



Monthly Newsletter
April 2026

Income-tax Act, 2025 comes into force from 1.4.2026

- ❑ The Income-tax Act, 2025, a landmark reform in India's direct tax framework, comes into force from 1.4.2026. The Act replaces Income-tax Act, 1961 and marks a shift towards greater clarity and ease of compliance through simple language, a streamlined structure and a reader-friendly presentation, without altering the underlying tax policy.
- ❑ In order to operationalize the provisions of Income-tax Act, 2025, the Income-tax Rules, 2026 have also been notified by the CBDT on 20.3.2026. The corresponding new Forms have also been notified.

Finance Act 2026

- ❑ The Finance Bill 2026 has received the President's assent on 30.3.2026 and has become the Finance Act 2026. The Finance Bill contained proposed amendments to both direct and indirect tax laws including existing Income-tax Act 1961 and new Income-tax Act 2025. With the President's assent, all the proposals introduced in the Finance Bill 2026 by the Hon'ble Finance Minister on 1.2.2026, have been formally enacted into law, after carrying out several modifications to the initial proposals.

ITR forms for AY 2026-27

- ❑ The CBDT has released Income Tax Return (ITR) forms – ITR 1 to ITR 7, applicable for filing income tax return and updated return by all assesseees for AY 2026-27 (FY 2025-26).

Forms and procedures for furnishing of PAN correction, specified

- ❑ The CBDT has issued PAN CR-01 and PAN CR-02 for individual and non-individual PAN holders requiring correction of PAN data, along with related guidelines, effective from 1.4.2026.
- ❑ These forms can be submitted physically in the PAN Centres of Mis UTUTSL/ Mis Protean eGov or online through their websites.

MOU for collection of taxes with Japan notified

- ❑ The Central Government has notified Memorandum of Understanding (MOU) for Assistance in Collection of Taxes, as the Mode of Application of Article 26A of the DTAA between India and Japan. The said MOU will have effect in India in respect of any request for collection of taxes made after 8.7.2025. The MOU establishes a framework for cooperation in tax recovery between the two countries.

Amendment in DTAA between India and Brazil notified

- ❑ The Central Government has notified Protocol amending the DTAA between India and Brazil for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income.
- ❑ The amending Protocol, signed on 24.8.2022, has entered into force on 18.10.2025 after completion of necessary legal procedures by both countries. The provisions of the Protocol will take effect in India from 1.4.2026. The amendment seeks to align the DTAA with international tax standards and global practices, prevent tax evasion and avoidance, clarity and efficiency in tax administration. The amended treaty contains changes in various Articles relating to permanent establishment, dividends, interest, royalties and introduce provisions on fees for technical services.

No GAAR on pre-April 2017 investments

- ❑ The CBDT in an amendment to Rule 10U of the Income-tax Rules 1962 has clarified that provisions of General Anti Avoidance Rules (GAAR) will not apply to investments made prior to 1.4.2017 and on which gains are realised in subsequent periods. The amendment will be effective from 31.3.2026. GAAR provisions were introduced from 1.4.2017 to curb aggressive tax avoidance arrangements.
- ❑ Corresponding amendments have also been made in the Income-tax Rules 2026, effective from 1.4.2026.

CBDT signs 219 Advance Pricing Agreements in FY 2025-26

- ❑ As per a recent Press Release, the CBDT has entered into a record 219 Advance Pricing Agreements (APAs) in FY 2025-26 with Indian taxpayers. This includes Unilateral APAs (UAPAs) and Bilateral APAs (BAPAs). With this, the total number of APAs since the inception of the APA programme has crossed the 1000th mark, aggregating to 1034 APAs, comprising 750 UAPAs and 284 BAPAs.



Advisory on the Payment of pre-deposit while filing of appeal before First Appellate Authority (GST)

- ❑ In order to avoid duplication of pre-deposit at the time of filing appeal before the first appellate authority, taxpayers are advised to file Form GST DRC-03A. This will link payments made through Form GST DRC-03 earlier, during the course of investigation proceedings, with the relevant demand order.

Advisory regarding confirmation of “Tax Liability Breakup, As Applicable” in GSTR-3B (GST)

- ❑ From tax period February 2026 onwards, taxpayers must review and click “SAVE” on the “Tax Liability Breakup” in GSTR-3B before filing, which is mandatory in all cases. This tab reflects previous period liabilities, auto-populated from GSTR-1/1A/IFF, and confirmation is required to proceed with return filing.

FEMA

Revised Directions of LEI and UTI

- ❑ The Reserve Bank of India (RBI) has issued the Master Direction No. RBI/FMRD/2025-26/392 dated March 27, 2026 – RBI (Unique Identifiers in Financial Market) Directions, 2026, consolidating and upgrading the framework for Legal Entity Identifier (LEI) and Unique Transaction Identifier (UTI) to enhance transparency in the financial markets.

❑ LEGAL ENTITY IDENTIFIER (LEI)

LEI Code is mandatory for all non-individual entities (both resident and non-residents) undertaking Over-the-counters (OTC) transactions in govt. securities, money market instruments, foreign exchange instruments and derivatives.

- For users/clients undertaking non-derivative foreign exchange transactions, the LEI code shall be applicable only for transactions involving an amount equivalent to or exceeding USD one million or equivalent thereof in other currencies.
- All participants, resident and non-resident, undertaking transactions falling within the scope of these directions shall obtain an LEI from a Local Operating Unit (LOU) which is accredited by the Global Legal Entity Identifier Foundation (GLEIF)/Entity recognised by the RBI.

- Non-residents that are not legal entities in their country of incorporation may use the LEI of the parent company/management company.

- Entities without an LEI code shall not be eligible to undertake transactions in the financial markets regulated by the RBI.

- LEI is effective with immediate effect.

❑ UNIQUE TRANSACTION IDENTIFIER (UTI)

- UTI is mandatory for all non-individual entities (both resident and non-residents) undertaking Over the Counter (OTC) derivative transactions.

- UTI shall be generated in terms of the governing directions.

- UTI will be effective from January 01, 2027.

COMPANY LAW

Amendment in AS 22

- ❑ The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2026, amending Accounting Standard (AS) 22 on ‘Accounting for Taxes on Income’..

- ❑ The amendments aim to align Indian accounting requirements with the OECD’s global tax reform framework under the Pillar Two Model Rules, which introduce a global minimum tax regime.

Editorial Team

Deepali Mathur

Taxation

deepali.mathur@inventureadvisers.com

+91 97800 25978

Payal Chowdhary

Secretarial

payal.chowdhary@inventureadvisers.com

+91 85879 83180

C.P. Grover

FEMA

cp.grover@inventureadvisers.com

+91 98107 30151





ABOUT US

InVenture Advisers is an integrated professional services firm providing a range of consulting, transaction advisory, assurance and tax services. Our role is to understand and solve the complexities involved in growth, consolidation, governance and compliance issues facing client organisations. We deliver solutions that help implement strategic plans, increase market share, reduce costs, procure projects, raise funds, acquire businesses, manage risks, optimize taxes, ensure governance and timely compliance.

For further information on how we can help address your tax issues and compliance requirements, please contact any of our expert team or write to us at enquiries@inventureadvisers.com.

For more details on our range of services please visit us at www.inventureadvisers.com.