

LLB & Co.  
Chartered Accountants



"If your actions inspire  
others to dream more,  
learn more, do more and  
become more, you are a  
leader"  
~ John Adams

# *Connection*

Volume V, Issue 8

November 2016

## Just to Remind You:

- **Nov 15 - E-payment of PF for October**
- **Nov 21 - Payment of ESI for October**
- **Nov 21 - Payment of MVAT & WCT for October**
- **Nov 21 - Obtaining & Filing Audit Report u/s 92E for Transfer Pricing cases**
- **Nov 30 - Payment of TDS for purchase of Property for October**

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## Demonetization of high value Currency Notes

### Text of Prime Minister's address to the Nation

My dear citizens

I hope you ended the festive season of Diwali with joy and new hope. Today, I will be speaking to you about some critical issues and important decisions. Today I want to make a special request to all of you. You may recall the economic situation in May 2014 when you entrusted us with an onerous responsibility. In the context of BRICS, it was being said that the "I" in BRICS was shaky. Since then, we had two years of severe drought. Yet, in the last two and a half years with the support of 125 crore Indians, India has become the "bright spot" in the global economy. It is not just we who are saying this; it is being stated by the International Monetary Fund and the World Bank.

In this effort for development, our motto has been 'Sab Ka Saath Sab Ka Vikas': We are with all citizens and for development of all citizens. This Government is dedicated to the poor. It will remain dedicated to them. In our fight against poverty, our main thrust has been to empower the poor, and make them active participants in the benefits of economic progress.

The Pradhan Mantri Jan Dhan Yojana,

The Jan Suraksha Yojana,

The Pradhan Mantri Mudra Yojana for small enterprises,

The Stand-up India programme for Dalits, Adivasis and Women,

The Pradhan Mantri Ujjwala Scheme for gas connections in the homes of the poor,

The Pradhan Mantri Fasal Beema Yojana and Pradhan Mantri Krishi Sinchai Yojana to protect the income of farmers,

The Soil Health Card Scheme to ensure the best possible yield from farmers' fields,

and the e-NAM National Market Place scheme to ensure farmers get the right price for their produce

—these are all reflections of this approach.

In the past decades, the spectre of corruption and black money has grown. It has weakened the effort to remove poverty. On the one hand, we are now No. 1 in the rate of economic growth. But on the other hand, we were ranked close to one hundred in the global corruption perceptions ranking two years back. In spite of many steps taken, we have only been able to reach a ranking of seventy-six now. Of course, there is improvement. This shows the extent to which corruption and black money have spread their tentacles.

The evil of corruption has been spread by certain sections of society for their selfish interest. They have ignored the poor and cornered benefits. Some people have misused their office for personal gain. On the other hand, honest people have



fought against this evil. Crores of common men and women have lived lives of integrity. We hear about poor auto-rickshaw drivers returning gold ornaments left in the vehicles to their rightful owners. We hear about taxi drivers who take pains to locate the owners of cell phones left behind. We hear of vegetable vendors who return excess money given by customers.

There comes a time in the history of a country's development when a need is felt for a strong and decisive step. For years, this country has felt that corruption, black money and terrorism are festering sores, holding us back in the race towards development.

Terrorism is a frightening threat. So many have lost their lives because of it. But have you ever thought about how these terrorists get their money? Enemies from across the border run their operations using fake currency notes. This has been going on for years. Many times, those using fake five hundred and thousand rupee notes have been caught and many such notes have been seized.

Brothers and sisters,

On the one hand is the problem of terrorism; on the other is the challenge posed by corruption and black money. We began our battle against corruption by setting up an SIT headed by a retired Supreme Court judge, immediately upon taking office. Since then

- a law was passed in 2015 for disclosure of foreign black money;
- agreements with many countries, including the USA, have been made to add provisions for sharing banking information;
- a strict law has come into force from August 2016 to curb benami transactions, which are used to deploy black money earned through corruption;
- a scheme was introduced for declaring black money after paying a stiff penalty;

My dear countrymen,

Through all these efforts, in the last two and a half years, we have brought into the open nearly 1 lakh 25 thousand crore rupees of black money belonging to the corrupt. Honest citizens want this fight against corruption, black money, benami property, terrorism and counterfeiting to continue. Which honest citizen would not be pained by reports of crores worth of currency notes stashed under the beds of government officers? Or by reports of cash found in gunny bags?

