



Ministry of Finance

CBDT invites comments on draft notification proposing amendment to Rule 44E, Form 34C, 34D and 34DA as per BEPS Action 5, for improving transparency in tax rulings

Posted On: 14 APR 2018 10:45AM by PIB Delhi

Under Base Erosion and Profit Shifting (BEPS) Action 5, exchange of rulings on Permanent Establishment (PE) by Authority for Advance Rulings is required to be done not only with the countries of residence of all related parties with whom taxpayer enters into transaction, but also with the country of residence of the immediate parent company and the ultimate parent company. Therefore, in order to implement the recommendations made under Action 5 of BEPS Action Plan to bring greater transparency in cross national transactions, Form 34C and 34D (Forms for Advance Rulings) are required to be modified so that details such as name, address and country of the residence of non-resident's immediate parent company or ultimate parent company etc. are captured at application stage itself.

Further, vide Finance Act, 2017, the definition of the term "applicant" for the purpose of Advance Rulings has been amended by substituting clause (b) of section 245N of the Income-tax Act, 1961 (the Act). Therefore, consequential amendments are required in Rule 44E and respective Forms to bring them in harmony with the amendment to the Act.

Accordingly, a draft notification has been framed and uploaded on the website of the Income Tax Department at www.incometaxindia.gov.in for comments from stakeholders and general public. The comments and suggestions on the draft Rules and Forms may be sent by 30th April, 2018 electronically at the email address, ts.mapwal@nic.in.

DSM/RM

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