

Tax Street

A flagship publication that captures key developments in the areas of Tax and Regulatory environment

September 2026



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We are pleased to present the latest edition of Tax Street – our newsletter that covers all the key developments and updates in the realm of taxation in India and across the globe for the month of September 2026.

- The 'Focus Point' outlines International Free Trade Agreement (FTA) rules legally override strict domestic customs rules, ensuring local red tape cannot block treaty-negotiated tariff benefits.
- Under the 'From the Judiciary' section, we provide in brief, the key rulings on important cases, and our take on the same.
- Our 'Tax Talk' provides key updates on the important tax-related news from India and across the globe.
- Under 'Compliance Calendar', we list down the important due dates with regard to direct tax, transfer pricing and indirect tax in the month.

We hope you find our newsletter useful and we look forward to your feedback.

You can write to us at taxstreet@nexdigm.com. We would be happy to hear your thoughts on what more can we include in our newsletter and incorporate your feedback in our future editions.

Warm regards,
The Nexdigm Team

Focus Point

Resolving the conflict in Rules of Origin: Key takeaways from CBIC Circular No. 43/2026- Customs

At a glance

CBIC Circular No. 43/2026-Customs clarifies that FTA Rules of Origin prevail over domestic procedural requirements under CAROTAR. Key outcomes: Form-I is no longer a mandatory pre-condition for FTA benefits, origin verification is risk-based, confidential supplier data need not be furnished, and past adverse findings cannot automatically apply to future consignments.

Introduction

Preferential tariff benefits under Free Trade Agreements (FTAs) are designed to facilitate international trade by reducing customs duties on eligible imports. However, availing such benefits has increasingly been accompanied by rigorous origin verification requirements under domestic Customs law. Over time, importers have faced challenges arising from extensive documentation requirements, demands for confidential supplier information and procedural disputes under the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR).

Recognizing these practical concerns, the Central Board of Indirect Taxes and Customs (CBIC) issued a landmark directive, viz. Circular No. 43/2026-Customs dated 24 September 2026. This Circular settles a long-standing point of friction for Indian importers by clarifying the operational hierarchy between section 28DA of the Customs Act, 1962, CAROTAR and the Rules of Origin negotiated under FTAs. More importantly, it reiterates that domestic verification procedures should operate in harmony with the provisions and objectives of the relevant trade agreement.

Key Relaxations Introduced by Circular No. 43/2026-Customs

The Core Conflict: CAROTAR vs. Trade Agreements

From Procedural Compliance to Treaty-Based Administration.

While importers previously faced intense scrutiny through exhaustive requests for cost sheets, manufacturing records and CAROTAR compliance, the present Circular clarifies that domestic procedural requirements cannot override substantive FTA provisions. Moving forward, origin verifications must respect internationally agreed Rules of Origin rather than relying solely on burdensome domestic paperwork.

Form-I is no longer a gatekeeper for FTA benefits

The Circular clarifies that for the India–UK Comprehensive Economic and Trade Agreement (CETA), a valid Origin Declaration serves as the primary proof of origin.

Consequently, Form-I under CAROTAR is no longer required to be filed with the Bill of Entry and cannot be used as a pre-condition to deny preferential tariff benefits. This ensures that substantive treaty benefits are not withheld due to domestic procedural requirements.

Origin verification should be risk-based, not routine

Customs authorities may only request origin-related information (Form-I) if a Bill of Entry is flagged by the Risk Management System (RMS) and the officer suspects non-compliance. This shifts origin verification from a routine requirement to a targeted, risk-based process.

For importers, this change reduces compliance burdens and accelerates Customs clearance while maintaining revenue safeguards.

Commercially sensitive supplier information cannot be demanded from importers

The Circular practically addresses global supply chain realities by recognizing that importers often cannot access confidential data from overseas suppliers.

Key Reliefs for Importers

- **Limited information required:** Importers must only provide information that is reasonably available from the exporter or producer.
- **Protected tariff benefits:** Preferential tariff benefits cannot be denied simply because confidential costing or manufacturing data is unavailable
- **Exempted sensitive data :** Importers are no longer forced to furnish trade secrets such as detailed cost structures, manufacturing processes, value-content calculations or input sourcing data.

This practical update aligns origin checks with real business needs, cutting down on disputes caused by missing information.

Past adverse findings cannot dictate future outcomes

It is also clarified that adverse origin findings denying preferential tariff treatment cannot automatically apply to future consignments based solely on identical classifications, similar descriptions, the same exporter or similar technical traits.

Customs authorities must allow importers to present evidence and demonstrate compliance with the Rules of Origin. Where material facts differ, each import must be assessed independently on its own merits, while upholding the principles of natural justice.

Our Comments

- This Circular seeks to balance revenue protection with trade facilitation. It addresses several practical challenges encountered since the introduction of CAROTAR and provides much-needed certainty regarding the extent of documentation that may be sought from importers.
- By emphasizing the primacy of treaty provisions, limiting reliance on procedural deficiencies, and recognizing the commercial realities of international supply chains, the Circular aligns India's Customs administration framework more closely with global trade practices.
- In an era where international trade agreements play an increasingly important role in global commerce, the directives serve as an important reminder that effective Customs administration requires not only verification, but also adherence to the spirit and objectives of the underlying treaty framework.
- As international trade becomes increasingly integrated, this approach promotes greater consistency, transparency and certainty in the administration of FTA benefits.
- This is a highly positive step that gives businesses greater confidence to claim FTA benefits, ensuring that Customs administration respects the spirit of international trade agreements.

From the Judiciary

Direct Tax

Supervisory PE and Non-Discrimination under Tax Treaties

At a glance

- Toyota Tsusho (ITAT): Mere presence of expatriate employees does not create a Supervisory PE; the duration test is applied project-wise, not employee-wise.
- Royal Bank of Scotland (Calcutta HC): A foreign bank's Indian PE cannot claim the domestic company tax rate under the non-discrimination clause; differential tax rates for foreign companies are upheld. ATMs are treated as computers for depreciation.

Can the presence of expatriate employees in India, by itself, create a Supervisory Permanent Establishment (PE) under a tax treaty?

Toyota Tsusho Corporation C/O Deloitte Haskings & Sells LLP [TS-1522-ITAT-2026(DEL)]

Facts

The assessee, Toyota Tsusho Corporation, a Japanese company, provided supervision services, secondment services, offshore supplies, software usage services and technical services to various Indian entities. The AO held that the assessee had a Supervisory PE in India under Article 5(4) of the India-Japan DTAA and attributed income from FTS, offshore supplies and other receipts to such PE. The AO aggregated the stay of various Japanese expatriates across projects and concluded that the six-month threshold for Supervisory PE was met. The CIT(A) granted relief in respect of most projects but held that a Supervisory PE existed in relation to Toyota Lakozy Auto Pvt. Ltd. Both the assessee and Revenue appealed before the ITAT.

Assessee Arguments

- Article 5(4) requires fulfilment of two cumulative conditions:
 - a Supervisory activities must be carried on for more than six months.
 - b Such activities must be connected with a building site, construction, installation or assembly project.
- Mere presence of employees in India cannot create a Supervisory PE.
- Duration test must be applied project-wise and not employee-wise.
- Toyota Lakozy was merely an automobile dealer and was not engaged in any construction, installation or assembly project.
- Offshore supplies were concluded outside India, title passed outside India and consideration was received outside India; hence such profits were not taxable in India. Salary reimbursements for seconded employees were pure cost-to-cost reimbursements and did not constitute taxable FTS.

Revenue Arguments

- Expatriates of the assessee were present in India for extensive periods and performed supervisory functions.
- Multiple employee stays should be aggregated for determining the PE threshold.
- Contracts involving offshore supply and supervisory services formed integrated arrangements, and profits from offshore supplies should be attributed to the PE.
- FTS receipts and loan agreement fees were connected with the PE and taxable in India.

Held

The Delhi ITAT decided the matter in favor of the assessee and held that the assessee does not have a Supervisory PE in India.

