

20 ECONOMY

SOME SUGGESTIONS WILL BE CONSIDERED, SAYS REVENUE SECRETARY

FM holds meeting on GST simplification; similar talks across country on Dec 7

Discussions with chartered accountants, tax practitioners, traders and various other stakeholders

ENS ECONOMIC BUREAU
NEW DELHI, NOVEMBER 16

IN ORDER to understand the various issues being faced by Goods and Services Tax (GST) taxpayers while filing their tax returns, Finance Minister Nirmala Sitharaman on Saturday held a meeting with chartered accountants, tax practitioners, traders and other stakeholders.

Taxpayers are finding making amendments to their GST returns as the most challenging task, Revenue Secretary Ajay Bhushan Pandey said after the meeting, adding that a similar exercise would be undertaken by indirect tax commissioners at the circle level on December 7.

Each group of tax practitioners and other stakeholders filed different returns (GSTR 3B, 1 and 9 among others) to demonstrate the shortcomings before the Finance Minister on a real-time basis. "By and large, straightforward return-filing was smooth

EXPLAINED Will help in smooth roll-out of new returns system

AFTER THE recent extension given for filing GST annual returns for 2017-18 and 2018-19, the Finance Ministry reached out to stakeholders to understand and resolve the pending issues being faced in filing the returns.

Technical glitches were one of the main issues faced by taxpayers when the new indirect tax regime was rolled out in July 2017. With the new GST returns proposed to be rolled out from April 1 next year, hearing out and resolving taxpayers' issues and a constant exchange between the CBIC and the GSTN will help in improving compliance and preparing for a smoother roll-out of the new returns system.

and the problem areas pertained to making changes and amendments to the returns filed earlier and issue of credit/debit notes," Pandey said. He added that some suggestions on introducing new functionalities would be considered.

Indirect tax commissioners have been asked to conduct similar exercise at the circle level next month, Pandey said. "They will invite assesses along with their accountants and file returns, both old and proposed, before the official. Any issues that

arise can be dealt with at the spot," he said.

The new simplified return formats will be implemented from April 1 next year. The taxpayers can upload their invoices while the system prepares a return for them under the new system. New GST return is available on the portal for trial and consultations will be held all across the country on December 7 to get feedback on the new system, he said, adding about 85,000 returns on voluntary basis have been filed so far although the new form becomes mandatory from April 1, 2020.

Further, Pandey said that it was also decided that the indirect tax department and GST Network will meet regularly to thrash out issues. "The system is by and large robust as over 70 lakh people are filing returns every month. However, various previously unseen scenarios do occur when 1.2 crore taxpayers file returns," Pandey said.

He added that some of the is-

ssues are related to taxpayers not knowing the existence of a functionality in the system, while some other problems occur because of manual errors. Some of the suggestions were with regard to change or amendment to entries in the filing, credit and debit note, he said. "This meeting was fruitful. In some cases they were not aware of the existing instructions, in some cases they pointed out to confusion and some suggestions with regard to further easing were made," he said, adding that some clarificatory circular would be issued wherever required and other suggestions would be implemented.

Earlier this week, the government had to extend the deadline for filing annual returns for GST for both FY18 and FY19 as various representations were received regarding challenges faced by taxpayers in filing of GSTR-9 and GSTR-9C. The FY18 annual returns had already seen at least four previous extensions.

ENS ECONOMIC BUREAU
MUMBAI, NOVEMBER 16

ANIL AMBANI has resigned as director of Reliance Communications (RCom), which is currently going through the insolvency process. The company, on Friday, announced a loss of Rs 30,142 crore for the September quarter of financial year 2019-20.

According to a stock exchange filing, Ambani, along with Chhaya Virani, Ryna Karani, Manjari Kacker and Suresh Rangachar, has resigned as a director of RCom.

"Your good office may also note that Manikantan V has also tendered his resignation as a Director and Chief Financial Officer of the company earlier. The resignations shall be put up to the committee of creditors of the Company for their consideration," the filing said.

