

Tax Street

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

October 2025



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Tax Street

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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 October 2025.

- The '[Focus Point](#)' elaborates upon the Draft ECB framework recently released by the Reserve Bank of India.
- 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

Draft ECB Framework

The Reserve Bank of India (RBI) first introduced the External Commercial Borrowings (ECB) framework in the year 2000 under the Foreign Exchange Management Act (FEMA). This framework provided the initial regulatory structure governing borrowings by Indian entities from non-resident lenders in foreign currency.

Between 2000 and 2015, the RBI issued a series of Master Circulars on ECB, which consolidated and clarified the periodic guidelines relating to eligible borrowers, recognized lenders, permitted end-uses, and the Minimum Average Maturity Period (MAMP). These circulars served as a comprehensive reference for stakeholders and ensured consistency in implementation across sectors.

In 2018, the RBI overhauled the existing structure by introducing the **Foreign Exchange Management (Borrowing**

and Lending) Regulations, 2018, which replaced the earlier regulations from 2000. This new regulation simplified the ECB regime by combining various tracks of borrowing and aligning it with evolving international practices.

In 2022, the RBI again liberalized the ECB framework by increasing the automatic route borrowing limit from USD 750 million to USD 1.5 billion. It also temporarily relaxed the all-in-cost ceiling and introduced greater flexibility for borrowers, marking a significant step toward a more liberalized and market-aligned external borrowing regime.

The RBI issued a Draft Framework on ECB for Foreign Trade inviting public comments, **vide Press Release No. 2025-2026/1235 dated 3 October 2025**. The key comparisons between the draft regulations and the existing regulations are summarized below:

Particulars	Existing ECB Framework	Proposed ECB Framework	Observation
Eligible Borrowers	All entities are eligible to receive FDI. Further following entities are also eligible to raise ECB: - • Port Trust • Units in SEZ • SIDBI • EXIM bank of India	A PRI (Other than Individual) incorporated, registered, and permitted under a Central Act or State Act. An eligible borrower may also raise under a Corporate Insolvency resolution process if specifically permitted under the resolution plan. An eligible borrower may raise ECB even if any investigation, adjudication, or appeal by law enforcement agencies under the Act is pending, without prejudice to its outcome.	The scope for raising ECBs has now been expanded, for instance, even partnership firms are now eligible to raise ECBs. However, this remains subject to further clarification from the RBI. Earlier, eligibility for raising ECBs was linked to FDI norms, meaning only entities eligible to receive FDI were permitted to raise ECBs.

Particulars	Existing ECB Framework	Proposed ECB Framework	Observation
Recognized Lenders	The lender must be a resident of an FATF or IOSCO-compliant country, including in cases of ECB transfer. Additionally, - Multilateral and regional financial institutions where India is a member are recognized lenders. - Individuals are permitted only if they are foreign equity holders or subscribing to bonds/debentures listed abroad; and - Foreign branches of Indian banks are recognized lenders only for FCY ECBs (excluding FCCBs/FCEBs), though they may act as arrangers, underwriters, or traders for rupee-denominated bonds issued overseas, except for issuances by Indian banks.	An eligible borrower may raise ECB from: - - A person resident outside India. - A branch outside India or in the IFSC of an entity whose lending business is regulated by the Reserve Bank.	The concept of a recognized lender under the proposed ECB framework has been made more liberal.
Minimum Average Maturity Period (MAMP)	The MAMP for ECBs ranges from 1 to 10 years, depending on the utilization.	Generally, the MAMP for ECBs is 3 years; however, for the manufacturing sector, it can range between 1 to 3 years, provided the outstanding ECB does not exceed USD 50 million.	The compliance burden related to MAMP has been reduced compared to the existing ECB framework. However, the provisions regarding the date of transition have not been clearly defined.
Limits	The limit for raising ECBs under the automatic route is USD 1.5 billion or its equivalent. Further, for FCY-denominated ECBs raised from a direct foreign equity holder, the ECB liability-to-equity ratio under the automatic route must not exceed 7:1. However, this ratio is not applicable where the outstanding ECB amount is up to USD 5 million.	ECB limit is higher of: - - Outstanding ECB upto USD 1 Billion. - Total Outstanding borrowing (external and domestic) up to 300 % of net worth as per; latest audited financial statements.	Under the proposed ECB framework, the borrowing limit is now clubbed with domestic borrowings and linked to the company's net worth.

Particulars	Existing ECB Framework	Proposed ECB Framework	Observation
Cost of Borrowings	For FCY related ECB is benchmark rate plus 500 bps spread. For INR related ECB is Benchmark rate plus 450 bps spread.	The cost of borrowing should be in line with market condition subject to the satisfaction of AD category I Bank. Further ECB from related party shall be carried out on arm's length basis.	The ceiling on the cost of borrowing has been replaced with the discretion vested in the AD Category I bank. Furthermore, under the new framework, ECBs raised from related parties must adhere to the arm's length principle.