- The six-month condition and the requirement of connection with a building site/construction/installation/assembly project are cumulative and mandatory.
- The duration test must be applied project-wise; employee-days cannot be aggregated.
- Toyota Lakozy was engaged merely in automobile dealership activities and not in any qualifying installation or construction project.
- Mere presence of employees in India does not create a Supervisory PE.
- Since no PE existed, no income attribution could be made.
- Offshore supply profits were not taxable as the contracts, transfer of title and receipt of consideration occurred outside India.
- Reimbursement of expatriate salaries on a cost-to-cost basis was not taxable as FTS.

Our Comments

The ruling reinforces that employee presence alone does not constitute a Supervisory PE and that PE thresholds must be evaluated on a project-wise basis. It provides valuable support for multinational groups using secondment and supervisory arrangements, while affirming that offshore supply profits cannot be taxed merely due to business activities in India. The decision also serves as a significant precedent under the India–Japan DTAA and similarly worded tax treaties.

Can a foreign bank operating in India through a Permanent Establishment claim the lower tax rate applicable to Indian companies by invoking the non-discrimination clause under a tax treaty?

The Royal Bank of Scotland N.V. [TS-1532-HC-2026(CAL)]

Facts

The assessee, a tax resident of the Netherlands, carried on banking operations in India through a Permanent Establishment (PE). For the relevant assessment year, the assessee claimed that its Indian PE should be taxed at the same rate as a domestic company under the non-discrimination provision of the India–Netherlands DTAA. The assessee also claimed deduction of interest paid by the Indian branch to its Head Office and overseas branches while computing taxable profits. The Revenue denied the benefit of the domestic company tax rate and disallowed the interest deduction.

The matter ultimately reached the Calcutta High Court.

Assessee Arguments

- The non-discrimination clause under the India–Netherlands DTAA requires that an Indian PE of a Dutch enterprise should not be subjected to taxation less favourable than that imposed on Indian enterprises carrying on similar activities.
- Consequently, the PE should be taxed at the rate applicable to domestic companies.
- Interest paid by the PE to the Head Office and overseas branches should be allowable as a deduction while computing business profits under the DTAA.
- If the interest payment is not treated as deductible because it is a payment to self, then the corresponding interest received from the Head Office should also not be taxed.
- ATMs should be treated as computers and therefore qualify for a higher rate of depreciation.

Revenue Arguments

- The assessee remained a foreign company and could not be equated with a domestic company merely because it operated through an Indian PE.
- Domestic companies and foreign companies are not similarly situated for tax purposes.
- Explanation 1 to Section 90 specifically clarifies that a higher rate of tax applicable to foreign companies does not amount to discrimination.
- Interest paid by the PE to the Head Office attracted withholding tax provisions and, in the absence of TDS compliance, was liable for disallowance.
- Interest received from the Head Office and overseas branches was taxable in the hands of the PE.

Held

- The High Court held that the assessee was not entitled to the tax rate applicable to domestic companies.
- A foreign company and a domestic company are not in the same circumstances because a domestic company is taxable on its global income, whereas a foreign company is generally taxable only on income accruing or arising in India.
- The differential tax rate prescribed for foreign companies does not violate the non-discrimination clause of the DTAA.
- The Court upheld the disallowance of interest paid to the Head Office due to non-compliance with withholding tax requirements.
- Interest received from the Head Office and overseas branches was held to be taxable.
- The Court accepted the assessee's claim that ATMs are computers and therefore eligible for higher depreciation.
- Accordingly, relief was granted only on the depreciation issue.

Our Comments

The ruling affirms that the non-discrimination article cannot be invoked to claim tax rates reserved for domestic companies and reinforces the validity of differential tax treatment for foreign companies under Indian law. It also clarifies that treaty benefits do not override withholding tax obligations and that a foreign company's status remains unchanged despite operating through an Indian PE. Additionally, the decision upholds the favorable position that ATMs qualify as computers for depreciation purposes.

Quotes & Coverage

Paying Rs 6,000 by UPI? Here's what happens if you split it into three Rs 2,000 payments

[The Financial Express](#) | Prabhat Ranjan

Friday 25 Sep 2026

<https://tinyurl.com/yazechxj>

UPI vs Debit vs Credit Cards: Will UPI payments with MDR charges still be the cheapest?

[The Financial Express](#) | Prabhat Ranjan

Wednesday 23 Sep 2026

<https://tinyurl.com/3n9de35u>

6 Crore Traders Disappointed': Trade Body Urges Nirmala Sitharaman To Roll Back UPI Charges

[NDTV](#) | Prabhat Ranjan

Wednesday 23 Sep 2026

<https://tinyurl.com/45mpxcyt>

The UAE's Second TP Filing Season: Navigating New Clarifications and Compliance Expectations

[Taxsutra](#) | Nishit Parikh

Wednesday 23 Sep 2026

<https://tinyurl.com/yeyf42wv>

Transfer pricing at the crossroads: disruption, data, and the decade ahead

[ITR](#) | Maulik Doshi

Monday 21 Sep 2026

<https://tinyurl.com/5ctk3jp3>

UPI MDR from October 15: Who pays GST and who gets an exemption?

[The Financial Express](#) | Prabhat Ranjan

Friday 18 Sep 2026

<https://tinyurl.com/34cy4ed7>

NPS risk labels: Will PFRDA's new framework help subscribers make better choices

[The Economic Times](#) | Sneha Pai

Monday 14 Sep 2026

<https://tinyurl.com/6srpe8c7>



Indirect Tax

Corporate Guarantees under GST and SEZ ITC Refunds

At a glance

- **Torrent Power (Gujarat HC):** Corporate guarantees by a holding company to its subsidiary are taxable under GST; Rule 28(2) is valid but “whichever is higher” is read down; no retrospective levy before 26 October 2023; section 74 proceedings quashed.
- **McKinsey (Madras HC):** SEZ units are entitled to refund of unutilized ITC under section 54 r/w rule 89; refund is not restricted only to suppliers to SEZ units.

Torrent Power (Corporate Guarantees under GST)

Torrent Power Ltd. & Ors. v. Union of India & Ors.
[(2026) 45 Centax 217 (Guj.) / 2026 (112) GSTL 82 (Guj.)]

Facts

The petitioners provided corporate guarantees to banks/ financial institutions on behalf of their subsidiaries without charging any consideration. The GST department treated such guarantees as supplies between related persons under Schedule I of the CGST Act. Rule 28(2), inserted w.e.f. 26 October 2023, prescribed a deemed value of 1% of the guaranteed amount per annum or actual consideration, whichever is higher. The petitioners challenged the GST levy, the validity of Rule 28(2), related CBIC circulars, and the proceedings initiated under section 74 before the Gujarat High Court.

Ruling

Corporate guarantee is a taxable supply

The Gujarat High Court held that a corporate guarantee provided by a holding company for its subsidiary constitutes a supply of service under GST, even when provided without consideration. The holding company and subsidiary are related persons, and the subsidiary is the ultimate beneficiary and recipient of the guarantee. Therefore, the transaction falls within Section 7(1)(c) read with Schedule I of the CGST Act.

Issue

Whether:

- A corporate guarantee issued by a holding company to its subsidiary without consideration constitutes a taxable supply under GST;
- Rule 28(2) prescribing a deemed valuation mechanism for corporate guarantees, is valid;
- GST can be levied retrospectively for periods prior to 26 October 2023; and
- Proceedings under section 74 can be invoked in such cases.

Corporate guarantee is in the course of business

The Court rejected the petitioners’ argument that furnishing a corporate guarantee is merely a shareholder activity. It held that facilitating financing for a subsidiary is incidental and ancillary to the business interests of the holding company and therefore qualifies as a business activity under Section 2(17) of the CGST Act.

Corporate guarantee is not an ‘actionable claim’

The Court held that a corporate guarantee creates only a contingent and secondary liability and cannot be equated with an actionable claim. Accordingly, it would not fall within the Schedule III exclusion from GST.

Validity of Rule 28(2)

The Court upheld the constitutional validity of Rule 28(2) and Section 15(4). It held that the Government had the power to prescribe a special valuation mechanism for corporate guarantees based on GST Council recommendations. However, the Court found the expression “whichever is higher” in Rule 28(2) to be arbitrary and violative of Articles 14 and 19(1)(g) of the Constitution because it compelled taxpayers to adopt 1% valuation even where actual consideration was lower. Accordingly, the expression was read down.

