

MINISTRY OF FINANCE**(Department of Revenue)**

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 28th October, 2020

EQUALISATION LEVY

S.O. 3865(E).—In exercise of the powers conferred by sub-section (1) and sub-section (2) of Section 179 of the Finance Act, 2016 (28 of 2016), the Central Government hereby makes the following rules to amend the Equalisation levy Rules, 2016, namely:-

1. **Short title and commencement.** — (1) These rules may be called the Equalisation levy (Amendment) Rules, 2020.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Equalisation levy Rules, 2016 (hereinafter referred to as the said rules), in rule 2, after clause (a), the following clause shall be inserted, namely:-

‘(aa) “electronic verification code” means a code generated for the purpose of electronic verification of the person furnishing the statement of specified services as per the data structure and standards laid down by the Principal Director- General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be;’.

3. In the said rules, in rule 3,-

(a) in the heading, the words “for specified services” shall be omitted;

(b) for the words “The amount of consideration, for specified services and”, the words, “The amount of consideration” shall be substituted.

4. In the said rules, for rules 4 and 5, the following shall be substituted, namely:-

“4. Payment of Equalisation levy. — The assessee or e-commerce operator, as the case may be, who are required to deduct and pay equalisation levy, shall pay the amount of such levy, by remitting it into the Reserve Bank of India or in any branch of the State Bank of India or of any authorised Bank accompanied by an equalisation levy challan.

5. Statement of specified services or e-commerce supply or services. — (1) The statement required to be furnished under sub-section (1) or sub-section (2) of section 167 of the Act shall be in Form No. 1, duly verified in the manner indicated therein, and may be furnished by the assessee or e-commerce operator, as the case may be, in the following manner, namely:-

(i) electronically under digital signature; or

(ii) electronically through electronic verification code.

(2) The statement in Form No. 1 required to be furnished under sub-section (1) of section 167 of the Act shall be furnished on or before the 30th day of June immediately following that financial year.

(3) The Principal Director-General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be, for the purpose of ensuring secure capture and transmission of data, shall-

(i) lay down the procedure for electronic filing of Form No.1;

(ii) lay down the data structure, standards and manner of generation of electronic verification code, referred to in sub rule (2), for the purpose of verification of the person furnishing the said form;

(iii) be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to the said form so furnished; and

(iv) specify the manner of furnishing the revised statement required to be furnished under sub-section (2) of section 167 of the Act.”

5. In the said rules, in rule 6,-

PART-B (For Assessee)**DETAILS OF EQUALISATION LEVY DEDUCTED AND PAID TO THE CREDIT OF THE CENTRAL GOVERNMENT**

Sl. No.	Name of the non-resident providing specified service	Address of the non-resident referred to in column 2	PAN, if available, of non-resident referred to column 2	AADHAAR, if available	Amount of consideration for specified services paid/credited	Date of payment/credit of amount of consideration for specified services	Equalisation levy	Interest	Penalty	BSR Code	Challan Sl. No.	Date on which amount deposited
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

PART-B (For E-commerce Operator)**DETAILS OF EQUALISATION LEVY PAID TO THE CREDIT OF THE CENTRAL GOVERNMENT**

Sl. No.	Quarter of the Financial Year*	Amount of consideration paid/credited	Equalisation Levy	Interest	Penalty	BSR Code	Challan Sl. No.	Date on which amount deposited
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

*Q1, Q2, Q3 and Q4 to be used for Quarter ending June, September, October and March respectively.

VERIFICATION

I, _____ (full name in block letters), son*/ daughter of _____ having permanent account number _____ solemnly declare that to the best of my knowledge and belief the information given in this statement is correct and complete and in accordance with provisions of Chapter VIII of the Finance Act, 2016 and Equalisation levy Rules, 2016.

I further declare that I am making this statement in my capacity as _____ and I am competent to make this statement and verify it.

