

JUNE, 2017

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NEWSLETTER

Government to unveil portal to facilitate FDI proposals soon



The government will soon unveil a portal to replace the website of the Foreign Investment Promotion Board, an interministerial body that has been dismantled as part of the ease-of-doing-business drive.

Now, the Department of Industrial Policy and Promotion (DIPP) will be the administrative body to manage the portal that will provide guidance on foreign direct investment. The website's focus will be more on facilitation than approvals.

The Government have scrapped the FIPB that vetted FDI proposals, removing one layer of decision making that is expected to make the investment process quicker.

This step has been taken by the Cabinet to show that India has made its foreign investment norms more liberal and do not require an inter-ministerial forum for clearance of proposals.

FDI proposals on the basis of sector, will now be cleared by the respective ministries and the proposals that raise security concerns will go also to the home ministry for approval.

Rs 2,000 crore credit guarantee fund for startups may get Cabinet nod in July

The proposed credit guarantee fund that will help startups get collateral-free loans is likely to get the cabinet approval in July.

The fund, with a total corpus of Rs 2,000 crore, was announced in January 2016 to enable greater financial support for startups.

The guidelines for the granting funds is completed now. Each startup will be eligible for up to Rs 5 crore loan without any collateral since access to capital has been one of the biggest challenges faced by startups.

However, the Startups will have to meet the definition set by the DIPP to access the benefits of the loans under the credit guarantee scheme.

by aiding the loan to Startups, mutually beneficial ideas can be exchanged as there is a lot of complementarity between the countries and a better synergies through government to government interactions would be established.



WhatsApp in talks with SBI and NPCI for payments via UPI

The messaging app WhatsApp, owned by American online social networking company Facebook, is in talks with the State Bank of India, the National Payments Corporation of India and a few other financial institutions to allow its users to make payments via United Payments Interface (UPI), which facilitates instant fund transfer between two bank accounts on the mobile platform.

WhatsApp is in early discussions with several Indian banks, which could work with the messaging app service to implement UPI on its platform.

With UPI allowing instant settlement of funds between peers, all banks need to do is to integrate their systems with WhatsApp, which can identify the correct recipient. UPI settles funds between one account holder and the other instantly. WhatsApp will identify the recipient and the UPI layer will allow funds to get settled between two parties.

Similar technologies have been adopted by apps such as Truecaller, which has worked with ICICI Bank to implement UPIbased payments. Hike Messenger, too, has started UPI-based payments in collaboration with Yes Bank. It has done so through a wallet licence from the RBI.

It is also important to consider the manner in which consumers will be able to access the payment method, whether it will be done through WhatsApp or appear as a payment mode in the payment gateway page. Further, it will also allow instant payments for businesses working through social media like Facebook.”

GST registrations for ecommerce, new companies to begin on June 25

Ecommerce operators and TDS deductors will be able to register with GST Network beginning June 25, when the portal re-opens for fresh registration. The registration will also start for GST practitioners, Tax Deductors at Source (TDS) and e-commerce operators, which are required to collect tax at source

Also, existing excise, service tax and VAT assesseees will get another chance to migrate to the GSTN portal as registration for them too opens and will remain open for three months.

Registration with the GSTN is necessary for doing business in the GST regime as businesses will have to upload monthly supply data as well as file return forms on this portal.

The GSTN portal was open from November 8 till April 30 and then again for 15 days in June for enrolment of existing taxpayers.

It will now be open again from June 25th for a period of 3 months for existing taxpayers registered under Central Excise/Service Tax/VAT etc.



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