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JDPro Insights
August 2026 Edition

Bringing the latest regulatory updates in GST, Income Tax and more at your fingertips.

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INDIRECT TAX INSIGHTS

1 GSTN Keeps Proposed E-Way Bill Enhancements on Hold

1 GSTN KEEPS PROPOSED E-WAY BILL ENHANCEMENTS ON HOLD

The Goods and Services Tax Network (GSTN) has kept the proposed E-Way Bill system enhancements, which were earlier scheduled to be implemented from 1 August 2026, on hold until further notice.

Accordingly, taxpayers, transporters, ERP providers, and other stakeholders are not required to implement any system or process changes based on the earlier advisories issued on 9 June 2026 and 17 June 2026. The related FAQs published on 2 July 2026 will also be withdrawn from the GST Portal.

Until GSTN issues a fresh notification, the existing e-Way Bill system and procedures will continue without any change. Stakeholders may therefore continue their current operations and defer any planned production updates relating to the proposed enhancements.

Reference:

- To read the advisory dated 29 July 2026 issued by GSTN- **Click Here**

DIRECT TAX INSIGHTS

1. CBDT Notifies ITR-BN for Block Assessment under the Income-tax Act, 2025
2. CBDT Issues Guidance Note on Crypto-Asset Reporting Requirements
3. CBDT Condones Delay in Filing Form 10AB for Renewal of Approval under Section 80G
4. CBDT Exempts Certain Payments to IFSC Units from Tax Withholding
5. CBDT includes AEOI Information in AIS

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CBDT NOTIFIES ITR-BN (FOR BLOCK ASSESSMENT) UNDER THE INCOME-TAX ACT, 2025

Effective Date

- Applicable from: 1 April 2026
- Applies to searches initiated under Section 247 or requisitions made under Section 248 of the Income-tax Act, 2025, on or after this date.

Key Highlights

- CBDT has introduced a new Income-tax Return (ITR) Form – ITR-BN through Notification No. 97 dated 24 July 2026.
- The new form has been inserted as Appendix IV to the Income-tax Rules, 2026.
- ITR-BN is specifically designed for block assessment cases arising from search and seizure proceedings.
- The form provides a standardized reporting framework for reporting undisclosed income identified during such proceedings.
- It aims to bring uniformity, consistency, and transparency in filing returns for block assessment cases.

Important Information to be Reported in ITR-BN

- Block period covered under the assessment.
- Undisclosed income identified during the search or requisition.
- Computation of tax payable on the undisclosed income.
- Taxes already paid, if any.
- Tax Deducted at Source (TDS)/withholding tax credits eligible for claim.
- Verification and declaration by the taxpayer.

Reference:

- To read the detailed guidelines issued by CBDT on 24 July 2026 - **Click Here**

2

CBDT ISSUES GUIDANCE NOTE ON CRYPTO-ASSET REPORTING REQUIREMENTS

Reporting Crypto Asset Service Providers (RCASPs) are required to comply with the reporting requirements prescribed under Section 509 of the Income-tax Act, 2025 read with Rules 241–244 and Form 167 of the Income-tax Rules, 2026.

Key Highlights

- CBDT has issued a **Guidance Note** to help Reporting Crypto Asset Service Providers (RCASPs) understand and comply with their reporting obligations.
- The guidance explains the reporting requirements in a simple and easy-to-understand manner.
- It supports better tax transparency in crypto-asset transactions.
- The guidance is based on the OECD's Crypto-Asset Reporting Framework (CARF), which India has adopted along with other participating countries.

Why It Matters

- Helps crypto service providers comply with the reporting rules correctly.
- Promotes accurate reporting of crypto-asset transactions.
- Aligns India's reporting framework with international standards.
- Strengthens tax compliance and transparency in the digital asset sector.

3

CBDT CONDONES DELAY IN FILING FORM 10AB FOR RENEWAL OF APPROVAL UNDER SECTION 80G

Key Highlights

- CBDT has condoned the delay in filing **Form 10AB** for renewal of approval under Section 80G of the Income-tax Act, 1961.
- The relaxation is available for charitable funds/institutions whose Section 80G approval expired on 31 March 2026.
- It applies to Form 10AB applications filed electronically between **1 October 2025 and 31 March 2026**.
- The relief has been provided to address **genuine hardship** faced by charitable institutions due to delayed filing.