No retrospective levy prior to 26 October 2023

The Court held that applying Rule 28(2) to corporate guarantees for periods prior to its introduction would be harsh, unfair and unconstitutional. Therefore, GST based on the deemed 1% valuation cannot be levied for periods prior to 26 October 2023. However, GST may apply prospectively for periods after that date if the guarantee continues.

Section 74 proceedings unsustainable

The Court observed that the dispute involved interpretation of a complex legal issue and that the facts were already known to the department. Mere non-disclosure or a different interpretation of law could not amount to fraud, wilful misstatement or suppression of facts. Accordingly, the show cause notices and orders issued under Section 74 were quashed by the Court.

Our Comments

This ruling marks a significant departure from the Bombay High Court's decision in **D P Jain & Co. Infrastructure (P.) Ltd. v. Union of India [(2026) 42 Centax 208 (Bom.) = 2026 (110) G.S.T.L. 40 (Bombay)]**, which held that corporate guarantees provided without consideration are not taxable under GST. In contrast, the Gujarat High Court has held that such guarantees are taxable as supplies between related persons under Schedule I. The ruling strikes a balanced approach. While it confirms that corporate guarantees are subject to GST, it strips the tax department of its most aggressive tools. By stopping retrospective taxation and removing the rigid 'whichever is higher' valuation rule, the Court ensured a fair outcome. The government can collect its tax, but it cannot ignore economic reality and fair play. Given the conflicting views of two High Courts on the fundamental issue of taxability, the GST treatment of corporate guarantees remains unsettled and is likely to require final resolution by the Supreme Court. Until then, both rulings will continue to play a key role in 'corporate guarantee' litigation under the GST law.

McKinsey (SEZ ITC Refund)

M/s. McKinsey Global Services India Pvt. Ltd. (now known as McKinsey Global Capabilities and Services Pvt. Ltd.) v. Joint Commissioner (Appeals-II) & Anr. [2026 (9) TMI 1656 – Madras High Court]

Issue

Whether an SEZ unit is entitled to claim refund of unutilized input tax credit (ITC) under the GST refund framework.

Facts

The petitioner, an SEZ unit, had filed a refund claim of INR 86.7 million (approx.) towards accumulated ITC. However, the application was rejected by the department on the ground that only suppliers to SEZ units are eligible to claim refund. The petitioner challenged the rejection before the Madras High Court, relying on earlier judicial precedents recognizing the refund entitlement of SEZ units.

Ruling

The Madras High Court held that:

- 1 An SEZ unit is entitled to claim refund of unutilized ITC under section 54 of the CGST Act r/w rule 89 of the CGST Rules.
- 2 Refund entitlement is not restricted only to suppliers making supplies to SEZ units.
- 3 The issue was already settled by earlier decisions, including in *Platinum Holdings Private Limited v. Additional Commissioner of GST & Central Excise* [2021 (47) GSTL 30 (Mad.)], wherein the Court had observed that rule 89(1) does not envisage any such restriction and applies to any entity. The Court had reiterated the settled position that there can be no insertion of a word or phrase in a statutory provision or in a rule which must be read and applied, as framed.
- 4 Accordingly, the impugned rejection orders were set aside, and the writ petition was allowed.

Our Comments

This ruling is a significant relief for SEZ units as it reaffirms that they are independently entitled to claim refund of unutilized ITC under the GST framework, and such entitlement cannot be denied on the ground that only suppliers to SEZ units can seek refund. The judgment strengthens the principle of zero-rating applicable to SEZ operations and discourages denial of substantive tax benefits based on procedural interpretations. It is expected to provide greater certainty to SEZ taxpayers and support refund claims in similar ongoing disputes. By confirming that SEZ units can directly claim refunds on unused ITC, the Court has stopped a problematic tax department practice. Ultimately, it gives businesses a strong legal tool to free up blocked corporate cash flow.

Transfer Pricing

ITAT: TPO exceeded jurisdiction u/s 92CA by determining PE existence and consequent taxability of profits

Ingram Micro (India) Exports Pvt. Ltd.
[TS-727-ITAT-2026(Mum)-TP]

The assessee is a Singapore-incorporated company and a wholly owned subsidiary of Ingram Micro India Private Limited ("IMIPL"), an Indian company engaged in the distribution of IT products of leading technology vendors. The assessee commenced its operations in September 2001 with the objective of expanding the Ingram Micro group's customer base in India, Bangladesh and Sri Lanka. It also catered to certain Indian customers who preferred to procure products from overseas to avail the benefit of customs duty exemption schemes.

Assessee submitted that its management and day-to-day business operations were conducted from Singapore. However, it procured certain sales processing, marketing and bookkeeping related support services from IMIPL. The remuneration for such services was stated to have been received by IMIPL in the form of rebate incentives paid by third-party vendors on sales made in India by the assessee.

For the year under consideration, assessee did not file the return of income and Form 3CEB, claiming that its business income was not taxable in India considering it did not have a PE in India, and that the profits arising from its Indian operations were not liable to tax in India under Article 7 of the said DTAA.

The Ld. AO treated IMIPL as the assessee's Permanent Establishment (PE) in India and proposed an addition of 100% of the rebate incentives received by IMIPL from vendors for services rendered by it. The DRP upheld the proposed addition; however, on appeal, the Tribunal, vide its order dated 7 February 2013, set aside the assessment and remanded the matter to the Ld. AO for fresh adjudication in accordance with its directions.

During the remand proceedings, the AO referred the matter to the Transfer Pricing Officer ("TPO") under section 92CA of the Income Tax Act. The TPO proceeded to determine that the assessee had a PE in India and attributed profits to such PE. The Dispute Resolution Panel ("DRP") upheld the findings of the TPO and attributed 95% of the relevant profits to the Indian PE.

Aggrieved, the assessee challenged, inter alia, the jurisdiction of the TPO to adjudicate upon the existence of PE and the consequential profit attribution.

The Hon'ble Tribunal held that the jurisdiction of the TPO under section 92CA is restricted to determination of the arm's length price ("ALP") of an identified international transaction. The determination of existence of a PE and the consequent taxability and attribution of profits under the relevant tax treaty are separate issues and do not fall within the jurisdiction of the TPO.

The ITAT further observed that a general reference to the TPO, without identifying a specific international transaction for which ALP was required to be determined, cannot confer jurisdiction upon the TPO to adjudicate issues relating to PE. Accordingly, the TPO had exceeded its jurisdiction by determining the existence of PE and attributing profits thereto. Since the AO had also not independently adjudicated the PE issue as directed by the earlier order of the ITAT, the consequential adjustment could not be sustained.

Our Comments

The ruling reinforces the limited and transaction-specific jurisdiction of the TPO under section 92CA. Taxpayers should carefully examine the scope of the reference made to the TPO and ensure that issues relating to PE, treaty applicability and profit attribution are appropriately distinguished from ALP determination. Further, where a matter has been specifically remanded to the AO, the same should be independently adjudicated by the AO rather than being transferred to the TPO under the guise of transfer pricing proceedings.

Alerts

Cabinet Decision No. 149 of 2026: Key Amendments to UAE VAT Executive Regulation

Thursday 17 Sep 2026

<https://tinyurl.com/57xve77w>

CBIC instruction on mining-related GST enforcement and July 2026 GST revenue collections

Monday 14 Sep 2026

<https://tinyurl.com/2u8kywnz>



ITAT: Earlier APA and acceptance of comparables relevant where FAR remains consistent; turnover filter cannot be applied mechanically

Utimaco Technologies Private Limited
[ITA No.: 1805/Mum/2026]

Utimaco Technologies Private Limited is engaged in distribution of livescreen/software solutions in the Indian sub-continent and is part of the Celltick group.

During AY 2022-23, the assessee entered into international transactions with its Associated Enterprises ("AEs") and benchmarked the same using the Transactional Net Margin Method ("TNMM"). The assessee maintained contemporaneous transfer pricing documentation and selected comparable companies based on its functional analysis.

During the transfer pricing proceedings, the TPO rejected the assessee's benchmarking analysis, applied a turnover filter, rejected seven companies selected by the assessee and introduced ten new comparables. The TPO determined the ALP margin at 18.08% as against the assessee's operating margin of 10.23%, resulting in a transfer pricing adjustment of INR 32 million. The DRP had upheld the adjustment.