In May 2019, following a National Company Law Tribunal (NCLT) directive, RCom informed the stock exchanges that the administration of the company would be taken over by the interim resolution professional (RP) and the corporate insolvency resolution process (CIRP)

FIRM IS UNDER THE INSOLVENCY PROCESS

■ Chhaya Virani, Ryna Karani, Manjari Kacker and Suresh Rangachar have also resigned as directors

■ In May 2019, following a NCLT directive, RCom informed the stock exchanges that the administration of the

company would be taken over by the resolution professional and corporate insolvency resolution process would resume

■ It has provided for estimated liability aggregating to Rs 25,588 crore up to September 30

would resume. "The powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the interim resolution professional," the company had said in the filing.

On Friday, RCom posted a loss of Rs 30,142 crore for the September quarter of fiscal 2019-20 due to provisioning for liabilities after the Supreme Court ruling on statutory dues. The company had reported Rs 338 crore in losses for the June quarter (Q1), and a profit of Rs 1,295 crore in Q2 last year. It reported Rs 305 crore in revenue, down from Rs 866 crore in Q1.

On Thursday, Vodafone Idea and Bharti Airtel had reported a

combined loss of Rs 74,000 crore for the September quarter.

RCom has provided for estimated liability aggregating to Rs 25,588 crore up to September 30, 2019, of Rs 21,420 crore towards license fee (Rs 3,892 crore, Rs 4,967 crore and Rs 12,561 crore towards principal, penalty, and interest on principal and penalty respectively) and Rs 4,168 crore towards Spectrum Usage Charges (Rs 936 crore, Rs 355 crore and Rs 2,877 crore towards principal, penalty and interest on principal and penalty respectively) as exceptional items that may undergo revision based on demands from DoT and/or any developments in this matter, it said.

BRIEFLY

'Govt working on policy to push MSME exports'

New Delhi: The government is working on two policies to increase MSME exports and bring down imports by encouraging local production, Union MSME and Road Transport Minister Nitin Gadkari said on Saturday.

LIC Housing eyes to disburse ₹55K cr in FY20

New Delhi: LIC Housing Finance Ltd has set a target of disbursing Rs 55,000 crore worth loans during the current financial year, LIC Housing Finance Managing Director and CEO Siddhartha Mohanty said.

SC's Essar order to bring certainty: Ficci

New Delhi: The Supreme Court's judgement in the Essar Steel case would bring certainty to the resolution process in India at par with the global practices, industry body Ficci said on Saturday. PTI

EU 2020 Budget talks stuck

Brussels: Talks setting the EU's budget for next year are going down to the wire because of disagreement between member states and European Parliament, officials said Saturday. Both sides held negotiations into late Friday but "suspended the talks without agreement," the parliament said in a statement. AFP

'Focus on level playing field in trade talks with Britain'

REUTERS
DUBLIN, NOVEMBER 16

THE EUROPEAN Union's focus in trade talks with Britain will be on level-playing-field provisions and the defence of the single market, the incoming head of the European Council Charles Michel said on Friday.

"We are ready to cooperate with the UK, but we are also ready to promote and to defend the level playing field and an important point for the future: to protect the integrity of the single market," Michel told journalists in Dublin following a meeting with Irish Prime Minister Leo Varadkar. Asked if he thought it was realistic to conclude a new trade

Dollar domination: Why global markets depend on the US currency

From the dominant reserve currency for central banks to the main conduit for global trade and borrowing, US dollars are the lifeblood for banks and markets around the world

HALF THE 1.6 TN of dollar bank notes in circulation were outside the US as per a Fed paper this year

EFFORTS TO REDUCE DEPENDENCE:

Governments and central banks have tried to reduce their dollar-dependency, with Bank of England Governor Mark Carney describing its role in the world economy as "destabilising"

HERE ARE SOME WAYS THE DOLLAR IS USED:

CENTRAL BANK RESERVE HOLDINGS

■ Reserves of different currencies are held by central banks to settle international claims, intervene in foreign exchange markets or as rainy-day funds

■ The euro is the second most popular reserve currency

INTERNATIONAL PAYMENTS

■ The dollar is dominant for transactions between non-US exporters and importers

■ In 2018, over half of all goods imported into the EU



70% of all dollars are held outside the United States and 60 per cent of all \$100 bills circulated overseas, as per a Fed research paper from 2017

COMMODITY PRICING

■ Commodities such as oil and gold are typically denominated in US dollars

■ Gulf oil producers peg their currencies to the dollar to avoid risk from fluctuations when invoicing their sales.