From the Judiciary

Direct Tax

Whether capital gains arising from the sale of shares between two foreign entities be taxed in India when the underlying assets are located in India, or do the provisions of the India–Singapore DTAA grant exclusive taxing rights to the country of the seller's residence?

eBay Singapore Services Private Limited [TS-1343-ITAT-2025(Mum)]

Facts

eBay Singapore Services Pte. Ltd., a company incorporated in Singapore, sold its shares of Flipkart Singapore to another Singapore company, FIT Holdings. The sale resulted in short-term capital gains amounting to around INR 222.57 billion. eBay claimed that the gains were not taxable in India under Article 13(5) of the India–Singapore Double Taxation Avoidance Agreement (DTAA).

It produced a Tax Residency Certificate (TRC) from the Singapore authorities evidencing that it was a tax resident of Singapore.

The Income tax authority argued:

- That eBay Singapore's real management and control was in the U.S., not in Singapore, so it should not get DTAA benefits.
- The sale indirectly involved Indian assets (Flipkart India), so the gain should be taxable in India under Section 9(1)(i) read with Explanation 5 of the Income Tax Act, which taxes indirect transfers of Indian assets.

The Revenue also relied on the Supreme Court's preliminary observations in the Tiger Global case¹ involving Flipkart shares, to support its claim.

Held

The ITAT (Mumbai) ruled in favour of eBay Singapore.

The Tribunal held that

- eBay Singapore was eligible for DTAA benefits since it had a valid Singapore TRC.
- Under Article 13(5) of the India–Singapore DTAA, the right to tax capital gains on shares rests only with the country of the seller's residence – i.e., Singapore, not India.
- The sale was between two Singapore companies, and therefore, India had no taxing rights under the treaty.
- Although India's domestic law (Section 9) may deem indirect transfers taxable, treaty provisions prevail if they are more beneficial to the taxpayer (as per Section 90(2) of the Income Tax Act).
- The India–Singapore DTAA does not include a "look-through" clause (unlike treaties with Mauritius or Cyprus), meaning India cannot tax gains from shares of a foreign company even if that company indirectly owns Indian assets.
- The reference to the Tiger Global case was not relevant here, as there was no evidence of a layered or artificial transaction by eBay Singapore.

Our Comments

This ruling highlights the importance of treaty eligibility and genuine tax residency (supported by a valid TRC) in claiming DTAA benefits, as well as the primacy of treaty provisions over domestic law in cases of indirect transfer taxation.

¹ AAR v. Tiger Global International II Holdings [2025] 170 taxmann.com 706 (SC)

Whether the provisions of the Multilateral Instrument (MLI) can automatically modify or override the India–Ireland DTAA without a separate country-specific notification under Section 90(1) of the Income-tax Act, and consequently, whether the lease income earned by Irish aircraft lessors like Kosi Aviation Leasing Ltd. from Indian airlines becomes taxable in India or gives rise to a Permanent Establishment (PE)?

Kosi Aviation Leasing Ltd [TS-1296-ITAT-2025(DEL)]

Facts

Kosi Aviation Leasing Ltd., an Irish tax-resident company incorporated in 2017, was engaged in leasing commercial aircraft to Indian airlines. For Assessment Year 2022–23, the company had leased an aircraft to Inter Globe Aviation Ltd. (IndiGo) under an Aircraft Specific Lease Agreement. The assessee claimed that the lease was an operating lease, meaning the income was taxable only in Ireland under Article 8 of the India–Ireland DTAA. The Assessing Officer disagreed, treating the lease as a financial lease and reclassifying the lease rental as interest income taxable in India under Article 11. The Revenue also argued that the MLI modified the India–Ireland DTAA and invoked the Principal Purpose Test (PPT) to deny treaty benefits. Additionally, it was alleged that the leased aircraft constituted a PE of the assessee in India.

Held

The Delhi ITAT ruled comprehensively in favor of the assessee on all major issues. First, regarding the nature of the lease, the Tribunal held it to be an operating lease based on the absence of any transfer of ownership, purchase option, or use of the aircraft for its entire economic life. The aircraft was to be returned to the lessor after the lease term, retaining significant residual value. Relying on its earlier decisions in *Celestial Aviation Trading 15 Ltd.* and *InterGlobe Aviation Ltd.*, the ITAT confirmed that such leases qualify as operating leases and, therefore, the income falls under Article 8 of the DTAA, exempt from Indian taxation.

On the issue of MLI, the Tribunal, relying on the Mumbai ITAT ruling in *Sky High Leasing*, clarified that a single omnibus notification issued under Section 90(1) of the Income-tax Act does not automatically legislate or implement amendments in existing DTAA's. The ITAT reiterated that a specific country-wise notification is mandatory under Section 90(1) wherever the MLI modifies or alters the provisions of a bilateral tax treaty. In the absence of such a notification for Ireland, the MLI lacks legal binding force and cannot be invoked to deny DTAA benefits.

Finally, on the PE issue, the ITAT held that the mere presence of an aircraft in India did not constitute a fixed place PE, as the lessee did not have disposal or control over the lessor's place of business. Thus, the aircraft could not be considered a PE of the assessee. Concluding that all income arose from international operations covered under Article 8, the ITAT directed that the lease rentals were not taxable in India, thereby allowing the appeals in favor of Kosi Aviation Leasing Ltd. and other similarly placed Irish lessors.