Important Information

- The Principal Commissioner of Income-tax (PCIT) or Commissioner of Income-tax (CIT) will examine these applications on merits.
- The authorities have been directed to pass orders by 31 December 2026.
- If an application filed during the above period was rejected only because it was filed after the due date (30 September 2025), the delay will now be treated as condoned.
- Such rejected applications will also be reconsidered on their merits by the concerned tax authorities.

Impacts

- Provides relief to charitable institutions that missed the filing deadline for genuine reasons.
- Helps eligible institutions continue to enjoy Section 80G approval, enabling donors to claim tax deductions on eligible donations.
- Prevents hardship arising solely due to procedural delays.

Reference: To read the detailed circular issued by CBDT on 2 July 2026. - Click Here

4

CBDT EXEMPTS CERTAIN PAYMENTS TO IFSC UNITS FROM TAX WITHHOLDING

Key Highlights

- CBDT has exempted specified payments made to eligible International Financial Services Centre (IFSC) units from Tax Deducted at Source (TDS) under the Income-tax Act, 2025.
- The exemption aims to improve the cash flow of IFSC units that are eligible for tax deduction under section 147.

Effective Date

- Applicable from 1 April 2026.

Covered Payments

- The exemption applies to specified payments such as:
  - Interest on external commercial borrowings (ECBs) and loans
  - Professional fees
  - Brokerage
  - Other notified payments.

Compliance Requirement

- The IFSC unit must submit Form 1(N) to the payer, specifying the period for which it intends to claim the deduction under section 147.
- Upon receipt of the declaration, the payer can make the specified payments without deducting TDS.
- Such payments must continue to be reported in the prescribed TDS statements.

Additional Relief

- Separate notifications dated 3 July 2026 (Notification Nos. 74 and 75) also exempt lessees from deducting TDS on lease rent and supplemental lease rent paid to eligible IFSC units engaged in the business of aircraft and ship leasing.
- These exemptions are also effective from 1 April 2026.

Reference:

- To read the detailed circular issued by CBDT on 10 July 2026. - **Click Here**
- To read the detailed circular issued by CBDT dated 3 July 2026 - **Click Here**

CBDT INCLUDES AEOI INFORMATION IN AIS

What is AEOI?

AEOI is an international framework through which countries **Automatically Exchange Financial Information** of each other's tax residents.

- Common Reporting Standards (CRS): Over 100 jurisdictions share details of foreign financial accounts and income with India.
- FATCA (USA): U.S. financial institutions report accounts of Indian residents, and the information is shared with CBDT.

Applicable Date

- Applicable for: AY 2026–27 onwards (for ITR filing)

Key Highlights

- CBDT has authorised the Director General of Income-tax (Systems) to display AEOI (Automatic Exchange of Information) data in the Annual Information Statement (AIS).
- AIS currently displays AEOI data for calendar years 2022, 2023 and 2024.
- 2025 data is expected to be available around September/October 2026.
- CBDT is also sending SMS and email reminders to taxpayers to verify and disclose foreign assets and income.

Important Takeaways

- ROR taxpayers must reconcile AIS data with Schedule FA before filing the ITR.
- Foreign assets include bank accounts, shares, ESOPs, brokerage accounts, and offshore crypto accounts.
- NRs and RNORs are not required to disclose foreign assets in Schedule FA.
- Penalty: ₹10 lakh per year under the Black Money Act, 2015 for non-disclosure or incorrect disclosure, along with additional tax and penalties for undisclosed foreign income.
- No new disclosure requirement. AIS simply shows foreign financial information already received by the Income-tax Department, enabling taxpayers to report it correctly in their ITRs.

Reference:

- To read the advisory dated 8 July 2026 issued by the CBDT- **Click Here**

CORPORATE LAW INSIGHTS

1. MCA Extends Due Date for Companies Compliance Facilitation Scheme (CCFS), 2026

1 MCA EXTENDS DUE DATE FOR COMPANIES COMPLIANCE FACILITATION SCHEME (CCFS), 2026

- **Extension**: The Ministry of Corporate Affairs (MCA) has extended the Companies Compliance Facilitation Scheme (CCFS), 2026 from 15 July 2026 to 31 August 2026.

- **Applicable To**: Companies with pending annual filings and inactive companies.

- **Key Benefits**
  - Pending annual filings can be completed by paying 10% of the additional fees.
  - Inactive companies can apply for dormant status at 50% of the normal filing fee.
  - Companies seeking closure can file Form STK-2 by paying 25% of the filing fee.

- **Reason for Extension**: The due date has been extended due to capacity enhancement and system restoration activities following the data centre fire incident in June 2026.