The magnitude of cash in circu-

lation is directly linked to the level of corruption. Inflation becomes worse through the deployment of cash earned in corrupt ways. The poor have to bear the brunt of this. It has a direct effect on the purchasing power of the poor and the middle class. You may yourself have experienced when buying land or a house, that apart from the amount paid by cheque, a large amount is demanded in cash. This creates problems for an honest person in buying property. The misuse of cash has led to artificial increase in the cost of goods and services like houses, land, higher education, health care and so on.

High circulation of cash also strengthens the hawala trade which is directly connected to black money and illegal trade in weapons. Debate on the role of black money in elections has been going on for years.

Brothers and sisters,

**To break the grip of corruption and black money, we have decided that the five hundred rupee and thousand rupee currency notes presently in use will no longer be legal tender from midnight tonight, that is 8th November 2016. This means that these notes will not be acceptable for transactions from midnight onwards. The five hundred and thousand rupee notes hoarded by anti-national and anti-social elements will become just worthless pieces of paper. The rights and the interests of honest, hard-working people will be fully protected. Let me assure you that notes of one hundred, fifty, twenty, ten,**

**five, two and one rupee and all coins will remain legal tender and will not be affected.**

This step will strengthen the hands of the common man in the fight against corruption, black money and fake currency. To minimise the difficulties of citizens in the coming days, several steps are being taken.

1. Persons holding old notes of five hundred or one thousand rupees can deposit these notes in their bank or post office accounts from 10th November till close of banking hours on 30th December 2016 without any limit.

2. Thus you will have 50 days to deposit your notes and there is no need for panic.

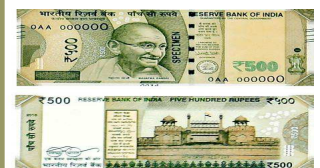
3. Your money will remain yours. You need have no worry on this point.

4. After depositing your money in your account, you can draw it when you need it.

5. Keeping in mind the supply of new notes, in the first few days, there will be a limit of ten thousand rupees per day and twenty thousand rupees per week. This limit will be increased in the coming days.

6. Apart from depositing your notes in your bank account, another facility will also be there.

7. For your immediate needs, you can go to any bank, head post office or sub post office, show your identity proof like Aadhaar card, voter card, ration card, passport, PAN card or







other approved proofs, and exchange your old five hundred or thousand rupee notes for new notes.

8. From 10th November till 24th November the limit for such exchange will be four thousand rupees. From 25th November till 30th December, the limit will be increased.

9. There may be some who, for some reason, are not able to deposit their old five hundred or thousand rupee notes by 30th December 2016.

10. They can go to specified offices of the Reserve Bank of India up to 31st March 2017 and deposit the notes after submitting a declaration form.

11. On 9th November and in some places on 10th November also, ATMs will not work. In the first few days, there will be a limit of two thousand rupees per day per card.

12. This will be raised to four thousand rupees later.

13. Five hundred and thousand rupee notes will not be legal tender from midnight. However for humanitarian reasons, to reduce hardship to citizens, some special arrangements have been made for the first 72 hours, that is till midnight on 11th November.

14. During this period, government hospitals will continue to accept five hundred and thousand rupee notes for payment.

15. This is for the benefit of those families whose members may be unwell.

16. Pharmacies in government hospitals will also accept these notes for buying medicines with doctors' prescription.

17. For 72 hours, till midnight on 11th November, railway ticket booking counters, ticket counters of government buses and airline ticket counters at airports will accept the old notes for purchase of tickets. This is for the benefit of those who may be travelling at this time.

18. For 72 hours, five hundred and thousand rupee notes will be accepted also at

- Petrol, diesel and CNG gas stations authorised by public sector oil companies
- Consumer co-operative stores authorised by State or Central Government
- Milk booths authorised by State governments
- Crematoria and burial grounds.

