which is deemed as fixed minimum wage vide Notification dated June 17, 2022.

(To view the Notifications, please click [here](#) and [here](#))

▪ **New Bar Policy, 2022**

The Government of Andhra Pradesh vide Notification dated June 17, 2022 issued a New Bar Policy 2022, effective from September 01, 2022, which states that all existing bar licenses will expire on June 30, 2022. New licenses will be given to selected applicants through process of auction cum draw of lots, subject to the selected applicants submitting requisite documents and prescribed fee. The said license will be valid for a period of three (3) years.

(To view the Notification, please click [here](#))

▪ **Draft Code on Wages (Andhra Pradesh) Rules, 2022**

The Government of Andhra Pradesh vide Notification dated June 18, 2022 released the draft rules for Code on Wages (Andhra Pradesh) Rules, 2022 under Code on Wages, 2019 in supersession of:

- The Andhra Pradesh Payment of Wages Rules, 1937
- The Andhra Pradesh Payment of Wages (Unclaimed Amounts) Rules, 1949
- The Minimum Wages (Andhra Pradesh) Rules, 1953

(To view the Notification, please click [here](#))

▪ **Draft Occupational Safety, Health, and Working Conditions (Andhra Pradesh) Rules, 2022**

By Notification dated 18 June 2022, the Government of Andhra Pradesh promulgated the Occupational Safety, Health, and Working Conditions (Andhra Pradesh) Rules, 2022 under the Occupational Safety, Health, and Working Conditions Code, 2020.

(To view the Notification, please click [here](#))

▪ **Draft Industrial Relations (Andhra Pradesh) Rules, 2022**

The Government of Andhra Pradesh vide Notification dated June 18, 2022 released the Industrial Relations (Andhra Pradesh) Rules, 2022 under Industrial Relations Code, 2020 in supersession of:

- The Andhra Pradesh Trade Unions Regulations, 1927
- The Andhra Pradesh Industrial Employment (Standing Orders) Rules, 1947
- The Andhra Pradesh Industrial Disputes Rules, 1958

(To view the Notification, please click [here](#))

▪ **Extension of validity of electronic gateway APOnline**

The Government of Andhra Pradesh vide Notification dated June 20, 2022 extended the validity for guidelines on the electronic gateway provided by state of Andhra Pradesh, namely, APOnline, with the same terms and conditions upto June 30, 2022.

(To view the Notifications, please click [here](#) and [here](#))

▪ **Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Seventh Amendment Regulation, 2022**

The Government of Andhra Pradesh vide Notification dated June 21, 2022 added Clause 66 to Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 which states that the case records of disposed-of cases, except Permanent Records, shall be ordered to be destroyed after six (6) years from the final conclusion of proceedings.

(To view the Notification, please click [here](#))

▪ **Waiver of late fee for filing Form ORM GSTM44**

The Government of Andhra Pradesh vide Notification dated June 27, 2022, has waived off the late fee payable for delay in furnishing of ORM GSTM44 for the Financial Year 2021-22 from May 01, 2022 to June 30, 2022.

(To view the Notification, please click [here](#))

Bihar

▪ **Amendment to Bihar Sand Mining Policy, 2019**

The Government of Bihar vide notification dated June 17, 2022 amended Bihar Sand Mining Policy, 2019 whereby:

- Clause 6(iii) has been amended and the highest bidder is now required to pay 25% of auction money as security deposit
- Clause 7(i) has been amended to state that 'The average annual turnover of the bidder during last three financial year ending March 31 should not be less than 35% of the reserve price of reaches/sand block/ghats he bids for.'

(To view the Notification, please click [here](#))

▪ **Resolution on Bihar Start-up Policy, 2022**

The Department of Industries, Bihar, vide circular dated June 27, 2022, formulated and notified Bihar Start-up Policy, 2022 to further amend Bihar Start-up Policy, 2017. The following amendment has been made:

- In Section 5, the eligibility of start-ups in Bihar has been amended
- An entity is now considered to be a start-up if it has been incorporated within period of 10 years in Bihar, has turnover not exceeding INR 100 crore in any financial year, and is working towards innovation, development or improvement of products or services
- According to Section 7(a), all start-ups are required to submit application online along with detailed description of the idea on the online start-up portal

(To view the Circular, please click [here](#))

Chhattisgarh

▪ **Rephasing/reconfiguration of registered projects in CG-RERA**

The Real Estate Regulatory Authority, Chhattisgarh vide Circular dated June 14, 2022, has clarified the process of rephasing/reconfiguration of registered projects in CG-RERA, wherein:

- Promoters to pay sum of INR 25000 for phasing the original project into two phases along with application for rephasing of pre-registered projects
- Promoters to pay sum of INR 50000 for phasing the original project into three or more phases along with application for Rephasing of pre-registered projects
- Promoters to pay remaining registration fee after adjustment
- If rephrasing application is accepted, then promoters have to provide relevant information such as cost of the project, number of units, etc.