Before the Hon'ble ITAT, the assessee relied upon an Advance Pricing Agreement ("APA") entered into with the CBDT for earlier assessment years and contended that there was no material change in its Functions, Assets and Risks ("FAR") profile. The assessee also submitted that certain comparables had been accepted by the Revenue in the immediately preceding year.

The Hon'ble Tribunal observed that although an APA is not mechanically binding for years falling outside its coverage period, the methodology and FAR analysis adopted therein remain relevant and persuasive where the taxpayer demonstrates continuity in its business and FAR profile. The Tribunal further held that where comparables have been accepted in an earlier year and there is no material change in the FAR profile, a departure by the Revenue should be supported by cogent reasons.

The ITAT also considered the application of the turnover filter and held that exclusion of companies solely on the basis of turnover, without demonstrating its material impact on profitability or comparability, was not justified. Accordingly, certain companies accepted in the preceding year were directed to be retained, subject to satisfaction of other comparability criteria.

Our Comments

The ruling underscores the importance of maintaining a consistent FAR profile and benchmarking methodology across assessment years. Although an APA does not automatically apply to years outside its agreed term, the FAR analysis and transfer pricing approach accepted under the APA can serve as persuasive evidence, particularly where there has been no material change in the underlying facts or business circumstances.

The decision also reiterates that while taxpayers may draw support from the acceptance of comparable companies in prior years, such acceptance cannot substitute the statutory comparability analysis required under transfer pricing regulations. Additionally, the ruling emphasizes that turnover-based filters should not be applied as a matter of routine; rather, taxpayers and tax authorities must demonstrate the economic rationale and relevance of such filters in establishing comparability.



Direct Tax

CBDT eases TDS compliance for property purchases from non-residents

At a glance

From 1 October 2026, resident individuals and HUFs buying immovable property from non-residents can deposit and report TDS using their PAN (no TAN required) via Form 141, including a new Schedule E for property and transaction details. The TDS deduction and deposit obligation remains unchanged.

(Notification No. 121/2026, dated 22 September 2026)

The Income Tax (Fifth Amendment) Rules, 2026, notified vide Notification No. 121/2026, simplify the TDS compliance framework for resident individuals and HUFs purchasing immovable property from non-residents. With effect from 1 October 2026, such buyers can deposit and report TDS using their PAN and are no longer required to obtain a TAN for the transaction.

The notification amends Rules 215, 218 and 219 (corresponding broadly to the erstwhile Rules 30, 31A and 31 of the Income Tax Rules, 1962 relating to payment of TDS, filing of TDS statements and issuance of TDS certificates, respectively) and introduces a revised reporting mechanism through Form 141 (corresponding to the erstwhile Form 27Q read with Rule 31A of the Income Tax Rules, 1962), including a new Schedule E for capturing details of the property transaction, parties involved and TDS deducted. The revised framework also accommodates transactions involving multiple buyers, sellers and instalment-based payments.

While the compliance process has been simplified, the obligation to deduct and deposit TDS at the applicable rates remains unchanged. The amendment is expected to reduce the compliance burden and facilitate smoother execution of property transactions involving non-resident sellers.

Indirect Tax

Customs & Foreign Trade Updates

At a glance

- Customs: SCMTR phased rollout; EMI Scheme documentation rationalized; NAC portal launched; Textiles PLI identifiers; CAROTAR vs. trade agreements clarified; EPR for plastic packaging streamlined.
- Foreign Trade: RCMC exemption for low-value exports; Open API for Certificates of Origin.
- Global: Dominican Republic and Malaysia e-invoicing changes; Taiwan VAT treatment of crypto/stablecoins; Chile annual filing for digital content platforms; Uzbekistan digital services/e-commerce tax rules; Belgium VAT alignment with ViDA

Customs updates

CBIC operationalizes Sea Cargo Manifest and Transshipment Regulations, 2018 in a phased manner from 1 September 2026

Circular No. 38/2026-Customs dated 1 September 2026

CBIC has operationalized the Sea Cargo Manifest and Transshipment Regulations 2018 (SCMTR) across ports in a phased manner w.e.f. 1 September 2026. The new Regulations, which replace the erstwhile Import Manifest (Vessels) Regulations, 1971 and Export Manifest (Vessels) Regulations, 1976, require stakeholders to file prescribed electronic messages (arrival and departure manifests) through the Customs Automated System for smooth functioning and clearance of cargo.

To ensure a smooth transition, field formations have been directed to facilitate implementation, address system-related issues and conduct trade outreach activities. Further, no penal action will be initiated during the implementation phase, thereby providing the shipping lines, custodians, terminal operators, customs brokers and SEZ units an additional time to align their systems and processes with the SCMTR framework.

CBIC rationalizes documentation requirements under Eligible Manufacturer Importer (EMI) Scheme

Circular No. 39/2026-Customs dated 3 September 2026

CBIC has simplified the Eligible Manufacturer Importer (EMI) Scheme with the objective of reducing compliance requirements and enhancing access to the deferred customs duty payment facility under section 47(1) of the Customs Act, 1962. The revised framework significantly streamlines the application process by reducing the number of data fields and limiting mandatory document uploads to only three, viz., UDYAM certificate (where MSME status is claimed), a Chartered Accountant's Certificate bearing UDIN, and an authorisation letter.

Several documents previously required, including IEC, PAN, GST registration certificates, GST returns, audited financial statements and premises-related documents, have been dispensed with, while verification of GST registration status, turnover and tax payment history will now be undertaken through backend IT systems.

Effective from 15 September 2026, the changes are expected to lower compliance costs, improve ease of doing business and encourage greater participation in the EMI Scheme.

Launch of National Assessment Centre (NAC) portal for effective dissemination of Customs information

Circular No. 41/2026-Customs dated 3 September 2026

CBIC has launched the National Assessment Centre (NAC) portal as a centralized platform to promote uniformity, transparency and consistency in Customs assessments. The portal provides a comprehensive repository of NAC decisions, CAAR rulings, legal precedents, advisories, audit observations and guidance relating to classification, valuation and other assessment matters. It also offers access to NAC meeting minutes, policy issues, alerts, circulars and trade facilitation information, supported by a keyword-based search facility. The initiative is expected to improve access to assessment-related knowledge, reduce interpretational disputes and enhance certainty and consistency for importers, customs brokers and Customs field formations.

Export declarations to have additional qualifiers/ identifiers for Textiles PLI Scheme w.e.f. 1 November 2026

Circular No. 42/2026-Customs dated 24 September 2026

CBIC has mandated the declaration of additional qualifiers / identifiers in export documents for specified textile products falling under certain tariff items of Chapters 52, 55 and 60, effective 1 November 2026. The initiative is aimed at enabling clear identification of Flame Retardant (FR) and Non-Flame Retardant textile products for effective implementation of the PLI Scheme for Textiles.

Accordingly, exporters will be required to declare the prescribed identifiers in Shipping Bills, namely FR001 (Flame Retardant Fabric) and FR009 (Other than Flame Retardant Fabric), in the Customs Automated System. The measure is expected to improve product traceability and facilitate accurate administration of PLI benefits for the textile sector.

CBIC clarifies application of section 28DA and CAROTAR under trade agreements

Circular No. 43/2026-Customs dated 24 September 2026

CBIC has clarified that where Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR) provisions conflict with the Rules of Origin under a Trade Agreement, the provisions of the relevant Trade Agreement shall prevail. For imports under the India-UK CETA, a valid Origin Declaration issued by the UK exporter or producer will be sufficient to claim preferential tariff benefits, without the need to submit Form-I. The Circular also restricts origin verification to risk-based cases and provides that FTA benefits cannot be denied solely due to the importer's inability to furnish confidential exporter information.

Clarification on EPR registration for import of plastic packaging materials

Instruction No.15/2026-Customs dated 9 September 2026

CBIC has streamlined customs clearance for imports of plastic packaging, plastic raw materials and goods packed in plastic packaging by directing Customs authorities to accept and verify Extended Producer Responsibility (EPR) registrations obtained through the CPCB's Common EPR Portal. It has also clarified that EPR certificates issued with a one-year validity are to be treated as one-time registrations and accepted as valid proof of compliance without renewal, in line with amendments to the Plastic Waste Management Rules.