These outlets will have to keep proper records of stock and collections.

19. Arrangements will be made at international airports for arriving and departing passengers who have five hundred or thousand rupee notes of not more than five thousand rupees, to exchange them for new notes or other legal tender.

20. Foreign tourists will be able to exchange foreign currency or old notes of not more than Rs 5000 into legal tender.

21. One more thing I would like to mention, I want to stress that in this entire exercise, there is no restriction of any kind on non-cash payments by cheques, demand drafts, debit or credit cards and electronic fund transfer.

Brothers and sisters,

In spite of all these efforts there may be temporary hardships to be faced by honest citizens. Experience tells us that ordinary citizens are always ready to make sacrifices and face difficulties for the benefit of the nation. I see that spirit when a poor widow gives up her LPG subsidy, when a retired school teacher contributes his pension to the Swachh Bharat mission, when a poor Adivasi mother sells her goats to build a toilet, when a soldier contributes 57 thousand rupees to make his village clean. I have seen that the ordinary citizen has the determination to do anything, if it will lead to the country's progress.

So, in this fight against corruption, black money, fake notes and terrorism, in this movement for purifying our country, will our people not put up with difficulties for some days? I have full confidence that every citizen will stand up and participate in this 'mahayagna'. My dear countrymen, after the festivity of Diwali, now join the nation and extend your hand in this Imandaari ka Utsav, this Pramanikta ka Parv, this celebration of integrity, this festival of credibility.

I am sure that all political parties, all governments, social

services organizations, the media and indeed all sections of the society will take part in this with enthusiasm and make it a success.

My dear countrymen,

Secrecy was essential for this action. It is only now, as I speak to you, that various agencies like banks, post offices, railways, hospitals and others are being informed. The Reserve Bank, banks and post offices have to make many arrangements at very short notice. Obviously, time will be needed. Therefore all banks will be closed to the public on 9th November. This may cause some hardship to you. I have full faith that banks and post offices will successfully carry out this great task of national importance. However, I appeal to all of you to help the banks and post offices to meet this challenge with poise and determination.

My dear citizens,

From time to time, based on currency needs, the Reserve Bank with the approval of the Central Government brings out new notes of higher value. In 2014, the Reserve Bank sent a recommendation for issue of five thousand and ten thousand rupee notes. After careful consideration, this was not accepted. Now as part of this exercise, RBI's recommendation to issue two thousand rupee notes has been accepted. New notes of five hundred rupees and two thousand rupees, with completely new design will be introduced. Based on past experience, the Reserve Bank will

hereafter make arrangements to limit the share of high denomination notes in the total currency in circulation.

In a country's history, there come moments when every person feels he too should be part of that moment, that he too should make his contribution to the country's progress. Such moments come but rarely. Now, we again have an opportunity where every citizen can join this mahayajna against the ills of corruption, black money and fake notes. The more help you give in this campaign, the more successful it will be.

It has been a matter of concern for all of us that corruption and black money tend to be accepted as part of life. This type of thinking has afflicted our politics, our administration and our society like an infestation of termites. None of our public institutions is free from these termites.

Time and again, I have seen that when the average citizen has to choose between accepting dishonesty and bearing inconvenience, they always choose to put up with inconvenience. They will not support dishonesty.

Once again, let me invite you to make your contribution to this grand sacrifice for cleansing our country, just as you cleaned up your surroundings during Diwali.

Let us ignore the temporary hardship

Let us join this festival of integrity and credibility

Let us enable coming generations to live their lives with dignity

Let us fight corruption and black money

Let us ensure that the nation's wealth benefits the poor

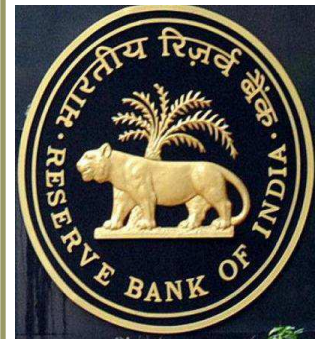
Let us enable law-abiding citizens to get their due share.