(To view the Circular, please click [here](#))

▪ **Change in the category of registered projects in CG-RERA**

The Real Estate Regulatory Authority, Chhattisgarh vide Circular dated June 14, 2022, has released clarification regarding the application for Change in the category of registered projects in CG-RERA whereby:

- Promoter has to pay sum of INR 15,000 along with the application for change in the category of registered project
- Promoters to pay remaining registration fee after adjustment
- Promoters has to submit all documents required for category change at once along with the application form
- For changing to Group Housing, the promoter has to provide building permit document

(To view the Circular, please click [here](#))

NCT of Delhi

▪ **Restriction on unauthorized development or construction in Development Area notified under the Delhi Development Act, 1957**

The Delhi Development Authority vide Public Notice has restricted the development of land in any area declared as a Development Area under the Delhi Development Act, 1957 without prior permission from the authority and no development shall be done in contravention of any of the plans once operationalized in such area. Further, the Public Notice clarifies that the authority shall

demolish, stop, or seal any development or construction which is in contravention of the Master Plan of Delhi and Zonal Development Plan or is being undertaken without prior permission.

(To view the Public Notice, please click [here](#))

▪ **Amendment to State Tax Notification to revise the aggregate turnover limits of Registered Persons**

The Finance Department of Delhi vide Notification dated June 09, 2022 has changed the aggregate turnover limits of Registered Persons stated previously under Notification No. 13/2021 – State Tax dated March 31, 2022. The threshold limit of aggregate turnover has been revised to INR 20 crore, which was earlier INR 50 crore. This shall be applicable from April 01, 2022.

(To view the Amendment Notification, please click [here](#) and to view the previous Notification, please click [here](#))

▪ **Amendment to Composition scheme eligible on persons manufacturing certain goods**

The Finance Department, Delhi vide Notification dated June 27, 2022 issued amendment to the previously released Notifications dated September 12, 2019, which specifies 'Persons who manufacture certain goods are eligible to opt for composition scheme' and 'Persons exempt from obtaining registration under Delhi Goods and Services Tax Act, 2017.' This has come into force on April 01, 2022. Key amendments are as follows:

- Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; fly ash blocks
- Bricks of fossil meals or similar siliceous earths
- Building bricks
- Earthen or roofing tiles

(To view the Amendment Notification, please click [here](#) and [here](#) and to view the previous Notification, please click [here](#) and [here](#))

Haryana

▪ **Exemption of certain workers from weekly holidays under Factories Act, 1948**

The Labour Department, Haryana, vide Notification dated June 23, 2022, has issued exemption to workers from the operations of provisions of Section 52(1) of Factories Act, 1948 regarding 'Weekly Holidays'. Workers who are working in the factories in the State of Haryana and are enrolled as voters in Ward No. 8 of Municipal Committee, Safidon, Jind where General Elections were held on June 24, 2022, were exempted from Weekly Holidays for the week commencing from June 26, 2022, to July 2, 2022. The said exemption was imposed with a condition that no adult worker who is enrolled as voter for General Election of Ward No. 8 of Municipal Committee, Safidon, Jind shall be required or allowed to work on June 24, 2022.

(To view the Notification, please click [here](#))

▪ **Grant of permission to employ women in night shifts in Haryana**

The Labour Department, Haryana vide Notifications dated June 07, 2022 and June 17, 2022 has permitted employing women in night shifts i.e., from 7:00 PM to 06:00 AM in factories, IT/ITES industry, banking establishments, three-star or above hotels and hundred percent export-oriented establishments with adherence to certain conditions:

- It shall be the duty of the employer or other responsible persons at the workplaces or institutions to prevent or deter the commission of acts of sexual harassment and take all steps required as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- During the night shift, not less than 1/3rd of the strength of the supervisors or shift-in-charge or other supervisory staff shall be women
- There shall be not less than twelve consecutive hours of rest or gap between the last shifts and the night shift wherever a women worker is changed from day shift to night shift and so also from night shift to day shift
- The employer shall provide transportation facility to the women workers from their residence and back (for the night shift) and security guards (including female security guard) and each transportation vehicle shall also be equipped with CCTV cameras
- Separate canteen facility shall be provided for the female employees if the number of female employees is more than 50
- The employer shall see that the women workers are employed in a batch not less than ten and the total of the women workers employed in a night shift shall not be less than 2/3rd of the total strength

(To view the Conditions for employment of women in night shifts in Factories, please click [here](#) and for conditions applicable to other Establishments, please click [here](#))

Karnataka

▪ [Nil Rate of Interest for certain electronic commerce operators](#)

The Government of Karnataka vide Notification dated June 17, 2022 notified the rate of interest to be 'Nil' for certain electronic commerce operators who were required to furnish statement in FORM GSTR-8 but failed to do so. The Notification mentions the period as well for which the interest rate is notified to be 'Nil'.

