

स्वच्छ भारत

एक कदम स्वच्छता की ओर



Gurugram Branch of NIRC

The Institute of Chartered Accountants of India

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Editorial Message



क्रोधाद्भवति संमोह: संमोहात्स्मृतिविभ्रम:।
स्मृतिभ्रंशाद्बुद्धिनाशो बुद्धिनाशात्प्रणश्यति॥
(Shrimad Bhagwat Geeta | 02.63)

Respected Professional Colleagues,

Warm greetings.

I pray for your good health and safety. In the month of November we have celebrated the auspicious occasion of Diwali, Nirvana Divas of Lord Mahaveer, Birthday of Guru Nanak Dev and also we remembered Guru Tegh Bahadur Sahib on his martyrdom day. These festivals/occasions always inspire us to learn the lesson of always moving forward on the path of truth.

It is easy to have faith when everything is going good. But it is much harder to have faith when there are challenges in the life. Believe me that is exactly when you need to apply your faith. As quoted in second chapter of Shrimad Bhagwat Geeta 'Anger leads to clouding of judgment, which results in bewilderment of the memory. When the memory is bewildered, the intellect gets destroyed; and when the intellect is destroyed, one is ruined'. This is the important lesson that we need to learn in our life.

We are committed to put our best possible efforts to ensure the betterment of profession. Your branch is standing with members and students wholeheartedly. Entire team is working towards hosting knowledge sharing sessions, smooth conduct of CA examination, and construction of building of Gurugram Branch etc. We seek your guidance and support as always.

We always strive to make our newsletters more than just newsletters by keeping informative and using them to share knowledge among fraternity. We are always open to any ideas that will help us to improve our efforts to serve the members and students at large. I, along with my entire team express heartfelt gratitude for the love, support and guidance you have been pouring on us.

Stay safe, stay healthy. Jai Hind.

'Be Genuine and Win Hearts'



Emotional Intelligence and Business

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Emotional Intelligence

Emotions are psychological phenomenon. There is considerable universality in emotion appraisal, expression, physiology, and recognition of emotions in others. Such emotional processes allow us to adapt, respond and cope with problems in life.

Emotional intelligence is not about being emotional always, it is all about being smart with our own emotions. It is not about being nice at all places, it is more about being genuine. No one is born with a knowledge of history, literature or science etc. But almost every child can learn these subjects to a base level; but some can learn to an advanced level. However, genetic inheritance controls the personality traits that the person develops, but emotional intelligence plays a vital role in creating interest of anyone in a particular subject or segment.

Emotional intelligence can be defined as an array of interrelated emotional & interpersonal competencies, skills and behaviours which determines how effectively we understand and express ourselves, understand others and relate with them and cope with day to day demands, problems and pressure.

Essential competencies of Emotional Intelligence:

Intrapersonal

Self-Regard: To perceive, understand & accept oneself

Self-Awareness: The ability to identify and understand own emotions and their effect on others

Assertiveness: To effectively and constructively express one's emotions

Independence: To be self-reliant and free from emotional dependency on others

Self-Actualization: To strive to achieve personal goals and actualizing one's potential

Self-Regulation: The ability to control emotions and ensuring to think before act

Interpersonal

Empathy: Understanding the emotional psychology of others and treating people according to their emotional reactions

Social Responsibility: Identifying responsibilities with social group & cooperation with others

Interpersonal Relationship: Proficiency in managing relationships and building networks

Adaptability

Reality-Testing: To objectively validate individual feelings and thinking with external reality

Flexibility: To adapt and adjust individual feelings and thinking to new situations

Problem-Solving: Solve problems effectively (personal and interpersonal in nature)

Stress Management

Stress Tolerance: To effectively & constructively manage anger, anxiety and stress etc.

Impulse Control: To effectively & constructively control emotions

Business Leadership Today

Leadership relies more on personal power than positional power. Leadership can be defined as the process of social interaction where the leader's ability to influence the behaviour of followers can strongly influence performance outcomes. It is intrinsically an emotional process, whereby leaders recognise followers' emotional states, attempt to evoke emotions in followers, and then seek to manage followers' emotional states accordingly.

In the new era of business management subordinates do not accept the autocratic style as adopted by leaders in historical models of leadership. Now a days Leadership has had to evolve to match a growing sense of something like democracy and independence. Its central concern is coping with change, inspiring and motivating followers to realize the organization's vision. Business leaders now need to manage and lead the workforce and go beyond the consultative, cooperative and democratic styles.

