



The Chamber of Tax Consultants

Estd. 1926
ज्ञानं परमं बलम्

Mumbai | Delhi

President
Haresh Kenia

Vice President
Vijay Bhatt

Hon. Jt. Secretaries
Neha Gada | Vitang Shah

Hon Treasurer
Mehul Sheth

Imm. Past President
Parag Ved

Comments on DRAFT IFSCA (BATF) Regulations, 2024

Name and Details of the Person / Entity - **The Chamber of Tax Consultants**
(Organisation name (If applicable) -
Contact No and Email address -

Sr. No.	Regulation No.	Sub- Regulation	Comments/ Suggestions	Rationale
1	3	b(iii)	<p>(iii) preparation of business tax returns, when provided as a package along with preparation of financial statements for a single fee;</p> <p>Explanation: Accounting services do not include financial auditing services, book keeping services or tax preparation services, when provided as separate services;</p>	<p>The phrases highlighted in bold should be included in clause (iii) and Explanation.</p> <p>According to clause (iii) of the clause, "preparation of business tax returns, along with preparation of financial statements" which are bundled services falls under the scope of accounting services. However, it contradicts the explanation of the same clause which states that "Accounting services do not include financial auditing services, bookkeeping services or tax preparation services"</p> <p>Thus, the definition of accounting services under clause (iii) should be amended to clarify that preparation of business tax returns is included only where it is provided as a bundled service. Similar modification should be done in the Explanation to avoid any ambiguity. This is in line with Para 2.1.3 on Compilation of financial statements services in the Framework for enabling Ancillary services at International Financial Services Centres F.No. 06/IFSCA/Anc.Aux/2020-21 dated 10th February, 2021 and also classification of accounting services as per CPC 2.1 (entral Product Classification (CPC) Version 2.1 published in 2015: chrome extension://efaidnbmnnnibpcajpcglclefindmkaj/https://unstats.un.org/unsd/classifications/unsdclassifications/cpcv21.pdf).</p>



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2	3	I	"Taxation Services" includes tax consulting, preparation services and planning services which includes providing advice and guidance concerning taxes as well as preparing and filing of tax returns of all kinds, representation and other related support services	<p>The phrases highlighted in bold should be included in the definition.</p> <p>Taxation Services should specifically include Representation services and other support services in relation to taxation.</p> <p>This is in line with Para 2.3.2 on Business Tax Preparation and Review Services in the Framework for enabling Ancillary services at International Financial Services Centres F.No. 06/IFSCA/Anc.Aux/2020-21 dated 10th February, 2021 which specifically includes representation services</p>



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3	5	4		Setting up a separate legal entity in the form of Company or LLP instead of branch is advisable considering potential misuse of the branch model, particularly in relation to migration of India business into GIFT IFSC. However, Part I of First Schedule of The Chartered Accountants Act, 1949 prohibits a practicing Chartered Accountant to enter into partnership with any person other than a Chartered Accountant in practice. This would result in practical issues for CA firms to set up separate firm in IFSC where only BATF services are provided without any attestation/audit services. Thus, representation should be made by GIFT IFSC to the The Institute of Chartered Accountants of India to permit Chartered Accountant to enter into partnership with any other person for LLPs registered under BATF Framework
4	5	5	Promoter means a person who, directly or indirectly, has the control over affairs of the entity either as a shareholder, partner, director or otherwise or a person in accordance with whose advice, directions or instruction the board of directors of the company or partners of limited liability partnership are accustomed to act.	Definition of Promoters should be included by way of Explanation. Promoters of the applicant (service provider) referred to in Regulation5(5) has not been defined.



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Sr. No.	Regulation No.	Sub- Regulation	Comments/ Suggestions	Rationale
New	New	New		<p>As per SEZ Rules, 2006, Work from Home is not permitted to people engaged in providing services other than IT and ITES Services.</p> <p>Work from Home should be permitted by GIFT IFSC entity providing BATF Services for certain percentage of total employees say 25% of total employees. This is required since the services are provided to non resident situated in different timezones which can result in late night working hours in India. This is essential for encouraging women employment and giving them flexibility as well as addressing security concerns.</p>