

BUDGET UPDATE

**Key Amendments
from Budget 2024
effective from 1st
October, 2024**



Major amendments in Budget 2024 are going to be applicable from 1st October, 2024. A brief description is as follows:

1. Direct Tax Vivad Se Vishwas Scheme 2024 -

The Scheme provides an opportunity to settle specific tax disputes which are pending as of July 22, 2024.

Taxpayers who opt to settle before December 31, 2024, are required to pay either the disputed tax amount in full or 25% of the disputed interest, penalty, or fee. However, who choose to settle after December 31, 2024, will need to pay either 110% of the disputed tax amount or 30% of the interest, penalty, or fee in question.

In cases where the department has filed an appeal, the settlement amount will be reduced by half.

2. **Buyback tax** - Buyback of shares will be taxable as deemed dividends for the recipient. Companies will now be mandated to withhold TDS on buyback proceeds @ 10% for resident individuals and 20% for non-resident individuals

3. **Amendment in penalty provisions under BMA Act**, that no penalty u/s 42 and 43 of BMA Act will not be applicable if undisclosed asset do not exceed Rs 20 lakh.

4. Key amendments in **The Benami Property Transactions Act, 1988**. Majorly includes:
 - *A 3-Month Deadline to be allowed for Benamidar/Beneficial Owner to respond to Show Cause Notice.*

- *Extends the provisional attachment period from 90 days to four months.*
- *Extension of the period to decide on provisional attachment actions by IO from 90 days to four months.*
- *Allow the IO one month to refer the case to Adjudicating Authority after passing of attachment order.*
- *Empowering Initiating Officers to Grant Immunity from Penalties to Benamidar and Other Involved Parties.*

5. There will be an **increase in the STT** applicable to Futures & Options (F&O) trading. The STT on the sale of options will rise from 0.0625% to 0.1% of the option premium, and for futures, it will increase from 0.0125% to 0.02% of the trade price.

6. **Change in TDS rates** in many cases interalia including TDS rate on rent payments under Section 194IB will be reduced from 5% to 2%, TDS on payments through e-commerce platforms u/s 194O will be reduced from 1% to 0.1%, and TDS on for life insurance policy payments will be reduced from 5% to 2% among others.

7. **Withdrawal of 20% TDS on mutual fund repurchase** - One of the major tax relief measures announced was the withdrawal of the 20% TDS on mutual fund repurchases.

8. **Aadhar Card** – There is discontinuation of the provision that allows individuals to quote Aadhar Enrolment ID instead of the Aadhar number in the application form for PAN allotment application and in their income tax returns.

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