INVESTMENTS AND BORROWING

■ US dollar lending to non-bank borrowers outside the US stood at \$11.9 trillion at the end of June 2019, the Bank for International Settlements (BIS) data shows

Compiled by Reuters

from non-members were invoiced in US dollars, Eurostat data shows

■ Companies operating in global markets, such as the airplane-maker Airbus, often list their prices in dollars

Distress in China could spill over to US, global markets: Fed

LALIT K JHA
WASHINGTON, NOVEMBER 16

THE US Federal Reserve on Friday said a prolonged, rapid credit expansion in China has rendered its corporate sector highly vulnerable to a sharp downturn and warned that adverse developments in Beijing also could spill over to the United States and other global markets.

"Because of the size of the Chinese economy, significant distress in China could spill over to the US and global markets through a retrenchment of risk appetite, US dollar appreciation, and declines in trade and commodity prices," said US Federal Reserve in its latest edition of the Financial Stability Report.

"A prolonged period of rapid credit expansion in China has ren-

"Because of the size of the Chinese economy, significant distress in China could spill over to the US and global markets through a retrenchment of risk appetite, dollar appreciation, and decline in trade"

US FEDERAL RESERVE IN THE FINANCIAL STABILITY REPORT

dered its nonfinancial corporate sector highly vulnerable to a sharp downturn in addition to poor asset quality and notable interconnections between banks," the Federal Reserve said, adding developments in domestic and international markets could pose a number of near-term risks to the financial system.

According to the Federal Reserve, trade frictions—centered on the US-China dispute—remained the most widely cited potential near-term shock.

"Respondents generally ex-

pected higher tariffs on Chinese imports to persist well into next year and noted that the tariffs had started to affect US economic activity," it said, referring to a survey it did as part of the report.

Some contacts worried about a deterioration in broader US-China relations, rooted in technology and national security issues, said the report adding they were also concerned about the regional geopolitical risks in Hong Kong, Taiwan and North Korea that may amplify bilateral tensions. PTI

Boeing: Timing of 737 MAX return in hands of regulators

REUTERS
DUBAI, NOVEMBER 16

BOEING MOVED on Saturday to ease tensions with regulators over the return to service of its 737 MAX, saying it was up to the US Federal Aviation Administration and its global counterparts to approve changes to the jet in the wake of two accidents.

The FAA told its staff this week to take whatever time was needed to review the grounded plane after Boeing said it expected the FAA to certify the 737 MAX in mid-December.

"We put some targets out that still line up to December ... type certification," Stan Deal, chief executive of Boeing Commercial Airplanes, told reporters.

Alphabet features self-driving garbage cans, noise monitors

REUTERS
TORONTO, NOVEMBER 16

ALPHABET'S SIDEWALK Labs has provided more details on the technology it intends to use to develop a futuristic smart city in Toronto, which includes self-driving garbage cans and infra-red sensors to track foot traffic in stores, a document released by the company on Friday said.

Sidewalk, owned by the parent company of Google, released a 483-page document in response to criticism from an arm of the government-mandated body developing the project that called the initial proposal "frustratingly abstract."

Waterfront Toronto, the agency in charge of developing the waterfront area of Canada's biggest city, gave a tentative ap-

Sidewalk, owned by the parent company of Google, released a document in response to criticism from an arm of the government-mandated body developing the project in Toronto

proval to the project two weeks ago after Sidewalk agreed to walk back many of its original proposals, including putting all data collected into an Urban Data Trust, which critics said would not be subject to adequate oversight.