(To view the Notification, please click [here](#))

Kerala

▪ [Extension of One Time Settlement Scheme -2022 by Kerala State Electricity Board](#)

The Government of Kerala vide Notification dated June 18, 2022 extended the validity of One Time Settlement Scheme, 2022 for settling the arrears with respect to Cable TV operators by June 30, 2022. This scheme allows customers with arrears of more than two years to get benefit by lowering the interest rates for settlement.

(To view the Notification, please click [here](#))

Odisha

▪ [Rate of interest for registered e-commerce operators under Odisha Goods and Services Tax](#)

The finance Department of Odisha on June 22, 2022 notified the rate of interest per annum to be 'Nil' for registered e-commerce operators who failed to furnish FORM-GSTR-8 in December 2020 due to a technical glitch.

(To view the Notification, please click [here](#))

Punjab

▪ [Punjab Liquor License \(Third Amendment\) Rules, 2022](#)

The Government of Punjab vide Notification dated June 24, 2022 issued the Punjab Liquor License (Third Amendment) Rules, 2022 to further amend The Punjab Liquor License Rules, 1956.

These Amendment Rules have come into force on June 08, 2022, in respect of:

- E-tendering of retail licenses
- Allotment of liquor vends
- Participation fee
- Security amount
- Adjustment of earnest money deposit (EMD) or any other related matter

The Amendment Rules have come into force on July 01, 2022, in respect of all other matters.

(To view the Notification, please click [here](#))

Rajasthan

▪ [Rajasthan Minimum Wages Notification \(July 2021\)](#)

The Government of Rajasthan vide Notification dated June 28, 2022 released minimum wages for the state of Rajasthan effective from July 01, 2021.

(To view the Notification, please click [here](#))

Tamil Nadu

▪ [Notification for date of enforcement of provisions of ESI Act, 1948](#)

The Government of Tamil Nadu vide Notification dated June 24, 2022 notified that the following provisions under Employee State Insurance Act, 1948 will come into effect from July 01, 2022, for Thoothukudi district of Tamil Nadu:

- Sections 38,39,40,41,42, 43 and Sections 45A to 45H of Chapter IV
- Sections 46 to 73 of Chapter V
- Sections 74, 75, sub-Sections (2) to (4) of Section 76, 80, 82 and 83 of Chapter VI

(To view the Notification, please click [here](#))

Telangana

▪ **Covid Order: Govt of Telangana**

The Labour Department of Telangana vide Press Note dated May 19, 2022 stated the average state Industrial Worker Consumer Price Index numbers for the half year ending the December 31, 2021. This helps the calculation of Variable Dearness Allowance in the state of Telangana and shall be applicable from April 01, 2022 to September 30, 2022. The pertinent details are as follows:

- Children less than 10 years and elders above 60 years to avoid going outdoors
- People between age group of 20 to 50 years are requested to exercise due precaution while going for work/essential activities
- Mandatory use of face masks
- Maintain more than 6ft distance between people
- Workplaces to be provided with soap and hand washing facility/sanitizer
- Avoid unnecessary travel
- Seek medical care for any symptoms
- Complete vaccination of both doses

(Click [here](#) for the Order)

Uttar Pradesh

▪ **Rate of interest for registered e-commerce operators under Uttar Pradesh Goods and Service Tax, 2017**

The Government of Uttar Pradesh vide notification dated June 20, 2022 notified the rate of interest per annum to be 'Nil' for registered e-commerce operators who failed to furnish FORM GSTR-8 in December 2020 due to technical glitch.

(To view the Notification, please click [here](#))

West Bengal

▪ **Issuance of average state industrial worker Consumer Price Index numbers WBEIDC to issue permission/approvals in the online mode mandatorily through web portal of SWS-OBPAS**

West Bengal Electronics Industry Development Corporation Limited (**WBEIDC**) on June 16, 2022 notified that WBEIDC shall receive an online application for the building plan through CAF and shall issue permission or approvals in the online mode mandatorily through the web portal of SWS-OBPAS leveraging the platform e-Grihanaksha w.e.f. June 01, 2022 without any physical touchpoints for document verification, payment of fees, etc.

(To view the Notification, please click [here](#))

▪ **Issuance of average state industrial worker Consumer Price Index numbers One time processing fee seeking Environmental Clearance from SEIAA**

The Directorate of Textiles, West Bengal vide notification dated June 21, 2022 imposed one-time processing fee for the projects seeking Environmental Clearance (**EC**) from the State Environment Impact Assessment Authority (**SEIAA**).

(To view the Notification, please click [here](#))

ABOUT US

UnComplycate is an end-to-end compliance and contract management solutions provider that integrates domain experience with IT-enabled implementation, monitoring and management protocols.

With more than thirty years' experience in helping clients discharge their compliance obligations, we have developed a repository of significant knowledge and practical experience in advising and assisting businesses on their regulatory compliance, litigation management, notice and contract management and other attendant requirements. We create bespoke products for clients that include, among other things, an audit of the functions of the company, offering technology-enabled platforms that provide solutions for effective control over the compliance and contract management functions. These services are not limited by geography and can be seamlessly extended to all operating sites of the client.

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