Our Comments

This Delhi ITAT ruling reinforces that the MLI cannot automatically amend or override existing DTAA's without a specific country-wise notification under Section 90(1) of the Income-tax Act, rendering it unenforceable otherwise. The judgment upholds the supremacy of bilateral treaty procedures and protects genuine cross-border leasing arrangements. It further clarifies that lease income from operating leases remains exempt under the India–Ireland DTAA and does not create a PE in India.

Indirect Tax

Whether increasing the grammage/quantity of the product or offering free schemes instead of reducing the MRP to pass on benefit of GST rate reduction, could be considered as 'profiteering'?

Sharma Trading Company vs. Union of India [(2025) 35 Centax 59(Del.)]

Facts

- The National Anti-Profiteering Authority (NAPA) had found that the petitioner, a distributor of Hindustan Unilever Ltd. (HUL), had not passed on the benefit of GST rate reduction from 28% to 18% (w.e.f. 15 November 2017) to the consumers on the product Vaseline VTM 400 ML.
- While the product MRP continued to remain the same, the base price was increased thereby amounting to profiteering by the petitioner.
- Accordingly, the petitioner was directed to deposit the profited amount in the Consumer Welfare Fund, and a penalty was imposed under Section 122 of the CGST Act r/w Rule 133 of the CGST Rules.
- Challenging the said finding, the petitioner approached the Delhi HC. It argued that the grammage/quantity of the subject product was increased by 100 ml after the change in GST rate, while also offering Dove soap bar as a free product.
- In addition to the above, the petitioner challenged the provisions of Section 171 and Rule 126 as being unconstitutional, violating Articles 14 and 19 of the Constitution.
- It further observed, "A deadline, once fixed by way of notifications, cannot be sought to be violated merely on the ground that some special scheme is being launched or the product is being sought to be given with some other product or the grammage or the quantity of the product is being increased."
- The Court opined that all schemes in operation ought to have been recalibrated with the reduction in GST rates. There may be some transitional problems, however, the purpose of the reduction in GST rates cannot be defeated.
- The Court pressed upon the legislative intent and rationale behind anti-profiteering measures, which is to safeguard consumers' interests and guarantee that businesses would transfer the benefits of lower tax rates and input tax credits to the final consumers.
- As regards the penalty, it noted the Revenue's submission that all penalty proceedings had been withdrawn by the NAA and therefore, this issue was infructuous.

Ruling

- The HC rejected the challenge to the constitutional validity of the provisions by following its earlier decision in Reckitt Benckiser India (P) Ltd. vs. UOI [2024 (82) G.S.T.L. 344].
- As regards the question of whether the petitioner had passed on the benefit to the consumers, HC observed, "While commercial realities have to be taken into consideration in such matters, the benefits extended to the consumer are also of utmost importance. The purpose of reduction in GST is to make products and services more cost effective for the consumers. The said purpose would be defeated if the price is kept the same and some unknown quantity is increased in the product, even without the consumer requesting for the increased quantity product."

Our Comments

Section 171 of the CGST Act continues to withstand the Constitutional challenge. The anti-profiteering framework has judicial endorsement as a consumer welfare mechanism.

The judgement emphasizes that any GST rate reduction must reflect in the price or invoice value of the product. Schemes, offers, or quantity/grammage enhancements cannot substitute for actual price reduction.

Given the above, dealers/distributors must re-align their software, pricing, and billing immediately upon a GST rate change.

Manufacturers and distributors should coordinate on base-price adjustments to avoid downstream profiteering liability.

The Court has recognized practical difficulties (existing stock, labelling, schemes) but ruled that these cannot justify non-compliance.

It reiterated that sale below MRP is permissible to pass on tax benefits, but businesses cannot claim price inflexibility as a defense.

Transfer Pricing

Recharacterization unwarranted: ITAT finds Netflix India a limited-risk distributor, not a full-fledged entrepreneur, drops INR 4.45 billion adjustment.

Netflix Entertainment Services India LLP²

Facts

Netflix India was assessed for AY 2021–22. It had Distribution Agreements with Netflix International B.V. (NIBV) and Netflix US to distribute global Netflix content in India. Its functions were limited to marketing, invoicing, customer support, and regulatory compliance, earning a fixed ROS of 1.36% on a cost-plus basis. The Transfer Pricing Officer (TPO) recharacterised Netflix India as a full-fledged entrepreneur and proposed a INR 4.4493 billion transfer pricing adjustment. The adjustment was challenged before the Dispute Resolution Panel (DRP) and later appealed to the ITAT.

TPO's contention

The TPO observed that Netflix India's ownership of Open Connect Appliances (OCAs) and Internet Service Provider (ISP) arrangements indicated technological and investment risk. Since Indian subscribers paid Netflix India directly, the TPO viewed it as the economic owner of the service – hence not a mere distributor but the main provider of content and technology in India, bearing entrepreneurial, pricing, marketing, and customer risks. Rejecting Transactional Net Margin Method, the TPO applied the Other Method (OM), treating Netflix India as licensing content and technology from its AEs and liable to pay royalty leading to a INR 4.4493 billion TP adjustment. The DRP upheld the TPO's view.

Taxpayer's Contention

Taxpayer claimed to be a limited-risk distributor, not owning or licensing any IP in content or technology, which remained with Netflix US/NIBV. It only facilitated access via OCAs—logistical tools, not technological assets—and managed subscriptions and billing. Subscription pricing was set globally, with no control by Netflix India. All its costs were reimbursed by AEs, insulating it from business risk.