I am confident in the 125 crore people of India and I am sure country will get success.

Thank you very much. Thanks a lot.

Namaskar.

Bharat Mata Ki Jai



# ₹

500

1000

## NOTES CEASE TO BE LEGAL TENDER

### HERE IS WHAT YOU CAN DO:

<p>Deposit old notes of Rs 500 or Rs 1000 in bank or post office accounts from 10th November till 30th December 2016 without any limit. There will be a limit on withdrawal of Rs 10,000 per day and Rs 20,000 per week. This limit will be increased in the coming days.</p>	<p>Exchange old notes of Rs 500 or Rs 1000 at any bank, head post office or sub post office while showing ID proof. The limit for this is Rs 4000 upto 24th November</p>
<p>No restriction of any kind on non-cash payments by cheques, demand drafts, debit or credit cards and electronic fund transfer.</p>	<p>Check out RBI notification for more details</p>
<p>On 9th November and in some places on 10th November also, ATMs will not work. In the first few days, there will be a limit of Rs 2000 per day per card. This will be raised to Rs 4000 later.</p>	



## No Harassment of Small Depositors of Demonetized Notes

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley said that the Government has endeavoured its best to take a number of decisions through a consensus route for the overall growth of the economy during the last two and half years. He said that the present NDA government took over under adverse global circumstances and its challenge was to re-establish the credibility of economic decision making process. But, the Government did not shy away from it and in the larger interest of the country, it tried its best to take as much decisions as possible even at risk but in the overall public interest and to speed-up the growth of the economy. The Finance Minister Shri Jaitley was delivering the Inaugural Address after inaugurating the

two day Economic Editors Conference (EEC)-2016, here today.

Referring to the recent decisions taken by the Government, the Union Finance Minister Shri Jaitley said that the different sections of the economy have been opened-up for foreign investment, procedures were simplified and every effort was made to ease the environment for doing business in India. The Finance Minister said that the Government recognises the role of market forces in the economy that is why the role of Government discretion in decision making process, whether in case of auction of coal blocks or spectrum etc., was deliberately minimized.

Shri Jaitley said that the Government is working on tax reforms including Goods and Services

Tax (GST). Shri Jaitley further said that the Government has initiated a series of measures to ensure that the State subsidies reach the most deserving. He said that the major issues have been resolved and GST will be implemented by April 1st 2017, besides this, parallel reforms are also in the pipe line in direct tax structure. He said tax collection this year is reasonably good, there is spurt in public expenditure and local demand is increasing. Hence there will be positive impact of recent decision of demonetising of higher value currency notes. He assured that people making small deposits for exchanging old currency notes will not be harassed.

## Recent Changes in Prohibition of Benami Property Transactions Act

Benami Property Transactions Act, 1988 has been amended by the Benami Transactions (Prohibition) Amendment Act, 2016 (BTP Amendment Act). The rules and all the provisions of the BTP Amendment Act shall come into force on 1st November, 2016. After coming into effect of the BTP Amendment Act, the existing Benami Transactions (Prohibition) Act, 1988 shall be renamed as Prohibition of Benami Property Transactions Act, 1988 (PBPT Act).

The PBPT Act defines benami transactions, prohibits them and further provides that viola-

tion of the PBPT Act is punishable with imprisonment and fine. The PBPT Act prohibits recovery of the property held benami from benamidar by the real owner. Properties held benami are liable for confiscation by the Government without payment of compensation.

An appellate mechanism has been provided under the PBPT Act in the form of Adjudicating Authority and Appellate Tribunal. The Adjudicating Authority referred to in section 6(1) of the Prevention of Money Laundering Act, 2002 (PMLA) and the Appellate Tribunal referred to in

section 25 of the PMLA have been notified as the Adjudicating Authority and Appellate Tribunal, respectively, for the purposes of the PBPT Act.

