



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **Framing of rules for the amendments made by the Taxation Laws (Amendment) Act, 2021**

The Taxation Laws (Amendment) Act, 2021 (2021 Act), which received the assent of the President on the 13th August, 2021, has, 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 amendment made by 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 aim of the amendment made by the 2021 Act is to bring tax certainty and ensure that once specified conditions are fulfilled, the pending Income-tax proceedings shall be withdrawn, demand, if any, raised shall be nullified, and amount, if any, collected shall be refunded to the taxpayer without any interest. To implement the amendment made by 2021 Act, draft rules have been prepared to amend the Income-tax Rules, 1962 which specify the conditions to be fulfilled.

The draft notification containing the proposed rules is placed in public domain and can be accessed at [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in).

Members are requested to kindly provide their valuable comments/suggestions on the same at [research@phdcci.in](mailto:research@phdcci.in) by September 3<sup>rd</sup>, 2021.

Please contact for any query related to this mail to Ms Abhi Tomar, Research Associate at [abhi.tomar@phdcci.in](mailto:abhi.tomar@phdcci.in) with a cc to Dr S P Sharma, Chief Economist | DSG at [spsharma@phdcci.in](mailto:spsharma@phdcci.in) and Ms Kritika Bhasin, Research Officer at [kritika.bhasin@phdcci.in](mailto:kritika.bhasin@phdcci.in), PHD Chamber of Commerce and Industry.



Warm Regards,

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