



Announcements

GST

Enabling filing of Application for Rectification

The Central Government, on the recommendations of the 54th GST Council, had issued Notification No. 22/2024 – CT dated 08.10.2024 and notified that any registered person against whom any order confirming demand for wrong availment of ITC, on account of contravention of provisions of sub-section (4) of section 16 of the said Act had been issued, but where such ITC is now available as per the recently inserted sub-sections (5) and/or (6) of section 16 of the Act, would now be able to file an application for rectification of such demand orders.

Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Rajasthan, Tamil Nadu and Himachal Pradesh

This notice informs taxpayers about recent updates to the GST registration process, specifically for applicants in Rajasthan Tamil Nadu and Himachal Pradesh. Key points include:

- Biometric-based Aadhaar Authentication:** Applicants will now undergo biometric authentication and document verification as part of the GST registration process.
- Application Process:** After submitting the GST REG-01 form, applicants will receive either an OTP-based Aadhaar Authentication link or a link to book an appointment for biometric authentication and document verification at a GST Suvidha Kendra (GSK).
- Appointment Booking:** If the link for an appointment is received, applicants must book a visit to the GSK. This feature is currently available in Rajasthan, Tamil Nadu and Himachal Pradesh.
- Required Documents:** Applicants must bring appointment confirmation, jurisdiction details, Aadhaar and PAN cards, and the original documents submitted during the application.
- Biometric Authentication and Verification:** These processes will be completed at the GSK, and once done, an ARN (Application Reference Number) will be generated.
- Timing:** Applicants must schedule their appointment within the allowed timeframe as mentioned in the notification.

Implementation of mandatory mentioning of HSN codes in GSTR-1 & GSTR 1A

After successful implementation of Phase-I & Phase-II now Phase-III regarding Table 12 of GSTR-1 & 1A is being implemented, from return period February 2025. In this phase manual entry of HSN has been replaced by choosing correct HSN from given Drop down. Also, Table-12 has been bifurcated into two tabs namely B2B and B2C, to report these supplies separately. Further, validation regarding values of the supplies and tax amounts involved in the same, have also been introduced for both the tabs of Table-12. However in initial period these validations have been kept in warning mode only, which means failing the validation will not be a blocker for filling of GSTR-1& 1A.

Advisory on the Introduction of E-Way Bill (EWB) for Gold in Kerala State

A new option for generating E-Way Bills (EWB) for gold has been introduced in the EWB system, effective January 20, 2025. This feature is available to taxpayers in Kerala for the intrastate movement of goods classified under Chapter 71, excluding Imitation Jewellery, in line with the Kerala government's notification.

Key Points for Taxpayers:

- Scope of Coverage:**
 - The EWB can be generated for goods covered under Chapter 71, excluding HSN 7117 (Imitation Jewellery) under the "EWB for gold" option only.
 - This feature is applicable only for intrastate movement of such goods within Kerala.
- Generation of EWB for Imitation Jewellery (HSN 7117):** Taxpayers can continue to generate EWB for goods under HSN 7117 (Imitation Jewellery) using the usual option in the EWB system.

Income Tax

- Section 139(8A) of the Income Tax Act allows taxpayers to file an updated return within 24 months from the end of the relevant assessment year, even if they have already filed a return under sections 139(1), 139(4), or 139(5). However, the updated return cannot:

- Be a return of loss.
- Reduce the total tax liability from the originally filed return.
- Result in a refund or increase the refund from the originally filed return.

Additionally, a taxpayer cannot file an updated return if:

- A search or requisition under section 132/132A or a survey under section 133A has been conducted.
- A notice has been issued regarding seized assets or documents related to the taxpayer.
- They have already filed an updated return for the relevant year.
- There are pending or completed assessment proceedings for the relevant year.
- The Assessing Officer has information under specific laws such as the Smugglers and Foreign Exchange Manipulators Act, Benami Property Transactions Act, etc.
- Prosecution proceedings have been initiated for the relevant assessment year.

Furthermore, if a person has filed a loss return, they can file an updated return if it's a return of income. For losses or tax credits carried forward, updated returns may also be filed for subsequent years where adjustments are made.