ITAT Order

The ITAT ruled in favor of the taxpayer, rejecting the recharacterization of Netflix India as a full-fledged entrepreneur. It held that Netflix India performs routine distribution and support functions, owns no IP or intangibles, bears limited or fully indemnified risks, and is not engaged in content creation or technology development. The OCAs were deemed logistical cache devices, not core technological assets. The distribution agreement appoints Netflix India as a non-exclusive

distributor of access to the Netflix service in India, without any license to use, reproduce, alter, or sub-license content or technology. Customers similarly receive only limited access rights with no ownership or copyright transfer. Accepting the taxpayer's FAR analysis, ITAT found that Netflix India's functions are limited to promotion, distribution of access, and local support; it has no intangibles, minimal tangibles (offices, IT equipment, OCAs), and limited operational/regulatory risks. The workforce handles marketing support, operations, finance, and compliance. The ITAT upheld TNMM as the most appropriate method and dismissed references to royalty agreements selected by TPO as speculative. It concluded that Netflix India operates as a Limited Risk Distributor, and that mere technological presence (servers or caches) does not imply economic ownership.

Our Comments

The ruling reinforces economic reality over form and curbs aggressive TP recharacterizations in the digital economy. The ITAT has reaffirmed that functional characterization must align with contractual substance and actual conduct, not merely the economic footprint or customer-facing presence in India. By rejecting the TPO's aggressive recharacterization of Netflix India as a full-fledged entrepreneur, the Tribunal has drawn a clear line between "distribution" and "ownership" functions in digital business models.

² ITA No. 6857/Mum/2024

ITAT: Rejects Revenue's segregation approach, notes trading and service segments are interconnected.M/s Juniper Networks Solution India Pvt. Ltd³**Facts**

M/s Juniper Networks Solution India Pvt. Ltd., a wholly owned subsidiary of Juniper Networks International BV (JNIBV). The taxpayer, engaged in the distribution, sales, marketing, and customer support of networking equipment and software, had benchmarked all its international transactions using the Transactional Net Margin Method (TNMM) at the entity level for Assessment Year 2020–21.

The TPO noted two distinct activities, trading/distribution and maintenance services and held them to be functionally independent thereby rejecting the taxpayer's aggregated entity-level TNMM. The DRP upheld this segmentation approach.

Taxpayer's Contention

The taxpayer argued that its trading and service functions formed an integrated business model, warranting application of TNMM at the aggregated entity level rather than on a segmented basis. It sought gross profit-based expense allocation, preferred RPM for trading as a pure distributor, requested a risk adjustment for its limited-risk profile, and opposed penalty proceedings under Section 270A, citing no concealment or misreporting.

TPO's Contention

The TPO found the taxpayer's trading and service activities functionally distinct, rejecting its integrated model claim. The TPO reworked segmental profitability using revenue ratio as the allocation key and proposed a separate adjustment for the trading segment, holding TNMM suitable as the most appropriate method based on available data and functions.

ITAT Order

The ITAT observed that the tax authorities erred in dividing the taxpayer's business into trading and service segments merely based on revenue allocation. It held that the taxpayer's core business is trading, and the related customer services are intrinsically linked and interdependent. The Tribunal noted that the taxpayer's service activities exist primarily to support its trading operations and cannot be viewed independently. It emphasized that revenue recognition itself demonstrates that trading and service performance obligations are intertwined. The ITAT remarked that the case represented an "egg and chicken situation," where the existence of one activity was contingent upon the other. Consequently, the ITAT ruled that the segmentation adopted by the TPO was inappropriate and accepted the taxpayer's contention.

Our Comments

This ruling reinforces the principle that aggregation under TNMM is appropriate when transactions or business functions are closely interlinked. Artificial segmentation should not be applied unless there is clear functional, asset, and risk distinction between activities. The decision underscores the importance of analyzing the business model as a whole rather than mechanically separating revenue-generating functions for transfer pricing purposes.

Quotes & Coverage**GST Annual Return Filing For FY25 Enabled: New Rules, Turnover Limits, And Compliance Tips**

News18 | Prabhat Ranjan

14 October 2025

<https://shorturl.at/E5ayq>**Employee Stock Option Plan – Employee Taxation**

Tax Sutra | Sneha Pai

13 October 2025

<https://shorturl.at/vMT7E>**GST overhaul: Insurance agents, hotels, and publishers face rising costs due to ITC restrictions**

CFO Economics Times | Prabhat Ranjan

9 October 2025

<https://shorturl.at/6pkQP>**Empowering Category Managers: The Strategic Role of Procurement Support**

Manufacturing Today | Arjit Agarwal

7 October 2025

<https://shorturl.at/5xITL>

Tax Talk

Indian Developments

Direct Tax

Section 90 of the Income-tax Act, 1961 – India-Qatar DTAA Agreement Notification

Notification G.S.R. 789(E) [NO. 154/2025/F.NO. 504/6/2004-SO-FTD-II(2)] Dated 24 October 2025

CBDT has notified the Agreement and Protocol signed between India and Qatar on 18 February 2025 for avoidance of double taxation and prevention of fiscal evasion. Once this new agreement becomes effective the earlier DTAA signed on 7 April 1999 shall cease to have effect.

