

Newsletter - February, 2020

FEBRUARY, 2020



Dear Readers,

Volatility has been the name of the game so far this year. In January we had the assassination of General Soleimani of Iran which made it imminent that the world could enter a war-like period in the year of the next US Presidential election. Thankfully, both sides took a pragmatic approach and it did not escalate to war. In our last communication to you we had discovered the Corona Virus which had claimed 80 lives in China by then.

Today, the Corona Virus has spread to 80 countries and has claimed the lives of 3200 people and has infected over 93,000.

The fear this has caused and the impact on the economy is large and varied. In order to support the economy the US Federal Reserve did an emergency interest rate reduction by 0.5% along with rate cuts in Australia and Hong Kong and Malaysia.

A 2008 book by Author Sylvia Browne called 'End of Days' had apparently forecasted this occurrence. While she doesn't have perfect accuracy across predictions, she writes that "In around 2020, a severe pneumonia-like illness will spread throughout the globe, attacking lungs and bronchial tubes and resisting all known treatments. Almost more baffling that the illness itself will be the fact that ***it will suddenly vanish as quickly as it arrived***, attack again ten years later and then disappear completely.' Nothing is permanent and this too shall pass, here is waiting for the sudden vanishing of the virus and may God give strength to the families of those affected by this.

Regards,

Dinesh D. Ghalla

INDIRECT TAX (GST)

E-Invoicing System

In the past few months, with the intent of verification of risky taxpayers and fraudulent claims under GST, the Government has introduced various digitalized procedures and restrictive and penalising measures. With respect to digitalizing procedures the CBIC had earlier issued a notification specifying applicability of e-invoicing in a phased manner to registered persons having aggregate turnover exceeding 100 crore Rupees with effect from 1st April, 2020 for business-to-business invoices. Gradually, it is intended to make e-invoicing applicable to all registered persons in a phased step-wise manner.

To read more, [click here](#).

FEMA

OVERSEAS DIRECT INVESTMENT BY RESIDENT ENTITY

This article aims at explaining basic provisions of Overseas Direct Investment which is available to Indian entities whereby they can invest in foreign entities as per the prescribed rules and regulations under Foreign Exchange Management Act, 1999 (FEMA). It covers the key aspects such as who can invest, what is the limit on the quantum of investment, which are those instruments in which the investment can be made, what are the valuation rules, what are the funding options, what are the reporting compliances under FEMA etc.

To read more, [click here](#).

OTHERS

LIMITED LIABILITY PARTNERSHIP (LLP) SCHEME, 2020

Ministry of Corporate Affairs (MCA) announced LLP Settlement Scheme, 2020 because large number of Limited Liability Partnerships (LLPs) have defaulted in filing documents for changes in Partners, Annual Accounts and Annual Returns. MCA has decided to give a one-time relaxation from paying the additional fees and making good their default by filing such pending documents and serve as a compliant LLP in future.

To read more, [click here](#).

To view the circular, [click here](#).

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