

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

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PRESS RELEASE

CBDT notifies Rules for implementing the amendments made by the Taxation Laws(Amendment) Act, 2021

The Taxation Laws (Amendment) Act, 2021 (2021 Act), *inter-alia*, amended the Income-tax Act, 1961 (Income-tax Act) so as to provide that no tax demand shall be raised in future on the basis of the amendment to section 9 of the Income-tax Act made vide Finance Act, 2012 for any offshore indirect transfer of Indian assets if the transaction was undertaken before 28th May, 2012 (i.e., the date on which the Finance Bill, 2012 received the assent of the President).

The 2021 Act also provides that the demand raised for offshore indirect transfer of Indian assets made before 28th May, 2012 (including the validation of demand provided under Section 119 of the Finance Act 2012) shall be nullified on fulfillment of specified conditions such as withdrawal or furnishing of undertaking for withdrawal of pending litigation and furnishing of an undertaking to the effect that no claim for cost, damages, interest, etc. shall be filed and such other conditions are fulfilled as may be prescribed. The amount paid/collected in these cases shall be refunded, without any interest, on fulfillment of the said conditions.

The draft rules, to amend the Income-tax Rules, 1962, prescribing the specified conditions as referred above and providing the form and manner for furnishing of undertaking for withdrawal of pending litigation, claiming no cost, damages, interest, etc. were circulated in public domain on 28th August, 2021, inviting suggestions/comments from all stakeholders by the 4th of September, 2021.

After examining the stakeholder comments and incorporating several suggestions contained therein, the rules for implementing the 2021 Act have been published in the Official Gazette vide Notification No. GSR 713(E) dated 1st October, 2021 wherein the following rules have been inserted to the Income-tax Rules, 1962:

- i. Rule 11UE which provides for the specified conditions in order to be eligible to claim relief under 2021 Act; and
- ii. Rule 11UF which provides the form and manner of furnishing the undertaking for withdrawal of pending litigation, claiming no cost, damages, etc.

The notification containing the above rules can be accessed at www.incometaxindia.gov.in.

(Surabhi Ahluwalia)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson, CBDT