Date__

Place _____

(Name and Signature)

Notes:

- *Delete whichever is not applicable.
- “Assessee” means a resident and carrying on business or profession or a non-resident having a permanent establishment in India, who is required to deduct the equalisation levy from the amount paid or payable to a non-resident in respect of specified service (section 166 of the Chapter VIII of the Finance Act, 2016).
- "E-commerce operator" means a non-resident who owns, operates or manages digital or electronic facility or platform for online sale of goods or online provision of services or both, and is required to pay equalisation levy under section 166A of the Chapter VIII of the Finance Act, 2016.
- This Form is to be furnished and verified by-
 - in case of an Individual or HUF, the person authorised to verify the return of income under

section 140 of the Income-tax Act, 1961;

- (ii) in case of company, the person authorised to verify the return of income under section 140 of the Income-tax Act, 1961 or the Principal Officer;
- (iii) in any other case; the Principal Officer.”.

(b) in Form No. 2,-

- (i) at para 6, for the words and figure “rule 8, duly stamped and verified as laid down in that form”, the words and figures “rule 8 of the Equalisation levy Rules, 2016” shall be substituted;
- (ii) at para 7, for the words and figure “rule 9, duly stamped and verified as laid down in that form”, the words and figures “rule 9 of the Equalisation levy Rules, 2016” shall be substituted.

(c) for Form No. 3, the following Form shall be substituted, namely: -

“FORM NO. 3

[See rule 8 of Equalisation levy Rules, 2016]

Appeal to the Commissioner of Income-tax (Appeals) Designation of the Commissioner (Appeals)

*No.....of

EL – 3

1.	Name and address of the appellant			
2.	Permanent Account Number/ AADHAAR			
3.	Financial year in connection with which the appeal is preferred			
4.	Assessing Officer passing the order appealed against			
5.	Details of order appealed against			
	(a)	Section and sub-section of Chapter VIII of the Finance Act, 2016, under which the order appealed against was passed		
	(b)	Date of order		
	(c)	Date of service of the notice of demand		
	(d)	Document Identification Number		
6.	Whether a statement has been filed for the financial year in connection with which the appeal is preferred		Yes/No	
6.1	If reply to 6 is yes, date of filing of statement			
6.2	(a)	whether equalization levy deducted on specified services, if applicable, has been paid	Yes/No/Not Applicable	
	(b)	whether equalization levy in respect of e-commerce supply or services made or provided or facilitated, if applicable, has been paid	Yes/No/Not Applicable	
6.3	If reply to 6.2 is yes, then enter details			
		BSR Code	Date of payment	Sl. No.
				Amount
7.	**Whether an appeal in relation to any other financial year is pending in the case of the appellant with any Commissioner (Appeals)			Yes/No
7.1	If reply to 7 is yes, then give following details: -			
	(a)	Commissioner (Appeals), with whom the appeal is pending;		

(b)	Appeal No. and date of filing of appeal;	
(c)	Financial year in connection with which the appeal has been preferred;	
(d)	Assessing Officer passing the order appealed against;	
(e)	Section and sub-section of Chapter VIII of the Finance Act, 2016, under which the Assessing Officer passed the order appealed against;	
(f)	the date of such order	
8.	Statement of facts	
8.1	Facts of case in brief (not exceeding 1000 words)	
8.2	List of documentary evidence relied upon	
9.	Grounds of Appeal	
10.	Address to which notices may be sent to the appellant	
11.	Amount in dispute:	
(a)	Equalisation levy :	
(b)	Interest :	
(c)	Penalty:	

Form of Verification

I,, the appellant, do hereby declare that what is stated above is true to the best of my information and belief.

Verified today the day of

Place

Date

.....
Signature

Notes:

1. The form of appeal shall be verified by a person who is authorised to verify the statement of specified services or e-commerce supply or services in Form No. 1.
2. *These particulars will be filled in the office of the Commissioner (Appeals).
3. **If appeals are pending in relation to more than one financial year, separate particulars in respect of each financial year may be given.
4. The memorandum of appeal shall be accompanied by a fee of one thousand rupees.
5. The fee should be credited in a branch of the authorised Bank or a branch of the State Bank of India or a branch of the Reserve Bank of India after obtaining a challan from the Assessing Officer.”.