- Agreement entered into force on 10 September 2025.
- Agreement and Protocol applicable in India for income arising on or after 1 April of FY 26-27.
- It covers taxation of income from immovable property, business profits, shipping, dividends, interest, royalties, capital gains, personal services, pensions, etc.
- Provides for elimination of double taxation, non-discrimination, exchange of information, assistance in collection of taxes, and entitlement to treaty benefits.

Section 120, r.w.s 154 and 156 of the Act – Authorization to CPC for Rectification and Demand Notices

Notification S.O. 4901(E) [NO. 155/2025/F. NO. CB/362/2025-O/O ADDL. DIT 6 CPC BENGALURU] Dated 27 October 2025

The CBDT, through Notification No. 155/2025, dated 27 October 2025, has authorized Commissioner of Income Tax, Centralized Processing Centre (CPC), Bengaluru to rectify u/s 154 mistakes apparent from record and issue subsequent demand notices.

Mistakes apparent from record includes errors like incorrect computation of tax, refund, or demand, non-consideration of prepaid tax credit or eligible reliefs and faulty interest calculation under Section 244A the Act. Additionally, the Commissioner is authorized to issue a notice of demand under Section 156 in such cases. The notification also includes allowing the Commissioner to delegate these functions and powers to subordinate tax authorities, specifically the Additional Commissioners or Joint Commissioners of Income-tax, who can further delegate them to Assessing Officers subordinate to them.

Indirect Tax

Customs

Auto-approval of Incentive Bank Account and IFSC Code Registration requests across all customs locations

Circular No.24/2025-Customs Dated 7 October 2025

CBIC has introduced system-based auto-approval for Incentive Bank Account and IFSC registration requests under one IEC, once the same combination is approved at any Customs location. Aimed at expediting disbursement of IGST refunds and duty drawbacks, the requests would not be routed to the Port officer for manual approval. The existing submission workflow remains unchanged, and all approved requests will continue to be validated through Public Financial Management System (PFMS) for accuracy and compliance.

CBIC consolidates effective rates for imported goods; Supersedes 31 exemption Notifications w.e.f. 1 November

Notification No. 45/2025-Customs Dated 24 October 2025 r/w Corrigendum Dated 31 October 2025 and FAQs

As a trade friendly measure, the CBIC has merged erstwhile Notification No. 50/2017-Customs and 30 other standalone Notifications which granted exemptions/concessions on imported goods w.e.f 1 November 2025. While the existing customs duty/IGST exemptions & concessions continue, the Board has carried out two minor changes as below.

- Sr. No. 5 of Notification No. 39/96-Customs dated 23 July 1996 has been modified to provide duty exemption on the supplies by Air India Engineering Services Limited (M/s AIESL) and it now covers three specific B-737 and two specific B-777 aircrafts maintained and operated by Indian Air Force.
- S. No. 166A of Notification No. 50/2017-Cus which had prescribed 5% BCD for bulk drugs used in the manufacture of Poliomyelitis Vaccine (inactivated and live) and Monocomponent Insulins has been removed.

CBIC notifies regulations and conditions for voluntary revision of entries post clearance under Section 18A

Circular No. 26/2025-Customs Dated 31 October 2025 r/w Notification Nos. 68/2025-Customs (NT), 69/2025-Customs (NT), 70/2025-Customs (NT) and 71/2025-Customs (NT) Dated 30 October 2025

CBIC has notified Customs (Voluntary Revision of Entries Post Clearance) Regulations, 2025 under Section 18A of the Customs Act. Some salient features of the regulations are as follows.

- The importer or exporter or authorized person can file an electronic application for revised entry or revised entry cum refund at the port where customs duty was paid. The application should contain only those entries for revision which were made under one bill of entry/shipping bill/bill of export etc. during clearance.
- Duty, if any leviable, along with interest may be paid against the Acknowledgement Reference Number (ARN) generated by the common portal.
- The revision application shall be dealt with a self-assessment approach, subject to RMS. However, in cases of refund arising from revision, it shall be invariably routed to proper officer for verification.

For this purpose, the Board has designated Deputy/ Assistant Commissioner of Customs as the proper officer. Moreover, a fee of INR 1000 has been levied by way of Levy of Fees (Customs Documents) Amendment Regulations, 2025.

It is emphasized that the revision of entries is not allowed for cases where customs audits, searches, seizures, or investigations are already initiated, as well as cases where reassessment of duty under Section 17 or assessment under Section 18 or 84 of the Customs Act, has been done. Additionally, revision will not be allowed under IGCR Rules 2022 wherein a provision of clearance of unutilized or defective goods on voluntary payment of duty with interest has been specified; as well as in cases where the export obligations are not fulfilled under EPCG and Advance Authorization Schemes.

MOOWR application facility on Invest India portal to remain operational till 15 November

Circular No. 27/2025-Customs Dated 31 October 2025

The existing online facility hosted by Invest India shall continue to remain operational up to 15 November 2025, for receipt of applications under MOOWR/MOOSWR scheme.

The CBIC-hosted digital module for submission of MOOWR/MOOSWR applications is under final stages of testing. Until then, the applications submitted through Invest India portal may continue to be processed by the jurisdictional Principal Commissioners/Commissioners of Customs in accordance with extant legal provisions and instructions.

