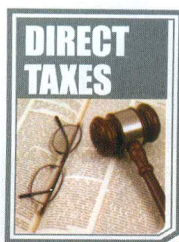


Circulars/Notifications

Given below are the important Circulars and Notifications issued by the CBDT, CBEC, MCA, RBI and SEBI during the last month for information and use of members. Readers are requested to use the citation/website or weblink to access the full text of desired circular/notification. You are requested to please submit your feedback and suggestions on the column at board@icai.in



(Matter on Direct Taxes has been contributed by the Direct Taxes Committee of the ICAI)

A. NOTIFICATIONS

1. Notified Rates of Interest on Rupee-denominated Bond of an Indian Company under section 194LD

Section 194LD provides for deduction of tax at source at a concessional rate of @ 5% in respect of income by way of interest payable during the period 01-06-2013 and 31-05-2015 in respect of investment made by a FII's or QFI's in a rupee-denominated bond of an Indian Company or a Government Security. As per the *proviso* to Section 194LD(2) the rate of interest in respect of the specified rupee-denominated bonds of Indian Company shall not exceed the rate notified by the Central Government in this regard. In exercise of the powers conferred by section 194LD(2) of the Income-tax Act, 1961, the Central Government has, through this notification, notified the rate of interest which shall not exceed 500 basis points (bps) over the base rate of State Bank of India as on –

- (i) 1st July, 2010 in case of bonds issued before the said date; or
- (ii) date of issue of the said bonds, in case of the bonds issued on or after 1st July, 2010.

[Notification No. 56/2013, dated 29-7-2013]

2. "Further documents and information" required under section 90(4) and 90A(4) prescribed- Amendment in Rule 21AB and insertion of Form 10F

The Finance Act, 2013 has amended sections 90 and 90A to provide that, for claiming of relief under double taxation avoidance agreement a certificate issued by the government of a foreign country would constitute proof of tax residency without any further conditions regarding furnishing of "prescribed particulars" therein. In addition to such certificate issued by

the foreign government, the assessee shall also be required to provide *such other documents and information*, as may be prescribed for claiming treaty benefits.

Accordingly, in exercise of the powers conferred by Section 90 and 90A read with Section 295 of the Income-tax Act, 1961, the Central Board of Direct Taxes has, through this notification, substituted Rule 21AB (1) and (2) to provide that "such other documents and information" given hereunder shall be given in Form No. 10F:

- i. Status (individual, company, firm etc.) of the assessee;
- ii. Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- iii. Assessee's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;
- iv. Period for which the residential status, as mentioned in the certificate referred to in Section 90(4) and Section 90A(4), is applicable; and
- v. Address of the assessee in the country or specified territory outside India, during the period for which the certificate, as mentioned in (iv) above, is applicable.

The new sub-rule 21AB(2) further provides, that the assessee may not be required to provide the information or any part thereof referred to in sub-rule (1) if the information or the part thereof, as the case may be, is contained in the certificate of residence issued by the other country.

Furthermore, sub-rule (2A) has been inserted to provide that the assessee shall keep and maintain such documents as are necessary to substantiate the information provided under sub-rule (1) and an income-tax authority may require the assessee to provide the said documents in relation to a claim by