Emotional Intelligence in New Era Business Leadership

Now a days the application of Emotional Intelligence at work place became an important tool for business leaders. Research suggests that interventions that strengthen emotional intelligence could well promote progress in professional development. Based on research skills resulted from abilities based on emotional intelligence are as below:

Ability	Skills
Perceiving	• Identifying emotions in thoughts of own and others • Expression of emotions in accurate manner • Discrimination between accurate & inaccurate feelings
Using	• Prioritise thinking by directing attention • Generate emotions to assist judgement • Problem solving through emotions

Ability	Skills
Understanding	• Understanding complex feelings and relations within emotions • Interpretation of emotions • Recognising emotional transitions
Managing	• Accepting emotions open heartedly • Engaging or detaching from an emotion • Monitoring and managing emotions

Research provides that a business leader must possess the ability to identify emotions within himself and allows himself to identify the emotions of team members, to express their emotions. The ability to understand and experience other's emotions, is an important component of emotional intelligence. Understanding the emotional intelligence provides functional insights into human behaviour and individual perceptions.

Major competencies of Emotional Intelligence in Business Leadership

Competencies	Key Identifiers
Self-awareness	• Self-confidence • Realistic self-assessment
Self-regulation	• Integrity • Comfort • Boldness to change
Self-motivation	• Optimism • Commitment • Positivity
Empathy	• Cross cultural sensitivity • Willingness to service
Relationship Skills	• Effectiveness in leading change • Quality to build team • Persuasiveness
Emotions	• Controlling emotions in




Canada Personal Income Tax

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- **Introduction and Basics**

Like every other economy in the world, Canada too levies a variety of taxes in order to raise revenue for the government and thereby enable spending on public welfare such as social security, infrastructure development and other purposes. Canada's tax system is unique in many respects and will probably be different from India.

The taxes in Canada are administered, collected and the benefits delivered by the Canada Revenue Agency (CRA).

- **Types of Taxes**

Canada levies a wide variety of taxes which can be broadly listed as below –

⇒ Income Tax
⇒ Payroll Taxes
⇒ Sales Tax (GST/HST/PST)
⇒ Property Taxes
⇒ Customs duties or tariffs
⇒ Contributions on social security plans
⇒ Health services taxes
⇒ Motor vehicle Licenses
⇒ Natural resource taxes etc.

The above taxes are further bifurcated as –

- Federal taxes
- Provincial taxes
- Territorial taxes

- **Personal Income Tax**

Personal Income Tax in Canada also falls within the ambit of CRA. CRA is no exception to the basic nature of filing Income tax returns globally. The basic steps to file a tax return with CRA are the same as in anyother nation i.e. –

1. Provision and updation of personal information
2. Reporting Income
3. Claiming Deductions, tax credits and expenses
4. Filing of the tax return

- **Who is required to pay income taxes in Canada?**

Every resident of Canada is required to file a Canadian income tax return annually. Before filing tax return, We must determine whether the person is a resident, a "deemed" resident or a non-resident of Canada for tax purposes. In Canada, each member of the household — who has income — is responsible for filing his or her own income taxes.

According to the Canada Revenue Agency (CRA), The person is considered a Canadian resident when have established significant ties in Canada, such as having permanent residence in Canada or a spouse and/or dependents in Canada. Having significant ties can also include holding Canadian documentation.

To prevent from a person paying taxes twice — in Canada and in country of origin a person— on the same amount of money, Canada has tax treaties or conventions with more than 90 countries.

- **Tax Rate**

Canada also follows –

1. Progressive Tax Structure i.e. Taxes increase with Increase in Income
2. A dual tax structure i.e. taxes are levied by both Federal as well Provincial & Territorial authorities

The Federal Tax Rates for 2020 are –

- 15% on the first $48,535 of taxable income, plus
- 20.5% on the next $48,534 of taxable income (on the portion of taxable income over 48,535 up to $97,069), plus
- 26% on the next $53,404 of taxable income (on the portion of taxable income over $97,069 up to $150,473), plus
- 29% on the next $63,895 of taxable income (on the portion of taxable income over 150,473 up to $214,368), plus
- 33% of taxable income over $214,368

Time-line

For the current year the time-line for filing individual tax return is June 01, 2020. If either the individual or his spouse (or common-law partner) is self-employed then the deadline to file tax return was June 15, 2020.However the last date to pay any 2019 tax owings was September 30, 2020 in both the cases.

(The deadline for filing your tax return and paying any balance of tax due is usually 30 April of the following tax year. In other words, the tax return that you file will relate to the income you earned in the previous year.)