Reference: To read the notification dated 8 July 2026 issued by MCA. - Click Here

INTERNATIONAL TAXATION INSIGHTS

1. CBDT Releases Annual Report on Advance Pricing Agreement (APA) Programme – FY 2025–26
2. India–Sri Lanka DTAA Amended to Include Principal Purpose Test (PPT)

1 CBDT RELEASES ANNUAL REPORT ON ADVANCE PRICING AGREEMENT (APA) PROGRAMME – FY 2025–26

Background & Objective

- The Advance Pricing Agreement (APA) programme aims to provide tax certainty, reduce transfer pricing disputes, and promote a stable and investor-friendly tax environment in India.

Report Release

- Annual Report for FY 2025–26 issued by the CBDT on 24 July 2026.

Key Highlights

- 1,035 APAs have been concluded by the CBDT up to March 2026, providing tax certainty for over 5,500 assessment years.
- The Income-tax Act, 2025 and Income-tax Rules, 2026 introduced key reforms, including:
  - Simpler APA application forms.
  - Uniform filing fees.
  - Prescribed timelines for unilateral APA cases relating to IT services.
- The report highlights the continued expansion of Bilateral APAs, helping taxpayers avoid double taxation and ensuring tax certainty in both treaty jurisdictions.
- It also includes data and analysis on the APA programme and the Mutual Agreement Procedure (MAP).

Reference: To read the notification dated 24 July 2026 issued by CBDT - Click Here

2 INDIA–SRI LANKA DTAA AMENDED TO INCLUDE PRINCIPAL PURPOSE TEST (PPT)

Background & Objective

- India has amended its Double Taxation Avoidance Agreement (DTAA) with Sri Lanka to strengthen anti-avoidance measures and prevent misuse of treaty benefits.
- The amendment introduces the Principal Purpose Test (PPT) as a measure to curb treaty abuse and protect revenue.

Effective Date

- The amended provisions will apply in India for income derived from 1 April 2027 onwards.

Key Highlights

- Tax authorities can deny DTAA benefits where it is reasonably concluded that obtaining a tax benefit was one of the principal purposes of an arrangement or transaction.
- DTAA benefits will continue to be available where granting such benefits is consistent with the object and purpose of the DTAA.
- The amendment provides tax authorities greater ability to examine the commercial purpose and substance of investment structures.
- The inclusion of PPT aligns India's treaty framework with global standards on preventing tax avoidance.

Impact on Taxpayers

- Investors may need to maintain stronger documentation demonstrating the commercial rationale and genuine purpose of transactions while claiming DTAA benefits.

Reference: To read the detailed guidelines issued by MOF on 16 July 2026. - **Click Here**

COMPLIANCE CALENDARS - AUGUST 2026

1. GST Compliance Calendar August 2026
2. Other Statutory Compliances Calendar August 2026

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GST COMPLIANCE CALENDAR AUGUST 2026

S.No	Particulars of Compliance	Form/Return	Period	Due Date
1	To be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST	GSTR 7	Jul 2026	10.08.2026
2	To be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST	GSTR 8	Jul 2026	10.08.2026
3	Filing of outward supplies	GSTR 1	Jul 2026	11.08.2026
4	To be filed by Non-Resident Taxpayers and OIDAR services provider	GSTR 5	Jul 2026	13.08.2026
5	To be filed by Input Service Distributors	GSTR 6	Jul 2026	13.08.2026
6	Taxpayers with an annual turnover exceeding ₹ 5 Crores.	GSTR 3B	Jul 2026	20.08.2026
7	QRMP taxpayers (turnover ⩽ ₹5 Cr): Outward supply return	GSTR 1	Jul 2026	13.08.2026
8	To be filed by OIDAR services provider	GSTR 5A	Jul 2026	20.08.2026
9	QRMP taxpayers (turnover ⩽ ₹5 Cr): Summary return	GSTR 3B	Jul 2026	25.08.2026

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OTHER STATUTORY COMPLIANCES CALENDAR AUGUST 2026

S.No	Particulars of Compliance	Form/Return	Period	Due Date
1	Due date for deposit of TDS/TCS	Challan	Jul 2026	07.08.2026
2	Provident fund(PF) & ESI Payment and returns		Jul 2026	15.08.2026
3	Issue of TDS and TCS certificates	Form 131/ Form 133	Apr-Jun 2026	15.08.2026
4	Due date for Filing of Income Tax returns	ITR 3/ITR 4	FY 2025-26	31.08.2026

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