A Joint / Additional Commissioner of Income-tax, an Assistant / Deputy Commissioner of Income-tax and a Tax Recovery Officer in each Pr. CCIT Region have been notified to perform the functions and exercise the powers of the Approving Authority, Initiating Officer and Administrator, respectively under the PBPT Act.





## Revised DTAA between India & Korea

The existing Double Taxation Avoidance Convention between India and Korea was signed on 19th July, 1985 and was notified on 26th September 1986. A revised DTAA between India and Korea for the Avoidance of Double Taxation and the Prevention of Fiscal evasion with respect to taxes on income which was signed on 18th May 2015 during the visit of Hon'ble PM to Seoul has entered into force on 12th September 2016, on completion of procedural requirements by both countries. Provisions of new DTAA will have effect in India in respect of income derived in fiscal years beginning on or after 1st April, 2017.

### Some of the salient features of new DTAA are:

- (i) The existing DTAA provided for residence based taxation of capital gains on shares. In line with India's policy of taxation of capital gains on shares, the revised DTAA provides for source based taxation of capital gains arising from alienation of shares comprising more than 5% of share capital.
- (ii) In order to promote cross border flow of investments and technology, the revised DTAA provides for reduction in withholding tax rates from 15% to 10% on royalties or fees for technical services and from 15% to 10% on interest income.
- (iii) The revised DTAA expands the scope of dependent agent Permanent Establishment provisions in line with India's policy

of source based taxation.

- (iv) To facilitate movement of goods through shipping between two countries and in accordance with international principle of taxation of shipping income, the revised DTAA provides for exclusive residence based taxation of shipping income from international traffic under Article 8 of revised DTAA.

- (v) The revised DTAA, with the introduction of Article 9(2), provides recourse to the taxpayers of both countries to apply for Mutual Agreement Procedure (MAP) in transfer pricing disputes as well as apply for bilateral Advance Pricing Agreements (APA). Further, as per understanding reached between the two sides, MAP requests in transfer pricing cases can be considered if the request is presented by the tax payer to its competent authority after entry into force of

revised DTAA and within three years of the date of receipt of notice of action giving rise to taxation not in accordance with the DTAA.

It may be added that a Memorandum of Understanding (MoU) on suspension of collection of taxes during the pendency of Mutual Agreement Procedure (MAP) has already been signed by Competent Authorities of India and Korea on 9th December 2015. The MoU provides for suspension of collection of outstanding taxes during the pendency of MAP proceedings for a period of two years (extendable

for a further maximum period of three years) subject to providing on demand security / bank guarantee.

- (vi) The Article on Exchange of Information is updated to the latest international standard to provide for exchange of information to the widest possible extent. As per revised Article, the country from which information is requested cannot deny the information on the ground of domestic tax interest. Further, the revised DTAA contains express provisions to facilitate exchange of information held by banks. Information exchanged under the revised DTAA can now be used for other law enforcement purposes with authorization of information supplying country.

- (vii) The revised DTAA inserts new Article for assistance in collection of taxes between tax authorities.

- (viii) The revised DTAA inserts new Limitation of Benefits Article i.e. anti-abuse provisions to ensure that the benefits of the Agreement are availed only by the genuine residents of both the countries.

The revised DTAA aims to avoid the burden of double taxation for taxpayers of two countries in order to promote and thereby stimulate flow of investment, technology and services between India and Korea. The revised DTAA provides tax certainty to the residents of India and Korea.



*“DTAA will have effect in India in respect of income derived in fiscal years beginning on or after 1st April, 2017”*





## Remove anomalies before imposing GST across sectors

Sharp anomalies in the taxation rates and structure across different industries such as telecom, tobacco, textiles, food processing and tourism, should be addressed to as the country moves in a transition period for implementing the Goods and Services Tax, the ASSOCHAM-KPMG paper has said in a joint paper for the GST Council.

The exhaustive paper stated that taxation structure, say, for, tobacco industry should not be based on some emotive issues and be rational enough to check a huge amount of illicit trade which stays outside the taxation net. It said instead of subjecting the tobacco and tobacco products at a higher than the standard rate, the entire sector should be placed under the standard rate with the focus of bringing exempted items under the GST net to eliminate the rampant illicit trade. As per IMF report high rates of GST / VAT lead to manipulation and fraud.