Foreign Trade Policy**DGFT exempts RCMC requirement for low-value export consignments**

Notification No. 36/2026-27 dated 15 September 2026

DGFT has provided a de minimis exemption from the requirement of obtaining Registration-Cum- Membership Certificate (RCMC) for export consignments with an FOB value not exceeding INR 3 lakhs.

The exemption aims to promote small-value exports, particularly those undertaken through postal, courier, and other emerging export channels, by reducing compliance requirements. Accordingly, exporters undertaking eligible low-value shipments can now export without obtaining an RCMC or Certificate of Registration from the relevant Export Promotion Council or Commodity Board.

However, the RCMC requirement will continue to apply to export consignments with FOB value exceeding INR 3 lakhs, wherever mandated under the Foreign Trade Policy, 2023.

DGFT introduces Open API integration for Certificates of Origin

Trade Notice No. 25/2026-27 dated 7 September 2026

DGFT has launched an Open API facility on the Trade Connect e-Platform to facilitate the electronic issuance of Certificates of Origin (CoO), covering both preferential and non-preferential certificates. This facility enables exporters to integrate their ERP, accounting, and other business systems with DGFT's CoO platform, thereby automating data exchange and reducing manual intervention in the application process.

Accordingly, exporters can obtain API credentials, configure digital signing mechanisms, and complete system integration through the API Management section of the CoO portal.

The initiative is aimed at promoting digitalization, operational efficiency, and ease of doing business by streamlining the CoO application and certification process.

Tax Talk

Global Developments

Indirect Tax

Dominican Republic mandates e-invoicing from 1 November 2026

Excerpts from various sources

The Dominican Republic's General Directorate of Internal Revenue has mandated large local taxpayers and medium-sized taxpayers to issue invoices exclusively using Type 'E' electronic fiscal voucher (e-CFs) sequences w.e.f. 1 November 2026. The existing Type 'B' non-electronic fiscal vouchers will remain valid only up to 31 October 2026 and may thereafter be used solely in officially declared contingency situations.

On the other hand, small, micro and unclassified taxpayers are required to transition to the e-invoicing regime by 15 November 2026.

Non-compliance with the mandatory e-invoicing requirements may attract penalties under Law No. 32-23 on Electronic Invoicing.

Malaysia increases threshold for mandatory e-invoicing to RM3 million

Excerpts from various sources

Malaysia has increased the mandatory e-invoicing threshold from RM1 million to RM3 million, effective 1 September 2026. Resultantly, businesses with annual revenue or sales below RM3 million, including many MSMEs, are no longer required to implement e-invoicing.

The revised threshold is expected to benefit over 1.1 million businesses by lowering compliance costs, implementation efforts and administrative requirements.

The measure allows eligible businesses to continue issuing invoices in non-electronic format, thus supporting a smoother and more gradual transition to Malaysia's e-invoicing regime.

Sale of Cryptocurrencies and Stablecoins outside VAT ambit, rules Taiwan's MoF

Excerpts from various sources

Taiwan's Ministry of Finance (MoF) has ruled that sales of virtual assets that are used for payment or investment purposes, including cryptocurrencies and stablecoins, would not be subject to business tax (VAT), under the Virtual Asset Service Act.

On the other hand, service fees and commissions collected by virtual asset service providers for exchange and related services would be subjected to VAT.

NFTs are excluded from the definition of 'virtual assets' under the Virtual Asset Service Act and therefore, their sale and use in exchanges for goods or services would continue to be subject to business tax under existing rules.

Chile introduces annual filing for Domestic Digital Content platforms

Excerpts from various sources

Chilean Tax Administration, viz. Internal Revenue Service (SII) has introduced a new annual reporting obligation for domestic digital platforms acting as intermediaries between users / subscribers and digital content creators and content-providing companies.

Such platforms must file Sworn Statement Form No. 1965 disclosing the income, remuneration and other monetary consideration received or accrued by domestic digital content creators and content-providing companies.

Beginning in tax year 2027 covering income earned during 2026, the statement must be filed by 29 March every year. The measure aims to enhance tax transparency, with penalties applicable for non-filing, delayed filing or inaccurate reporting.

Uzbekistan expands tax rules for digital services and e-commerce

Excerpts from various sources

Uzbekistan has enacted Law No. ZRU-1173 expanding the tax obligations for non-resident providers of electronic services and e-commerce operators.

Accordingly, goods sold through electronic trading platforms will be deemed to have been supplied in Uzbekistan where both the purchaser and delivery location are in Uzbekistan. Resultantly, non-resident businesses must submit registration or deregistration applications within 30 days of commencing or terminating the relevant activity and must file tax reports electronically.

The law also introduces additional compliance obligations for digital platforms, order aggregators and streaming service providers, while designating certain intermediaries as tax agents.

Belgium aligns VAT rules on temporary EU goods movement with ViDA implementation in July 2028

Excerpts from various sources

Belgium has retained the broader VAT “non-transfer” treatment for temporary movement of own goods between Belgium and EU Member States for use in providing services until 30 July 2028, aligning the change with ViDA’s Single VAT Registration Reforms.

Transfer Pricing

Pillar Two Developments in the Netherlands and UAE

At a glance

- Netherlands: 2027 Tax Plan proposes new Pillar Two safe harbours (including a permanent simplified ETR safe harbour), extends Transitional CbCR Safe Harbour and allows early adoption from FYs beginning on/after 31 December 2025.
- UAE: FTA issues Pillar Two guidance on QDMTT scope, entity classification and registration requirements, helping MNE groups assess in-scope status and compliance obligations.

Netherlands Proposes New Pillar Two Safe Harbours under 2027 Tax Plan

The Netherlands has proposed significant amendments to its domestic Pillar Two legislation as part of the 2027 Tax Plan, aligning its rules with the OECD Inclusive Framework's January 2026 Side-by-Side Package.

The proposed measures introduce four new Pillar Two safe harbours, extend the Transitional Country-by-Country Reporting (CbCR) Safe Harbour, and amend the treatment of certain 52- and 53-week accounting periods.

Notably, several of these provisions are intended to apply retrospectively to fiscal years beginning in late 2025 or 2026, demonstrating the Dutch government's commitment to facilitating Pillar Two implementation while reducing compliance burdens for multinational enterprise (MNE) groups.

A key aspect of the proposal is the introduction of a **permanent Simplified Effective Tax Rate (ETR) Safe Harbor**, under which no top-up tax would arise in a tested jurisdiction where the simplified ETR equals or exceeds 15%, or where the jurisdiction incurs a simplified loss. The framework also provides specific rules for permanent establishments, joint ventures, and joint venture subsidiaries, offering streamlined compliance for complex multinational group structures.

The proposed legislation further introduces detailed rules relating to income and tax adjustments, deferred taxes, transfer pricing adjustments, asset transfers, cross-border allocations, and other special entity scenarios. To ensure the integrity of the regime, taxpayers applying the safe harbor would be expected to adhere to key principles such as matching income and taxes, full allocation, and the avoidance of duplicate recognition of expenses, losses, or taxes, thereby promoting consistent and reliable application of the simplified Pillar Two rules.

Another important aspect of the proposal is the extension of the Transitional CbCR Safe Harbour, providing continued administrative relief for qualifying groups during the transition to the full Pillar Two regime. While the OECD framework generally contemplates the new safe harbours applying to fiscal years beginning on or after 31 December 2026, the Netherlands intends to permit early adoption from fiscal years beginning on or after 31 December 2025. Certain provisions implementing the OECD Side-by-Side Package are also proposed to apply retroactively to reporting years commencing on or after 1 January 2026.

Our Comments

The proposed amendments represent a significant step in the Netherlands' ongoing implementation of Pillar Two and are expected to provide meaningful compliance simplifications and greater certainty for in-scope MNE groups.

Businesses with Dutch operations should assess their eligibility for the new safe harbours, evaluate the impact on their Pillar Two calculations and reporting obligations, and closely monitor the legislative process leading up to the expected enactment of the 2027 Tax Plan.

