

NOVEMBER NEWSLETTER

Monthly newsletter by KnowMo

GST COLLECTIONS FOR OCTOBER 2020

GST collections for October grossed Rs 1.05 lakh crore, the highest so far in the financial year and 10% higher than collections in the same month last year.



SEBI ENHANCES OVERSEAS INVESTMENT FOR MUTUAL FUNDS



Investing in international stocks has always been considered as a part of diversification for an investment portfolio. Since the lows of March 2020, the global stock markets have not just rebounded but the growth looks promising in future too. To make sure the potential of equities is well within the reach of Indian investors, the market regulator SEBI has enhanced the overseas investment limit for mutual funds.

Mutual Funds can make overseas investments subject to a maximum of US \$ 600 million per mutual fund, within the overall industry limit of US \$ 7 billion.

Mutual Funds can invest in overseas Exchange Traded Fund (ETFs) subject to a maximum of US \$ 200 million per mutual fund, within the overall industry limit of US \$ 1 billion

SEBI ASKS DEBT MF SCHEMES TO HOLD 10% LIQUID ASSETS

- All open-ended debt schemes (except overnight funds, liquid fund and gilt fund) shall hold at least 10% of their net assets in liquid assets. In case the exposure in such liquid assets falls below the threshold mandated, the asset management companies (AMCs) will have to ensure compliance with the requirement before making any further investment. Rule to be effective from 1 Feb 2021.
- It is decided to mandate all open-ended debt schemes (except overnight schemes) to conduct stress testing. Rule to be effective from 1 Dec 2020



INCOME TAX UPDATE FOR HOMEBUYERS AND REAL ESTATE DEVELOPERS

- For primary residential real estate sales of up to ₹2 crore, the acceptable differential between circle rate and agreement value for the purpose of tax has been increased to 20% from 10%.
- The consequential tax relief will also be allowed to buyers of such houses under section 56(2)(x) of the Act.
- The offer will be applicable till 30 June 2021.