The 12-acre project, close to Toronto's central business district, would feature adaptive street de-

sign and responsive sounds to help blind people find their way around, the document showed.

Sidewalk would implement a pay-as-you-throw system of garbage deposition, with volume sensors installed on each bin to indicate when it should empty itself, and optical sensors that would allow each self-driving bin to navigate through the public realm.

It said the majority of the services it is proposing have already been partially or fully implemented in an existing project in various cities around the world.

Sidewalk said the objective of this list is to "not only describe the 'what' and the 'why,' but also the 'how' and 'who' for each service. "It also can help provide a clear, single source for what data collection activities are proposed—and importantly, what activities are not."

'Overcome issues to get India into RCEP'

PRESS TRUST OF INDIA
SINGAPORE, NOVEMBER 16

A SENIOR Singapore minister has expressed hope that outstanding issues with India can be overcome by other countries to get the large South Asian market into the Regional Comprehensive Economic Partnership (RCEP).

"We hope that India and the other 15 countries can overcome the outstanding issues so that India can come on board eventually. We look forward to the region, including India, moving ahead together as one," Singapore's Senior Minister and Coordinating Minister for National Security, Teo Chee Hean, said on Saturday.

During the recent ASEAN meeting in Bangkok, India did not

India remains concerned that the China-dominated RCEP would be disadvantageous to its farmers and MSMEs

reach an agreement on negotiations to sign the multi-lateral free trade agreement RCEP, while 15 countries—China, Japan, South Korea, New Zealand, Australia and ASEAN members—agreed to ink the pact.

India remains concerned that the China-dominated RCEP would be disadvantageous to its farmers and MSMEs.

Addressing the fourth edition of the South Asian Diaspora

Convention, Teo elaborated on India and ASEAN trade pacts, pointing out, "We already have the ASEAN-India Free Trade Area (AIFTA), which came into effect in 2010. But there is more potential."

Teo added India and Singapore are also exploring linking "our national single window platforms to facilitate cross-border exchange of trade information digitally".

He cited the example of India's RuPay and Singapore's NETS, a tie-up launched last year to facilitate cross-border payments.

Among other cooperation between the two countries, Teo noted Singapore's Sembcorp Marine Rigs and Floaters having recently collaborated with Shapoorji Pallonji of India and Malaysia's Bumi Armada to convert a very large crude carrier (VLCC) into a floating production,

storage and offloading (FPSO) unit. To be deployed on the east coast of India, the project will produce up to 90,000 barrels of oil per day and help meet India's significant energy needs.

While these examples were listed for furthering South Asian-Singapore ties, Teo called for further strengthening of connectivity. One key area is infrastructure, which provides the sinews for development and growth—power, water, sanitation, telecommunications, roads, railways, ports and airports, he said.

"Given the high cost of infrastructure projects, it is often not possible for South Asian governments to finance these projects on their own. Governments could access capital from the private sector and multilateral institutions to plug the gap."

China central bank to stick to prudent monetary policy

REUTERS
BEIJING, NOVEMBER 16

CHINA'S CENTRAL bank said on Saturday it will maintain prudent monetary policy to prevent inflation from spreading.

In its third quarter monetary policy report, the People's Bank of China (PBOC) also said it was studying plans to switch the benchmark rate for existing loans to the new loan prime rate (LPR).

China's economic growth for the third quarter tumbled to its slowest pace in nearly three decades, under pressure from slowing global demand and the ongoing trade war between China and the United States.

At the same time, China's consumer inflation has quickened to

a near eight-year high of 3.8 per cent, driven in part by soaring pork prices as a result of an outbreak of African Swine Fever in the country, posing a dilemma for the central bank.

"The PBOC is increasingly concerned about rising CPI inflation and inflation expectations," economists at Nomura said in a note on Friday, saying those risks may incline policymakers to lower profile easing measures in the near term. The PBOC had unexpectedly made a 200 billion yuan liquidity injection earlier in the day.

Despite the higher inflation rates the central bank is expected to lower the LPR next Wednesday, for the third time since it was introduced in August. LPR is a lending benchmark for bank loans to households and businesses.