UAE Issues Pillar Two Guidance on Scope and Registration Requirements

Excerpts from various sources

The UAE Federal Tax Authority (FTA) has issued comprehensive guidance on the scope and registration requirements under the UAE's Qualified Domestic Minimum Top-up Tax (QDMTT) regime, providing much-needed clarity for multinational enterprise (MNE) groups that may be subject to the OECD Pillar Two rules. The guidance focuses on determining whether a group falls within the scope of the UAE minimum tax legislation and outlines the registration obligations for affected entities.

A key aspect of the guidance is the clarification of the conditions under which a group will be considered in scope of the UAE QDMTT regime. The guidance explains the application of the consolidation and deemed consolidation tests, the consolidated revenue threshold requirement, and the treatment of sovereign wealth fund structures. These explanations are accompanied by practical examples to assist taxpayers in assessing whether the Pillar Two rules apply to their group structure.

The guidance also provides detailed clarification on the different categories of entities that may be subject to the QDMTT rules. This includes explanations of fundamental Pillar Two concepts such as constituent entities, permanent establishments (PEs), minority-owned constituent entities, joint ventures and their subsidiaries, flow-through entities, and hybrid entities. These clarifications are intended to help businesses correctly identify the entities that must be included within their Pillar Two compliance framework.

In addition, the guidance sets out the registration requirements and procedures applicable to different types of entities within the scope of the UAE Pillar Two regime. The FTA has outlined the process for registering for QDMTT purposes and provides specific guidance on the obligations that taxpayers must satisfy to ensure timely compliance with the new rules.

Our Comments

The release of the guidance marks an important step in the UAE's implementation of the OECD Pillar Two framework. By clarifying scope determination, entity classification rules, and registration procedures, the guidance provides greater certainty for in-scope MNE groups and helps businesses prepare for their Pillar Two compliance and reporting obligations in the UAE. Groups with UAE operations should assess their position under the clarified rules and ensure that appropriate registration and compliance processes are in place.

Compliance Calendar

This Compliance Calendar summarizes key direct tax due dates for October-November 2026 relating to TDS/TCS, audit reports, statements, forms and returns of income under the Income-tax Act, 1961 and Income Tax Act, 2025

At a glance

- 7 October 2026 – TDS/TCS deposit and related statements for September 2026.
- 21 October 2026 – Extended due date for many audit reports, forms and certificates originally due 30 September 2026.
- 31 October 2026 / 21 November 2026 – Return of income and associated reports/forms for AY 2026–27, with extensions for specified assesses.

7 October 2026

- Due date for deposit of tax deducted/collected for the month of September 2026. However, all sums deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of challan.
- Due date for deposit of TDS for the period July 2026 to September 2026 when the Assessing Officer has permitted quarterly deposit of TDS under section 392(1) or 393(1) [Table Sl. Nos. (1)(i) and (ii), and 5(ii) and (iii)] of the Income Tax Act, 2025.
- Due date for furnishing Form No. 137 (Income Tax Rules, 2026) by an office of the Government where TDS/TCS for the month of September 2026 has been paid without the production of a challan.
- Uploading of declarations received in Form No. 127 (Income Tax Rules, 2026) from the buyer in the month of September 2026)
- Upload the declarations received from recipients in Form No. 121 (Income Tax Rules, 2026) during the quarter ending September 2026.

- Direct Tax
- Indirect Tax

The following state-wise categories are used to determine the due dates for filing GST returns under the CGST/SGST framework

At a glance

For GST return due-date purposes, states and Union territories are divided into two categories.

10 October 2026

- GSTR-7 for the month of September 2026 to be filed by persons liable to Tax Deduction at Source (TDS).
- GSTR-8 for the month of September 2026 to be filed by E-Commerce Operators liable to Tax Collection at Source (TCS).

11 October 2026

- GSTR-1 for the month of September 2026 to be filed by all registered taxpayers not under QRMP scheme.

13 October 2026

- GSTR-6 for the month of September 2026 to be filed by Input Service Distributors (ISDs).
- GSTR-5 for the month of September 2026 to be filed by Non-Resident Foreign Taxpayers.
- Uploading B2B invoices using Invoice Furnishing Facility (IFF) under QRMP scheme for the month of September 2026 by taxpayers with aggregate turnover of up to INR 50 million.

Compliance Calendar

- Direct Tax
- Indirect Tax

15 October 2026

- Issue of certificate in Form No. 132 (Income Tax Rules, 2026) under section 395(4) of the Income Tax Act 2025 for tax deducted at source under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income Tax Act 2025 in the month of August, 2026.
- Furnishing of statement in Form No. 92 (Income Tax Rules, 2026) by the specified fund or stock broker in respect of a non-resident referred to in rule 157 for the quarter ending 30 September 2026.
- Furnishing of quarterly statement in Form No. 148 (Income Tax Rules, 2026) to be furnished by a unit of IFSC, as referred to section 147(1) (b) of the Income Tax Act, 2025, in respect of remittances made for the quarter ending 30 September 2026.
- Furnishing of quarterly statement in Form No. 147 (Income Tax Rules, 2026) to be furnished by an authorized dealer in respect of remittances made for the quarter ending 30 September 2026.
- Statement in Form No. 1 (Income Tax Rules, 2026) by the stock exchange for the month of September 2026, in respect of transactions in which client codes have been modified after registering in the system.

21 October 2026

- Due date for filing of audit report under section 44AB (Income Tax Act, 1961) for the assessment year 2026-27 in the case of a corporate assessee or non-corporate assessee (who is required to submit his/its return of income on 31 October 2026)
- Furnishing of the audit report in Form No. 10-IL (Income Tax Rules, 1962) by the specified fund, being the investment division of an offshore banking unit, for the purpose of exemption under section 10(4D) (Income Tax Act, 1961) (if assessee is required to submit return of income on or before 31 October 2026)
- Furnishing report under section 115JC (Income Tax Act, 1961) in Form No. 29C (Income-tax Rules, 1962) for computing Adjusted Total Income and Alternate Minimum Tax of the person other than company during the previous year 2025-26 (if the assessee is required to submit return of income on 31 October 2026)

18 October 2026

- CMP-08 for the quarter of July 2026 to September 2026 to be filed by taxpayers under the composition scheme.

20 October 2026

- GSTR-5A for the month of September 2026 to be filed by non-resident Online Database Access and Retrieval (OIDAR) service providers.
- GSTR-3B for the month of September 2026 to be filed by all registered taxpayers not under QRMP scheme.

21 October 2026

- Furnishing of Audit Report in Form No. 66 (Income Tax Rules, 1962) by tonnage tax company under clause (ii) of section 115VW (Income Tax Act, 1961) for the previous year 2025-26 (if the company is required to submit return of income on 31 October 2026)
- Furnishing of statement in Form No. 3AF (Income Tax Rules, 1962) containing the particulars of expenditures specified under Section 35D(2)(a) (Income Tax Act, 1961) (if the assessee is required to submit the return of income on or before October 31, 2026)
- Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No. 3AE (Income Tax Rules, 1962) under section 35D(4) (Income Tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on 31 October 2026)
- Furnishing audit report in Form No. 3AD (Income Tax Rules, 1962) by assessee claiming deduction under section 33ABA (Income Tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on 31 October 2026)
- Furnishing audit report in Form No. 3AC (Income Tax Rules, 1962) by assessee claiming deduction under section 33AB (Income Tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on 31 October 2026)
- Furnishing of Audit report in Form No. 10B/10BB (Income Tax Rules, 1962) by a fund or trust or institution or any university or other educational institution or any hospital or other medical institution.