Due dates

Income Tax

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| Feb 07 | • TDS/TCS Payment for January 2025. |
| Feb 15 | • Quarterly TDS certificates other than salary payments (Oct-Dec 2024) – Form 16A. |

GST

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| Feb 10 | • GSTR-7: TDS return under GST for the month of January 2025. |
| | • GSTR-8: TCS return under GST for the month of January 2025. |
| Feb 11 | • GSTR-1 (Monthly) for January 2025. |
| Feb 13 | • GSTR - 5 (N RTP) for January 2025. |
| | • GSTR-6 (Input Service Distributors) for January 2025. |
| | • IFF January 2025 for Quarterly filers. |
| Feb 20 | • GSTR-3B (Monthly) for January 2025. |
| | • GSTR - 5A (OIDAR) for January 2025. |

Payroll & Labour Law

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| Feb 15 | • Provident Fund (PF): Payment of PF for January 2025. |
| | • ESI (Employee State Insurance): Payment of ESI for January 2025. |

The Role of Blockchain in Finance

Blockchain technology is revolutionizing the financial services sector by providing enhanced security, transparency, and efficiency. As a decentralized ledger system, blockchain enables secure transactions without the need for intermediaries, fundamentally altering how financial institutions operate. This article explores the various applications of blockchain in finance, its benefits, and the challenges that accompany its implementation.

Understanding Blockchain Technology

At its core, blockchain is a distributed ledger technology (DLT) that records transactions across multiple computers in a way that ensures the integrity and security of data. Each transaction is stored in a "block," which is then linked to previous blocks, forming a "chain." This structure makes it nearly impossible to alter any information without consensus from the network participants, thus enhancing trust among users.

Key Applications of Blockchain in Finance

Cross-Border Payments: Traditional cross-border transactions are often slow and costly due to multiple intermediaries involved. Blockchain allows for direct peer-to-peer transactions, significantly reducing costs and settlement times. Networks like Ripple and Stellar facilitate these transactions by enabling real-time transfers across borders.

Smart Contracts: Smart contracts automate and enforce agreements without intermediaries. They execute predefined conditions automatically, ensuring transparency and reducing the risk of fraud. For example, in lending scenarios, smart contracts can automatically release funds when certain conditions are met.

Lending Platforms: Blockchain can streamline lending processes by enabling decentralized finance (DeFi) platforms that allow users to lend and borrow directly from one another. This reduces reliance on traditional banks and lowers costs associated with loan origination.

Asset Tokenization: Blockchain enables the tokenization of real-world assets, such as real estate or commodities. This process allows fractional ownership and increases liquidity by making it easier to buy and sell shares of these assets.

Regulatory Compliance: Blockchain enhances compliance with regulations such as Know Your Customer (KYC) and Anti-Money Laundering (AML). By creating immutable records of transactions, financial institutions can easily track and verify customer identities while maintaining privacy.

Benefits of Implementing Blockchain in Finance

Cost Reduction: By eliminating intermediaries and streamlining processes, blockchain can reduce operational costs significantly—estimates suggest savings of up to \$20 billion annually for banks through improved efficiency.

Increased Transparency: All transactions on a blockchain are visible to authorized participants, which enhances accountability and reduces fraud risks.

Faster Transactions: Blockchain technology allows for near-instantaneous transaction settlements compared to traditional banking systems that may take days.

Enhanced Security: The decentralized nature of blockchain makes it more secure against data breaches and cyberattacks compared to centralized databases.

Challenges and Considerations

Despite its potential benefits, the adoption of blockchain in finance faces several challenges:

Regulatory Uncertainty: Financial regulations surrounding blockchain technology are still evolving, creating uncertainty for institutions considering its implementation.

Integration with Legacy Systems: Many financial institutions rely on outdated systems that may not easily integrate with blockchain technology, requiring significant investment in infrastructure upgrades.

Scalability Issues: As transaction volumes increase, some blockchain networks face challenges related to scalability and speed, which could hinder widespread adoption.

Conclusion

Blockchain technology holds immense promise for transforming financial services by enhancing efficiency, security, and transparency. Its applications—from cross-border payments to smart contracts—demonstrate how it can address longstanding challenges within the industry. However, financial institutions must navigate regulatory landscapes and integration hurdles to fully realize the potential of blockchain. As the technology matures, it is likely to play an increasingly pivotal role in shaping the future of finance.