If the death of Taxpayer, occurred between January 1 and October 31, 2019, inclusive:

Filing date for 2019 tax year	June 1, 2020 *(Extended date)*
Payment date for 2019 tax year	September 30, 2020 *(Further extended as of July 27)* Penalties (including late-filing penalties) and interest will not be applied if returns are filed and payments are made by September 30, 2020

- **Modes of Filing Tax Return**

The Canadian Tax Returns can be filed in three ways –

- Using Electronic software
- On Paper
- By Phone (Restricted eligibility to only those who have received an invitation letter)

Further if any additional help is required to file the tax returns then CRA runs tax-clinics which are free in principal and run by them around Mid -March / April.

It is pertinent to note that irrespective of the mode of filing of the tax return, all tax documents must be kept for a period of atleast 6 years.

- **Tax Payments**

The amount owed needs to be paid to the CRA at the earliest possible. If you do not pay the taxes by the prescribed due-date on any amount of tax owed till the balance is paid in full.

It is an interesting fact that in case you cannot pay the taxes in full, you may write to CRA for a special payment arrangement. Also CRA does hold the power to grant relief from any interest or penalties so payable.

- **Refund**

The CRA makes every attempt to be really quick when it comes to processing refund. In case of E -filing of the tax return the refunds are processed as quickly as 8 days.

However in case of paper returns, the refunds and NOA (Notice of Assessment) may take around 8 weeks.

- **Notice of Assessment**

Notice of Assessment also known as NOA is the communication from the end of CRA with regards to the tax return filed by you.

If you notice any changes subsequent to filing of your tax return, you should wait for NOA. Upon receipt of the same you may change the tax return i.e. revise the tax return.

- **Points to be kept in Mind:**

⇒ Canadian income tax rates vary according to the amount of income you earn, and you pay different rates on different portions of your income.

⇒ Canada's tax brackets reflect a marginal tax rate system.

⇒ The Canadian tax system is a progressive (or graduated) system which means low-income earners are taxed at a lower percentage than high-income earners; the more money you make, the more taxes you pay.

⇒ Instead of provincial or territorial tax, non -residents pay an additional 48% of basic federal tax on income taxable in Canada that is not earned in a province or territory. Non-residents are subject to provincial or territorial rates on employment income earned, and business income connected with a permanent

establishment, in the respective province or territory. Different rates may apply to non-residents in other circumstances.

- **Alternative Minimum Tax (AMT)**

In addition to the normal tax computation, individuals are required to compute an adjusted taxable income and include certain 'tax preference' items that are otherwise deductible or exempt in the calculation of regular taxable income. If the adjusted taxable income exceeds the minimum tax exemption of CAD 40,000, a combined federal and provincial/territorial tax rate of about 25% is applied to the excess, yielding the AMT. The taxpayer then pays the greater of regular tax or the AMT. Taxpayers required to pay the AMT are entitled to a credit in future years, when their regular tax liability exceeds their AMT level for that year.

Canada: Kiddie Tax

The "kiddie tax" in section 120.4 of the Canadian Income Tax Act generally applies to income of a child under 18 attributable to dividends or shareholder appropriations from a private corporation designed to split income. The kiddie tax is not applicable to capital gains.

A minor child that receives certain passive income under an income splitting arrangement is subject to tax at the highest combined federal/provincial (or territorial) marginal rate (i.e. up to 54%), referred to as 'kiddie tax'. Personal tax credits, other than the dividend, disability, and foreign tax credits, or other deductions cannot be claimed to reduce the kiddie tax.

- **Wrapping Up**

In a nutshell the CRA has made every attempt for easy and smooth filing and processing of the tax returns. It is procedure that is pretty convenient, easy to grasp and implement for every layman. Hope the above details help you with the basic insights for the personal income tax in Canada. Shall you have any ideas, concerns, suggestions or feedback; do feel free to write to us at caheergajjar@gmail.com and cslalitrajput@gmail.com .

लिख दो तुम एक नव इतिहास

मुदित मन मंदिर को छु जाए गौरव का एहसास,
विमल वाणी वीणा की छेड़े कोई ऐसा रास;
चन्द्रमा की चंचल छटा हो जाए ऐसी ख़ास,
आओ लिख दो तुम एक नव इतिहास ||1||

मधुर मन मनोहर अंदाज हो,
मंत्रमुग्ध कर दिलों पर राज हो,
उन्मुक्त अनंत आह्लाद की अनुभूति हो;
अद्भुत अद्वितीय हो हर प्रयास,
आओ लिख दो तुम एक नव इतिहास ||2||

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कलरव करते पखेरू, कश्ती ढूंढे किनारा,
कश्मकश कलम की करे कुछ इशारा,
सुर सरिता सुस्वर में निनाद करे प्यारा;
निस्वार्थ निच्छल निर्विकार होकर तुम याद रखना,
धीरज ह्रदय में बसी रहे सदा एक ही आश;
आओ लिख दो तुम एक नव इतिहास ||3||

Administration

DISCLAIMER

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