Foreign Trade Policy

DGFT expands registration criteria for Source from India service on Trade Connect e-Platform

Trade Notice No. 15/2025-26 Dated 29 October 2025

The eligibility for registration of Indian exporters on “Source from India” service in Trade Connect e-Platform has been revised w.e.f. 01 November 2025. Now, all valid IEC holders with minimum export realization of USD 100,000 in any of the past three financial years can create their microsites on Source from India, in addition to status holders.

Due date for filing Annual RoDTEP Returns extended to 30 November

Public Notice No. 24/2025-26 Dated 3 October 2025

The date for filing Annual RoDTEP Return for FY 2023-24 has been extended to 30 November 2025 in the interest of export promotion and ease of doing business.

Past Webinars & Events

13th Edition Tax Strategy & Planning Summit & Awards 2025

20 November 2025

UBS Forums | Amit Amlani, Sneha Pai

Key Learnings from First UAE Corporate Tax Return Filing Season & Way Forward

14 November 2025

Taxsutra | Nishit Parikh

GST in Action: A Practical Perspective

7 November 2025

Achromic Point | Prabhat Ranjan

Middle East Taxation Summit 2025

10 October 2025

Biz Integration | Nishit Parikh, Sanjay Chhabria

UAE Corporate Tax & E-Invoicing

6 October 2025

Nexdigm | Nishit Parikh, Sanjay Chhabria



Tax Talk

Global Developments

Indirect Tax

Motor Vehicle Sales and Use Tax rate to change from 0.3% to 0.5% in Washington, w.e.f. 1 January 2026

Excerpts from various sources

According to the Washington Department of Revenue, motor vehicle sales and use tax rate will change from 0.3% to 0.5% w.e.f. 1 January 2026.

The motor vehicle sales and use tax applies only to vehicles that are self-propelled and licensed for on-road use, such as cars, SUVs, pickup trucks, commercial trucks, motorcycles, buses, and RVs. The definition of "motor vehicle" does not include the below listed vehicles as they are not self-propelled vehicles under RCW 46.04.320:

- Trailers
- Farm tractors and farm vehicles
- Off-road and non-highway vehicles
- Snowmobiles

U.S. Government announces new tariffs on Timber, Lumber, and related products

Excerpts from various sources

The U.S. government has announced new tariffs on timber, lumber and related products. Accordingly, effective from 14 October 2025:

- Softwood timber and lumber imports are subject to 10% duty.
- Upholstered wooden products, kitchen cabinets and vanities are subject to 25% duty.

On the other hand, effective from 1 January 2026, these products will be subjected to 30% and 50% duty respectively.

Philippines extends e-invoicing obligation deadline to 31 December 2026

Excerpts from various sources

The Bureau of Internal Revenue (BIR) has issued RR No. 026-2025 amending the transitory provisions of RR No. 011-2025. Accordingly, the e-invoicing deadline for large taxpayers and certain export-oriented businesses has been extended to 31 December 2026.

Said move is on account of technical challenges, onboarding delays, and based on feedback from taxpayers.

Ireland Budget 2026: Reduced VAT rate of 9% for tourism, hospitality, and energy sectors

Ireland Department of Finance – Budget 2026

On 7 October 2025, Ireland's Department of Finance released Budget 2026, outlining several taxation measures that will directly impact the tourism, hospitality, and energy sectors over the coming years. Some of the key announcements include:

Extension of 9% VAT rate on Energy sector

- The 9% reduced VAT rate on electricity and gas supplies has been extended until 31 December 2030.
- VAT rate of 9% also extended to Electric Vehicles (EVs)

Reintroduction of 9% VAT Rate for Tourism & Hospitality (Effective from 1 July 2026)

- The 9% reduced VAT rate will apply to:
 - Food and catering services
 - Hairdressing services
- Replaces the standard 13.5% rate currently in effect

Reduced VAT Rate for New Apartment Sales (Effective from 8 October 2025 till 31 December 2030)

- The 9% VAT rate has been made applicable on sale of new apartments to encourage housing supply.

Transfer Pricing

OECD has published the third batch of updated transfer pricing country profiles with new insights on hard-to-value intangibles and simplified distribution rules⁴

The OECD has released an updated set of Transfer Pricing (TP) Country Profiles, covering the latest TP laws and practices in 25 jurisdictions. This update also includes, for the first time, profiles for five (5) new countries: Cabo Verde, Guatemala, Thailand, the United Arab Emirates, and Zambia.

The new batch adds details on how different countries handle hard-to-value intangibles and apply simplified approaches for baseline marketing and distribution activities.

With this update, the OECD's TP Country Profiles now cover 83 countries and jurisdictions, with more updates expected in December 2025.

The TP country profiles focus on the key TP aspects of each country's domestic tax legislation including:

- The arm's length principle;
- Methods and comparability analysis;
- Intangible property;
- Intra-group services;
- Cost contribution agreements;
- Documentation;
- Administrative approaches to avoiding and resolving disputes;
- Safe harbors and other implementation measures.