Similarly, for the telecom sector, the paper cautioned that GST may negatively impact the working capital cost since initial landed price of purchases including imports may increase due to increase in tax rates. Cost of procurement of services may increase to more than 18 per cent from the current rate of 15 per cent, which will be a challenge for the industry, especially if CENVAT credit on passive infrastructure and fuel consumption is continued to be denied.

Likewise, the ASSOCHAM-KPMG also went into the impact of GST on the textile sector and suggested ways to find an ideal situation. It said in case, India opts for higher tax rates under the proposed GST regime, and then in the long-term, it will lose its market share to the developing and highly competitive economies.

Hence, it is recommended that India also implements policies that capitalize on the potential of its textile and apparel industry so that the country has a higher bargaining power in procuring export orders in the international trade vis-à-vis other developing economies. Thus, the Government should make a conscious call to retain lower rate for this industry by introducing a special lower slab of 4 per cent to 6 per cent under the proposed GST regime along with full input tax credit of GST paid on goods and services used in the supply chain.

“As we are in a transition period, several industry sectors are faced with challenges of adapting to new tax regime. While the GST is a path-breaking reform, its implementation should be calibrated in a manner to cause least disturbance to the existing taxation structure. “The Government should unshackle its mind if it really wants to achieve the objectives of GST – Expanding the tax base, reduction in exemptions; mitigating cascading and double taxation, enabling better compliance through lowering of

overall tax burden.

The Government should follow the recommendations of eminent economist like Dr. Vijay Kelkar and Dr. Arvind Subramaniam, which suggest that moderate rate of taxes will expand the tax base resulting in high collections, which will be the success of GST. Otherwise it will be ‘Old Wine in a New Bottle’. ” Mr. D S Rawat, Secretary General ASSOCHAM said.

Elaborating, the paper said the tobacco industry has been the second largest contributor to Indian excise revenue after the oil and gas sector. The combined tax revenue collected from tobacco industry (Centre and States) was more than Rs 29,000 crore in FY 2014-15. Tobacco products are being cultivated in an area of about 4.68 lakh hectares (0.24 per cent) of total arable land in the country with a production of 800 million kgs<sup>13</sup>. The tobacco industry provides employment to nearly 4.5 crore people in India comprising farm labourers, farmers, traders, etc. Thus, the sector gives livelihood to a considerable size of the population, particularly rural women, the tribals and labourers who are under stress with no employment alternatives especially when India is experiencing jobless growth for the last many years.

Under the GST regime, it is proposed to levy both dual taxes as well as higher rate of GST. The endeavor should be to tax the



hitherto untaxed/ insignificantly taxed segments of the tobacco industry i.e. tobacco products other than cigarette as the consumption of such products is way higher than that of legal cigarettes. Thus, levy of standard GST rates with excise duty on a wider tax base will yield a higher tax revenue collection than continuing with levy of high rates of taxes on only one segment of the tobacco industry i.e. cigarettes.

For tourism sector, at present, different abatement schemes addressing different situations are available under service tax such as 30 per cent in case of composite package and 60 per cent for dining in a standalone restaurant. This is leading to ambiguity and complexity in determining the value on which service tax is payable. In order to overcome such situation, uniform tax treatment i.e. one

standard rate dealing with all the situations should be introduced. The rates should be moderate to remain competitive.

Besides, in current regime, all the taxes cumulatively applicable to restaurants (i.e. VAT, Service Tax and other applicable taxes) increases the value on which tax is payable to more than 100 per cent. Such a situation increases the tax cost substantially. Therefore, a mechanism should be introduced whereby value on which GST would be applied should not increase 100 per cent in any case.

As for the food processing, the industry is taxed at a concessional rate/ zero rate. GST is likely to be based on minimal exemptions regime leading to increase in the tax cost for the food processing industry and inflation. A distinction needs to

be made based on the 'necessity'. Taking from the example of Canada the food products, which are essential for human consumption, should be taxed at zero rate. As food comprises a major part of the WPI, which is nearly 14.3 per cent, an increase in tax on food items will adversely impact WPI leading to higher inflation in the country.