Compliance Calendar

- Direct Tax
- Indirect Tax

21 October 2026

- Furnishing of Audit Report in Form No. 10CCB (IncomeTax Rules, 1962) by assessee claiming deduction under section 80-I, 80-IA, 80-IB or section 80-IC (Income Tax Act, 1961) (if the assessee is required to submit the return of income on or before 31 October 2026)
- Furnishing report in Form No. 10DA (Income Tax Rules, 1962) certifying the claim for additional employee cost under section 80JJAA (Income Tax Act, 1961) during the previous year 2025-26 (if the assessee is required to submit return of income on or before 31 October 2026)
- Furnishing of the report in Form No. 3CEA (IncomeTax Rules, 1962) relating to computation of capital gains in case of slump sale taxable under section 50B (Income-tax Act, 1961) (if the assessee is required to submit return of income on October 31, 2026)
- Furnishing report under section 115JB (Income Tax Act, 1961) in Form No. 29B (Income-tax Rules, 1962) for computing the book profits of the company during the previous year 2025-26 (if the assessee is required to submit return of income on 31 October 2026)
- Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No. 3AE (Income Tax Rules, 1962) under section 35E(6) (IncomeTax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on 31 October 2026)
- Furnishing of audit report in Form no. 3CE (Income Tax Rules, 1962) under section 44DA (Income T ax Act, 1961) by a non-resident and foreign company for the previous year 2025-26 (if the assessee is required to submit return of income on 31 October 2026)
- Furnishing of certificate in Form No. 10-IJ (Income Tax Rules, 1962) issued by a Chartered Accountant certifying the annual statement of exempt income of the specified fund, being a category-III AIF, under section 10(23FF) (Income Tax Act, 1961) (if the assessee is required to submit the return of income on or before 31 October 2026)
- Furnishing of Audit report in Form No. 10B/10BB (Income Tax Rules, 1962) by a fund or trust or institution or any university or other educational institution or any hospital or other medical institution.

Note: The due date for filing of certificate has been extended from 30 September 2026 to 21 October 2026, vide Circular No. 07/2026 dated 28 September 2026.

22 October 2026

- GSTR-3B for the quarter of July 2026 to September 2026 to be filed by taxpayers under QRMP scheme and having principal place of business in Category 1 States.

24 October 2026

- GSTR-3B for the quarter of July 2026 to September 2026 to be filed by taxpayers under QRMP scheme and having principal place of business in Category 2 States.
- Payment of tax through GST PMT-06 by taxpayers under QRMP scheme for the month of September 2026.

25 October 2026

- Form GST ITC-04 for the half-year ended September 2026 by principal manufacturers with aggregate turnover exceeding INR 50 million, reporting the movement of inputs, semi-finished goods and capital goods sent to or received from job workers.

30 October 2026

- Furnishing of challan-cum-statement in Form No. 141 (Income Tax Rules, 2026) in respect of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-Tax Act, 2025 for the month of September 2026.

31 October 2026

- Intimation in Form II by Sovereign Wealth Fund in respect of investment made in India for quarter ending September 2026.
- Intimation in Form No. 175 (Income Tax Rules, 2026) by a pension fund in respect of each investment made in India for quarter ending September 2026.
- Audit report under section 44AB (Income Tax Act, 1961) for the assessment year 2026-27 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E (Income Tax Act, 1961).

Compliance Calendar

- Direct Tax
- Indirect Tax

31 October 2026

- Filing of quarterly statement of tax deposited in Form No. 142 (Income Tax Rules, 2026) in relation to transfer of virtual digital asset under section 393(1) [Table: S. No. 8(vi)] of the Income Tax Act, 2025 to be furnished by an Exchange for the quarter ending 30 September 2026.
- Filing of quarterly statement of collection of tax at source under section 397(3)(b) of the Income Tax Act, 2025 in Form No.143 (Income Tax Rules, 2026) for the quarter ending 30 September 2026.
- Filing of quarterly statement of TDS in Form No. 144 (Income Tax Rules, 2026) in respect of payments other than salary made to non-residents for quarter ending 30 September 2026.
- Intimation by a designated constituent entity, resident in India, of an international group in Form No. 3CEAB (Income Tax Rules, 1962) for the accounting year 2025-26.
- Furnishing of Statement in Form No. 98 (Income Tax Rules, 2026) to the concerned Director/Joint Director (Intelligence and Criminal Investigation) containing declaration received in Form No. 97 (Income Tax Rules, 2026) during 1 April 2026 to 30 September 2026.
- Furnishing report in Form No.10DA (Income Tax Rules, 1962) certifying the claim for additional employee cost under Section 80JJAA (Income Tax Act, 1961) during the previous year 2025-26 (if the assessee is required to submit return of income on 30 November 2026)
- Furnishing of audit report in Form No.3CE (Income Tax Rules, 1962) under Section 44DA (Income Tax Act, 1961) by a non-resident and foreign company for the previous year 2025-26 (if the assessee is required to submit return of income on 30 November 2026)
- Furnishing report under Section 115JB (Income Tax Act, 1961) in Form No.29B (Income-Tax Rules, 1962) for computing the book profits of the company during the previous year 2025-26 (if the assessee is required to submit return of income on 30 November 2026)
- Filing of quarterly statement of tax deposited in Form No. 142 (Income Tax Rules, 2026) in relation to transfer of virtual digital asset under section 393(1) [Table: S. No. 8(vi)] of the Income Tax Act, 2025 to be furnished by an Exchange for the quarter ending 30 September 2026.

- Furnishing of audit report in Form No.10-IL (Income Tax Rules, 1962) by the specified fund, being the investment division of an offshore banking unit, for the purpose of exemption under Section 10(4D) (Income Tax Act, 1961) (if assessee is required to submit return of income by 30 November 2026)
- Furnishing of Audit Report in Form No.66 (Income Tax Rules, 1962) by tonnage tax company under clause (ii) of Section 115VW (Income Tax Act, 1961) for the previous year 2025-26 (if the company is required to submit return of income on 30 November 2026).
- Filing of quarterly statement in Form No. 138 (Income-tax Rules, 2026) by employers responsible for TDS from salaries paid to employees under section 392 or by specified bank in respect of income paid to specified senior citizen under section 393(1) [Table: Sl. No. 8(iii)] of the Income Tax Act, 2025 for the quarter ending 30 September 2026.

10 November 2026

- GSTR-7 for the month of October 2026 to be filed by persons liable to TDS.
- GSTR-8 for the month of October 2026 to be filed by E-Commerce Operators liable to TCS.

11 November 2026

- GSTR-1 for the month of October 2026 to be filed by all registered taxpayers not under QRMP scheme.

13 November 2026

- GSTR-6 for the month of October 2026 to be filed by ISDs.
- GSTR-5 for the month of October 2026 to be filed by Non-Resident Foreign Taxpayers.
- Uploading B2B invoices using IFF under QRMP scheme for the month of October 2026 by taxpayers with aggregate turnover of up to INR 50 million.

20 November 2026

- GSTR-5A for the month of October 2026 to be filed by non-resident OIDAR service providers.
- GSTR-3B for the month of October 2026 to be filed by all registered taxpayers not under QRMP scheme.

Compliance Calendar

- Direct Tax
- Indirect Tax

31 October 2026

- Filing of quarterly statement in Form No. 140 (Income Tax Rules, 2026) by deductors responsible for deduction of tax at source on non-salary payments such as commission, brokerage, professional fees, rent, etc. made to residents for the quarter ending 30 September 2026.
- Submission of a report from a Chartered Accountant in Form No. 3CEJA (Income Tax Rules, 1962) for the previous year 2025-26 for the purpose of section 9A (Income Tax Act, 1961) regarding fulfilment of certain conditions by an eligible investment fund.
- Furnishing of certificate in Form No.10-IJ (Income Tax Rules, 1962) issued by a Chartered Accountant certifying the annual statement of exempt income of the specified fund, being a category-III AIF, under Section 10(23FF) (Income Tax Act, 1961) (if the assessee is required to submit the return of income on or before 30 November 2026)
- Filing intimation in Form No.3CEAC (Income Tax Rules, 1962) by a constituent entity resident in India (whose parent entity is not resident in India), notifying the prescribed authority of the details of the parent entity/ alternate reporting entity for Country -by-Country Reporting purposes. (assuming reporting accounting year is 1 January 2025, to 31 December 2025)
- Furnishing audit report in Form No.3AC (Income Tax Rules, 1962) by assessee claiming deduction under Section 33AB (Income Tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on 30 November 2026)
- Furnishing audit report in Form No.3AD (Income Tax Rules, 1962) by assessee claiming deduction under Section 33ABA (Income-tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on 30 November 2026)
- Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No.3AE (Income Tax Rules, 1962) under Section 35D(4) (Income Tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on or before 30 November 2026)
- Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No.3AE (Income Tax Rules, 1962) under Section 35E(6) (Income Tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on or before 30 November 2026)
- Furnishing of statement in Form No.3AF (Income Tax Rules, 1962) containing the particulars of expenditures specified under Section 35D(2)(a) (Income Tax Act, 1961) (if the assessee is required to submit the return of income on or before 30 November 2026)
- Furnishing of the report in Form No.3CEA (Income Tax Rules, 1962) relating to computation of capital gains in case of slump sale taxable under Section 50B (Income Tax Act, 1961) (if the assessee is required to submit return of income on or before 30 November 2026)
- Furnishing of Audit Report in Form No.10CCB (Income Tax Rules, 1962) by assessee claiming deduction under Section 80-I , Section 80-IA , Section 80-IB or section Section 80-IC (Income Tax Act, 1961) (if the assessee is required to submit the return of income on or before 30 November 2026)
- Filing of quarterly statement of tax deposited in Form No. 142 (Income Tax Rules, 2026) in relation to transfer of virtual digital asset under section 393(1) [Table: S. No. 8(vi)] of the Income Tax Act, 2025 to be furnished by an Exchange for the quarter ending 30 September 2026.
- Furnishing of Form No. 10BBD (Income Tax Rules, 1962) reporting details of funds received from eligible persons, directly or through an Alternative Investment Fund, during the Previous Year 2025-26 (if the assessee is required to submit return of income on or before 31 October 2026)
- Furnishing of audit report in Form No. 10BC (Income-tax Rules, 1962) along with particulars forming part of its Annexure by electoral trust.
- Furnishing of an annual statement of income exempt under section 10(4D) (Income-tax Act, 1961) in Form 10-IG (Income Tax Rules, 1962) (if assessee is required to submit return of income on or before 31 October 2026)