OECD has released New MAP and APA statistics on Tax Certainty Day 2025 for the year 2024

On 31 October 2025, the OECD released of new information and statistics regarding mutual agreement procedures (MAPs) and advance pricing arrangements (APAs). According to the release, the statistics provide "a comprehensive view of how jurisdictions resolve cross-border tax disputes and prevent double taxation."

The release recognizes countries basis various parameters and has awarded in following categories.

It has recognized Switzerland under average time for closures with approx. 20 months for TP cases and New Zealand with approx. 3.55 months. India and Japan as a pair have scored the highest points for resolving the MAP (TP cases) mutually among them as compared to their total MAP caseload. The OECD has further recognized Ireland (1st position) and India (3rd) jurisdictions which have shown improvement in clearing APAs in 2024 as compared to 2023.

Alerts

The Maharashtra Government has recently issued the Global Capability Center (GCC) Policy 2025, which will remain in effect for five years i.e., till FY 2029-30

12 November 2025

<https://tinyurl.com/u57ctyud>

Key Highlights of GST Notification and Clarification Circulars in October 2025

6 November 2025

<https://tinyurl.com/46yr4wfj>



⁴ <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>

Compliance Calendar

- Direct Tax
- Indirect Tax

7 November 2025

- Securities Transaction Tax - Due date for deposit of tax collected for the month of October 2025
- Commodities Transaction Tax - Due date for deposit of tax collected for the month of October 2025
- Declaration under sub-section (1A) of Section 206C of the Income-tax Act, 1961 to be made by a buyer for obtaining goods without collection of tax for declarations received in the month of October 2025 in Form 27C
- Due date for deposit of Tax deducted/collected for the month of October 2025. 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 an Income tax Challan

14 November 2025

- Due date for issue of TDS Certificate for tax deducted under Section 194-IA in the month of September 2025 in Form 16B
- Due date for issue of TDS Certificate for tax deducted under Section 194-IB in the month of September 2025 in Form 16C
- Due date for issue of TDS Certificate for tax deducted under Section 194M in the month of September 2025 in Form 16D
- Due date for issue of TDS Certificate for tax deducted under Section 194S in the month of September 2025 in Form 16E

18 November 2025

- CMP - 08 for payment of self-assessed tax for quarter July 2025 to Sept/Oct 2025 by composition dealer

20 November 2025

- GSTR-5A for the month of October 2025 to be filed by Non-Resident Online Database Access and Retrieval (OIDAR) Service Providers
- GSTR-3B for the month of October 2025 to be filed by all registered taxpayers not under QRMP scheme

25 November 2025

- Payment of tax through GST PMT-06 by taxpayers under QRMP scheme for the month of October 2025

10 November 2025

- GSTR-7 for the month of October 2025 to be filed by persons liable to Tax Deduction at Source (TDS)
- GSTR-8 for the month of October 2025 to be filed by E-Commerce Operators liable to Tax Collection at Source (TCS)

11 November 2025

- GSTR-1 for the month of October 2025 to be filed by all registered taxpayers not under QRMP scheme

13 November 2025

- GSTR-6 for the month of October 2025 to be filed by Input Service Distributors (ISDs)
- Uploading B2B invoices using Invoice Furnishing Facility (IFF) under QRMP scheme for the month of October 2025 by taxpayers with aggregate turnover of up to INR 50 million
- GSTR-5 for the month of October 2025 to be filed by Non-Resident Foreign Taxpayers

15 November 2025

- Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending 30 September 2025, in Form 16A
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of October 2025
- Monthly statement to be furnished by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of October 2025 in Form 3BB
- Monthly statement to be furnished by a recognized association in respect of transactions in which client codes have been modified after registering in the system for the month of October 2025 in Form 3BC

30 November 2025

- Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA in the month of October 2025 in Form 26QB
- Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IB in the month of October 2025 in Form 26QC
- Due date for furnishing of challan cum statement in respect of tax deducted under Section 194M in the month of October 2025 in Form 26QD

Compliance Calendar

30 November 2025

- Due date for furnishing of challan cum statement in respect of tax deducted under Section 194S in the month of October, 2025 in Form 26QE
- Return of income for the Assessment Year 2025-26 in the case of an assessee that is required to submit a report under Section 92E pertaining to international or specified domestic transaction(s) in case of all income tax returns except ITR-1, ITR-2 and ITR-4
- Report in Form No. 3CEAA by a constituent entity of an international group for the accounting year 2024-25
- Statement of income distribution by Venture Capital Company or Venture Capital Fund in respect of income distributed during previous Year 2024-25 (Form No. 64)
- Due date to exercise option of safe harbor rules for international transaction by furnishing Form 3CEFA
- Report from an accountant to be furnished under sub-section (2AB) of Section 35 of the Act relating to in-house scientific research and development facility (if due date of submission of return of income is 30 November 2025) in Form 3CLA
- Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is 30 November 2025)
- Annual Compliance Report on Advance Pricing Agreement (if due date of submission of return of income is 31 October 2025) in Form 3CEF
- Payment of Self-Assessment Tax (If due date of submission of return of income is 30 November 2025)
- Audit report under (sub-rule (12) of rule 17CA) of the Income-tax Rules, 1962, in the case of an electoral trust (if due date of submission of return of income is 30 November 2025) in Form 10BC
- Application for exercise of option under sub-section (4) of Section 115BA of the Income-tax Act, 1961 (if due date of submission of return of income is November 30, 2025) in Form 10-IB
- Application for exercise of option under sub-section (7) of Section 115BAB of the Income-tax Act, 1961 in Form 10-ID
- Annual Statement of Exempt Income under sub-rule (2) of rule 21AJA and taxable income under sub-rule (2) of rule 21AJAA (if due date of submission of return of income is 30 November 2025) in Form 10-IK