## Major Achievements of MCA for the Month of October, 2016

### (I) Circulars: –

In view of the requests received from various stakeholders, this Ministry has extended last date for filing of financial statements and annual returns using e-forms, AOC-4, AOC-4 (XBRL), AOC4 (CBS), or MGT-7, as the case may be, without payment of additional fee, wherever applicable, till 29/11/2016, (General Circular No. 12/2016).

### (II) Notifications:-

(i) This Ministry, vide notification no. 936(E) dated 01.10.2016

on Companies (Incorporation) Fourth Amendment Rules, 2016 has devised a Simplified Proforma for Incorporating Companies (SPICE) along with e-MOA and e-AOA which shall eliminate the requirement of physically signing the MOA and AOA by the applicant and promote “ease of doing business”.

(ii) The Ministry, vide notification no. S.O. 3118(E) dated 03.10.2016, has reconstituted National Advisory Committee on Accounting Standards. The Chairperson and members shall hold office for a period of one

year from the date of publication of this notification in the Official Gazette or till the constitution of National Financial Reporting Authority under section 132 of the Companies Act, 2013 (18 of 2013), whichever is earlier.



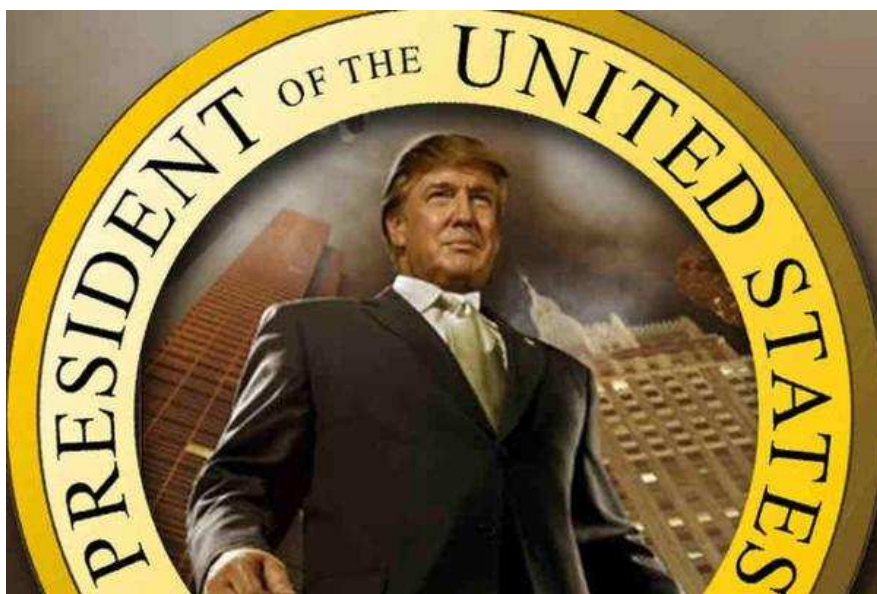


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# Congratulations!

## Guidance Note on Transfer Pricing Report



ICAI has released the 5th Edition (November 2016) of the Guidance Note on Report Under Section 92E of the Income Tax Act, 1961 (Transfer Pricing). This Guidance Note was previously revised in February, 2013 & August 2013.

The ICAI has revised *Guidance note on Report under Section 92E of the Income Tax Act, 1961 (Transfer Pricing)* based

on the law as amended by the Finance Act, 2016.

This Guidance Note was last revised in August 2013, when Part C was inserted in Form No. 3CEB to report specified domestic transactions under section 92BA. Since then there have been various developments in law; for example – notification of safe harbour rules in respect of arm's length

price under section 92C or section 92CA; notification of provisions/rules for roll back mechanism; range concept and use of multiple year data for determination of arm's length price; increased threshold limit for the applicability of the specified domestic transaction, etc.

This revised version of the Guidance Note contains all these important changes.

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