(d) for Form No. 4, the following Form shall be substituted, namely: -

“FORM NO. 4

[see rule 9 of Equalisation levy Rules, 2016]

Form of Appeal to the Appellate Tribunal

EL – 4

In the Income-tax Appellate Tribunal

.....

*Appeal No of

.....

.....

APPELLANT

Versus

RESPONDENT

1.	Permanent Account Number/ AADHAAR of the Appellant	
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2.	The State in which the order was made	
3.	Section of Chapter VIII of the Finance Act, 2016 under which the order appealed against was passed	
4.	The Commissioner (Appeals) passing the order appealed against	
5.	Financial year in connection with which the appeal is preferred	
6.	Total amount of consideration for the financial year referred to in item 5 (as applicable): (a) for specified services paid/ credited (b) in respect of e-commerce supply or services	
7.	Total amount of penalty levied by the Assessing Officer for the financial year referred to in item 5	
8.	The Assessing Officer passing the original order	
9.	Section of Chapter VIII of the Finance Act, 2016 under which the Assessing Officer passed the order	
10.	Date of communication of the order appealed against	
11.	Address to which notices may be sent to the appellant	
12.	Address to which notices may be sent to the respondent	
13.	Relief claimed in appeal	
14.	Amount in dispute: (a) Equalisation levy (b) Interest (c) penalty	

GROUNDS OF APPEAL

1. _____
Signed
(Authorised representative, if any)

2. _____

3. _____

4. etc. _____
Signed
(Appellant)

Verification

I, _____, the appellant, do hereby declare that what is stated above is true to the best of my information and belief.

Verified today the _____ day of _____

Place _____

Signed

Notes:

1. The memorandum of appeal shall be in triplicate accompanied by two copies (at least one of which should be a certified copy) of the order appealed against, two copies of the relevant order of the Assessing Officer, two copies of the grounds of appeal before the first appellate authority, two copies of the statement of facts, if any, filed before the said appellate authority.

2. The memorandum of appeal under sub-section (1) of section 175 of Chapter VIII of Finance Act, 2016 shall be accompanied by a fee of one thousand rupees.
3. The fee shall be credited in a branch of the authorised Bank or a branch of the State Bank of India or a branch of the Reserve Bank of India after obtaining a challan and the triplicate challan shall be sent to the Appellate Tribunal with a memorandum of appeal. The Appellate Tribunal shall not accept cheques, drafts, hundies or other negotiable instruments.
4. The memorandum of appeal shall be written in English or, if the appeal is filed in a Bench located in any such State as is for the time being notified by the President of the Appellate Tribunal for the purposes of rule 5A of the Income -tax (Appellate Tribunal) Rules, 1963, then, at the option of the appellant, in Hindi, and shall set forth, concisely and under distinct heads, the grounds of appeal without any argument or narrative and such grounds shall be numbered consecutively.
5. *The number and year of appeal will be filled in the office of the Appellate Tribunal.
6. Delete the inapplicable columns.
7. If the space provided is found insufficient, separate enclosures may be used for the purpose.

* NOTES

1. Please note that quoting false PAN/ AADHAAR may attract a penalty of Rs. 10,000/- as per section 272B of the Income-tax Act, 1961.

2. Taxpayers may please draw/ issue Cheque/ DDs towards payment of income-tax as under:

Pay _____ (Name of the Bank where the Challan is being deposited) A/c
Income-tax

KINDLY ENSURE THAT THE BANK'S ACKNOWLEDGEMENT CONTAINS THE FOLLOWING:-

1. 7 DIGIT BSR CODE OF THE BANK BRANCH
2. DATE OF DEPOSIT OF CHALLAN (DD MM YYYY)
3. CHALLAN SERIAL NUMBER

THESE WILL HAVE TO BE QUOTED IN THE STATEMENT OF SPECIFIED SERVICES OR E-COMMERCE SUPPLY OR SERVICES.”.

[Notification No. 87/2020 / F. No. 370142/21/2020-TPL]

NIRAJ KUMAR, Dy. Secy. (Tax Policy and Legislation Division)

Note: The principal rules were published in the Gazette of India, Extraordinary, Part-II, section-3, sub-section (ii) *vide* number S.O. 1905 (E) dated the 27th May, 2016.