30 November 2025

- Direct Tax
- Indirect Tax

- Details of amount attributed to capital asset remaining with the specified entity (if due date of submission of return of income is 30 November 2025) in Form 5C
- Declaration to be filed by the assessee claiming deduction under Section 80GG (if due date of submission of return of income is 30 November 2025) in Form 10BA
- Form for furnishing particulars of income under Section 192(2A) for claiming relief u/s 89 (if due date of submission of return of income is 30 November 2025) in Form 10E
- Authorization for claiming deduction in respect of any payment made to any financial institution located in a Notified jurisdictional area. (if due date of submission of return of income is 30 November 2025) in Form 10FC
- Application for Opting for Safe Harbor in respect of Specified Domestic Transactions (if the assessee is required to submit return of income on 30 November 2025) in Form 3CEFB
- Statement of eligible investment received in Form 10BBD
- Application for exercise of option under clause (i) of sub-section (6) of Section 115BAC or withdrawal of option under the proviso to sub-section (6) of Section 115BAC of the Income-tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 10-IEA
- Application for exercise of option under sub-section (5) of Section 115BAE of the Income Tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 10-IFA
- Certificate of accountant in respect of compliance to the provisions of clause (23FE) of Section 10 of the Income-tax Act, 1961 by the notified Pension Fund in Form 10BBC
- Report from an accountant to be furnished for purpose of Section 9A regarding fulfilment of certain conditions by an eligible investment fund in Form 3CEJA
- Application for exercise of option under sub-section (5) of Section 115BAA of the Income - tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 10-IC
- Certificate under sub-section (3) of Section 80QQB for authors of certain books in receipt of royalty income, etc. (if due date of submission of return of income is 30 November 2025) in Form 10CCD

Compliance Calendar

- Direct Tax
- Indirect Tax

30 November 2025

- Certificate under sub-section (2) of Section 80RRB for Patentees in receipt of royalty income, etc. (if due date of submission of return of income is 30 November 2025) in Form 10CCE
- Report under Section 80LA (3) of the Income-tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 10CCF
- Taxation of income from retirement benefit account maintained in a notified country (if due date of submission of return of income is 30 November 2025) in Form 10-EE
- Certificate of foreign inward remittance (if due date of submission of return of income is 30 November 2025) in Form 10H
- Certificate of the medical authority for certifying person with disability, severe disability, autism, cerebral palsy and multiple disability for purposes of Section 80DD and Section 80U (if due date of submission of return of income is 30 November 2025) in Form 10IA
- Application for exercise of option under sub-section (5) of Section 115BAD of the Income-tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 10-IF
- Statement of Exempt income under clause (4D) of Section 10 of the Income-tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 10IG
- Statement of income of a Specified fund eligible for concessional taxation under Section 115AD of the Income-tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 10IH
- Statement of exempt income under clause (23FF) of Section 10 of the Income-tax Act, 1961 (if due date of submission of return of income is 30 November 30, 2025) in Form 10-II
- Form for opting for taxation of income by way of royalty in respect of Patent (if due date of submission of return of income is 30 November 2025) in Form 3CFA
- Income attributable to assets located in India under Section 9 of the Income-tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 3CT
- Particulars to be furnished under clause (b) of sub-section (1B) of Section 10A read with clause (b) of sub-section (2) of Section 10AA of the Income-tax Act, 1961 (if due date of submission of return of income is 30 November 2025) in Form 56FF

30 November 2025

- Submission of a statement (in Form No. 49C) by non-resident having a liaison office in India for the Financial Year 2024 25 in Form 49C
- Certificate of accountant in respect of compliance to the provisions of clause (23FE) of Section 10 of the Income-tax Act, 1961 by the notified Pension Fund in Form 10BBC

7 December 2025

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Easy Remittance Tool

by Nexdigm



Form 15CA/CB Automation



Review of tax position by experts



Issuance of bulk certificates through Automated tool



Repository - Access to entire set of documents



Access to Detailed transaction wise reports



Representation Support



Generation 15CA bulk files & utility to generate Form A2

About Nexdigm

Nexdigm is a privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise, enables us to deliver customized solutions tailored for our clients.

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.

At Nexdigm, quality, data privacy, and confidentiality are fundamental to everything we do. We are ISO/IEC 27001 certified for information security and ISO 9001 certified for quality management. Additionally, we comply with GDPR and uphold stringent data protection standards through our Personal Information Management System, implemented under the ISO/IEC 27701:2019 Standard.

We have been recognized over the years by global organizations, including the Everest Group Peak Matrix® Assessment, International Tax Review, World Commerce and Contracting, ISG Provider Lens™ Quadrant Report, International Accounting Bulletin, Avasant RadarView™ Market Assessment, and Global Sourcing Association (GSA) UK.

Nexdigm resonates with our plunge into a new paradigm of business; it is our commitment to **Think Next**.

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