

# PAYROLL

## ASSET MANAGEMENT

**The**

# COMMUNIQUE





## Our CFO Speaks

### Design Thinking in Tax Compliance

Design thinking is not for designers only. It is a way of problem-solving and finds its application in all walks of life and in every environment. Design thinking is a repetitive process where the effort is towards understanding the user, challenging the assumptions, and redefining the problem in an attempt to discover new strategies that may not be available in the initial understanding. It provides a solution-based approach to solving problems. Tax compliance is a field of constant change. Besides being complex it is also unalterable. Can design thinking be used for devising solutions for better tax management and compliance? Yes! It can.

We as an organization have been following this practice and devising solutions that are user-centric. The 5 phases of design thinking as per the d.school are Empathize, Define, Ideate, Prototype, Test. We put ourselves in the place of the user and empathize with the challenges faced by the user. The next step is to define the problem and ideate by challenging the underlying assumptions. This leads to innovative solutions which are then verified by adopting a hands-on approach in prototyping and testing.

Our recent product 26AS Reconciler is based on these principles of design thinking.

- Empathize - 26AS reconciliation is a nightmare for large corporates and this is the first principle we used in developing the solution. Empathize and recognize the challenge.
- Define - The next principle is defining the challenge, the reason for mismatches, the challenges in reconciliation
- Ideate - To ideate is to redefine the problem - the reconciliation is challenging due to the volume of data and difficulty in identifying vendors manually
- Prototype - We devised multiple solutions
- Testing - We tested them and reworked them to derive the best solution.

Design Thinking can be used in our lives too and a solution-based approach can change the way we handle the problems.

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## WHAT'S NEW – 26AS Reconciler

26AS Reconciler Software – Help is here!

### Key Features of the software

- Download 26 AS from the Income Tax website
- Automated Reconciliation between statement and ledgers by technology driven software
- Detailed breakup of mismatch
- Easy identification of source of mismatch
- Mailing of mismatch to deductee
- Retrieval of historical reports

## Never miss a date

September

**7<sup>th</sup>**

Due Date for deposit of Tax Deducted/Collected for the month of August

September

**14<sup>th</sup>**

Due Date for issue of TDS Certificate under sections 194-IA,194-IB and 194M

September

**15<sup>th</sup>**

Second instalment of advance tax for the assessment year 2022-23

September

**30<sup>th</sup>**

Due Date of Linking Aadhar number with PAN

**Happy to enhance our footprints**

Trust at the core of every relationship





## TRANSFORMATION STORY-

A GLOBAL LOGISTIC  
COMPANY AUTOMATES THE  
FIXED ASSETS REGISTER



### Challenge

- Manual maintenance of Fixed Asset Register
- Maintenance of proper records and reporting
- Reporting of physical verification conducted
- Reporting of discrepancies noticed in physical verification
- Higher efforts and possibility of errors

### Solution

The process of maintenance of Fixed Asset Register is automated by FAMS to ensure total and timely compliance.

### Result

- Accuracy in maintenance of assets
- Ease of compliance
- Prompt reporting
- Better tracking of asset movements
- Adherence to all Acts
- Reduction in manhours



# ALL YOU NEED TO KNOW - CRYPTOCURRENCIES AND TAXING OF CRYPTOCURRENCIES

Cryptocurrencies are digital currencies or virtual currencies that are secured by cryptography which makes it impossible to double-spend them. A distinguishing feature of cryptocurrencies is that they are generally not issued by any authority, making them immune to government interference or manipulation. This digital asset is based on networks that are distributed across a large number of computers

It is not recognized by the RBI as legal tender in India. There are no clear guidelines for the taxability of cryptocurrencies. However, considering the nature of the investment the taxability will be determined and the tax liability must be discharged. The crypto culture has seen its highs and lows but is definitely explored by many for passive income.

## How is it traded?

Trading of cryptocurrency can be done in two ways:

**Through Mining:** This is the more complex and time-consuming process of investing in crypto without money. The first coder who cracks the code to authorize by solving the mathematical equations with computer programs gets rewarded a small amount of cryptocurrency.

**Through Exchanges:** The exchanges can be broadly divided into 3 types : Centralized Exchanges, Decentralized Exchanges, Hybrid Exchanges.

The taxability of cryptocurrency is based on the nature of investment:

If the cryptocurrency is held for business purpose it is taxable as Business Income

If the cryptocurrency is held for investment purposes it will be taxable as capital gains. If it is held for less than 3 years it will be charged as short-term capital gains (STCG) and if it is held for more than 3 years it will be taxable as Long Term Capital Gain (LTCG).







**Software Support lays foundation for a truly functional software!**

**We have a distinguished team to support you!**

**TdsPac™**

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**26AS Reconciler™**

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