Compliance Calendar

- Direct Tax
- Indirect Tax

31 October 2026

- Due date for furnishing the return of income for the assessment year 2026–27 by the following assesseees:
 - A company to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply.
 - An assessee whose accounts are required to be audited, to whom the provisions of section 92E of the Income-tax Act, 1961 do not apply.
 - A partner of a firm whose accounts are required to be audited, or the spouse of such partner (where section 5A of the Income-tax Act, 1961 applies), to whom the provisions of section 92E of the Income-tax Act, 1961 do not apply.

Note: The due date for furnishing of return of income for Assessment Year 2026-27 has been extended from 31 October 2026 to 21 November 2026, vide Circular No. 07/2026 dated 28 September 2026.

- Report to be furnished under section 92E (Income Tax Act, 1961) in Form No. 3CEB (Income Tax Rules, 1962) in respect of international transactions and specified domestic transaction.
- Furnishing of Form No.3CT (Income Tax Rules, 1962) by the transferor of shares or interests in a company or an entity that derives its value substantially from assets located in India, duly certified by an accountant for apportionment of income attributable to assets located in India (if the assessee is required to submit the return of income on or before 31 October 2026)
- Furnishing of the certificate in Form No.62 (Income Tax Rules, 1962) by the amalgamated company, confirming achievement of the prescribed production level and its continuation in subsequent years. (if the company is required to submit return of income on or before 31 October 2026)
- Furnishing of certificate of foreign inward remittance in Form No.10H (Income-tax Rules, 1962) by a resident individual being an author/patentee claiming deduction under Section 80QCB/Section 80RRB (Income Tax Act, 1961) in respect of income earned from any source outside India (if the assessee is required to submit the return of income on or before 31 October 2026)

- Furnishing of statement in Form No.10-EE (Income Tax Rules, 1962) for exercising the option to claim relief under Section 89A (Income Tax Act, 1961) for income arising from retirement benefit account maintained in a notified country at the time of withdrawal or redemption (if the assessee is required to submit the return of income on or before 31 October 2026)
- Furnishing of an annual statement of income taxable at concessional rate under section 115AD (Income Tax Act, 1961) in Form 10-IH (Income Tax Rules, 1962) (if assessee is required to submit return of income on or before 31 October 2026)
- Furnishing of annual statement in Form No. 10-II (Income Tax Rules, 1962) in respect of exempt income under Section 10(23FF) (Income Tax Act, 1961) by specified fund, being a category-III AIF (if assessee is required to submit return of income on or before 31 October 2026)
- Furnishing of Form No. 5C (Income Tax Rules, 1962) containing details of attribution of capital gain taxable under Section 45(4) (Income Tax Act, 1961) to the capital asset remaining with the firm, AOP, or BOI after reconstitution (if the firm, AOP, or BOI is required to furnish return of income on or before 31 October 2026)
- Furnishing of audited accounts in Form No.3CLA (Income Tax Rules, 1962) to the Secretary, Department of Scientific and Industrial Research, in case the company is eligible for deduction under Section 35(2AB) (Income Tax Act, 1961) (if the assessee is required to submit return of income on or before 31 October 2026) September 2026)
- Furnishing of a certificate, by the Notified Pension Fund, issued by a Chartered Accountant in Form No.10BBC (Income-tax Rules, 1962) in respect of compliance with the provisions of Section 10(23FE) (Income Tax Act, 1961)
- Furnishing of the certificate in Form No. 10-IA (Income Tax Rules, 1962) from the medical authority certifying 'person with disability', 'severe disability', 'autism', 'cerebral palsy' or 'multiple disability' for the purposes of Section 80DD and Section 80U (Income-tax Act, 1961). (If the assessee is required to furnish the return of income on or before 31 October 2026)

Compliance Calendar

- Direct Tax
- Indirect Tax

31 October 2026

- Furnishing of declaration in Form No.10BA (Income Tax Rules, 1962) by an assessee claiming deduction under Section 80GG (Income Tax Act, 1961) in respect of the rent paid for residential accommodation (If the assessee is required to furnish the return of income on or before 31 October 2026)
- Furnishing of declaration in Form No.10BA (Income Tax Rules, 1962) by an assessee claiming deduction under Section 80GG (Income Tax Act, 1961) in respect of the rent paid for residential accommodation (If the assessee is required to furnish the return of income on or before 31 October 2026)
- Furnishing of report in Form No.10CCF (Income Tax Rules, 1962) certifying that the amount of deduction under Section 80LA (Income Tax Act, 1961) has been correctly claimed during the previous year 2025-26 (if the assessee is required to submit return of income on or before 31 October 2026)
- Furnishing of certificate Form No.10CCE (Income-tax Rules, 1962) by a resident individual being a patentee claiming deduction under Section 80RRB (Income Tax Act, 1961) in respect of royalty income on patents (if the assessee is required to submit return of income on or before 31 October 2026)
- Furnishing of statement in Form No. 3CFA (Income-tax Rules, 1962) for exercising the option to pay tax at a concessional rate under Section 115BBF (Income Tax Act, 1961) for income in the nature of royalty arising from patent developed and registered in India (if the assessee is required to submit return of income by 31 October 2026)

- Furnishing of an annual statement of exempt income under Section 10(4D) (Income Tax Act, 1961) and income taxable under Section 115AD (Income Tax Act, 1961) in Form No.10-IK (Income Tax Rules, 1962) (if assessee is required to submit return of income by 31 October 2026)
- Statement by scientific research association, company university, college or other association or Indian scientific research company as required by Rules 5D, 5E and 5F of the Income Tax Rules, 1962 (if due date of submission of return of income is 31 October 2026)
- Furnishing of certificate in Form No.10CCD (Income-tax Rules, 1962) by a resident individual being an author (including a joint author) claiming deduction under Section 80QQB (Income Tax Act, 1961) in respect of royalty income (if the assessee is required to submit return of income on or before 31 October 2026)

Note: The due date for furnishing of Form has been extended from 31 October 2026 to 21 November 2026, vide Circular No. 07/2026 dated 28 September 2026.

7 November 2026

- Uploading of declarations received in Form No. 127 (Income Tax Rules, 2026) from the buyer in the month of October 2026.
- Due date for deposit of Tax deducted/collected for the month of October 2026. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of challan.

Category 1 states (for GST return due dates) - Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.

Category 2 states (for GST return due dates) - Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi

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We provide integrated, digitally-driven solutions encompassing Business and Professional Services across industries, helping companies address challenges at all stages of their business lifecycle. Through our direct operations in the USA, Poland, the UAE, and India, we serve a diverse range of client base, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries. By combining strategic insight with hands-on execution, we help businesses not only develop and optimize strategies but also implement them effectively. Our collaborative approach ensures that we work alongside our clients as partners, translating plans into tangible outcomes that drive growth and efficiency.

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