

Notifications

Direct Tax

Notification No. 88/2023-Direct Tax

Dated 10th October 2023

The Central Government Provides Income-tax (Twenty-fourth Amendment) Rules, 2023.

G.S.R. 728(E).— In exercise of the powers conferred by clause (vii) of sub-section (1), clause (c) subsection (5) and sub-section (6A) of section 139A read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:--

1. Short title and commencement. -- (1) These rules may be called the Income-tax (Twenty-fourth Amendment) Rules, 2023.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 1962, (hereinafter referred to as the principal rules) in rule 114B,--

(a) in the second proviso, for the words "Provided further that any person", the words "Provided further that any person, not being a company or a firm," shall be substituted;

(b) after second proviso, the following proviso shall be inserted, namely: -- "Provided also that a foreign company who, --

(i) does not have any income chargeable to tax in India; and

(ii) does not have a permanent account number, and enters into any transaction referred to at Sl. No. 2 or 12 of the Table, in an IFSC banking unit, shall make a declaration in Form No. 60:";

(c) in the Explanation, clause (1) shall be re-numbered as (1A) and before the said clause as so re-numbered, the following clause shall be inserted, namely: --

"(1) "IFSC banking unit" means a financial institution defined under clause (c) of sub-section (1) of section 3 of the International Financial Services Centres Authority Act, 2019 (50 of 2019), that is licensed or permitted by the International Financial Services Centres Authority to undertake permissible activities under the International Financial Services Centres Authority (Banking) Regulations, 2020;"

3. In the principle rules, in rule 114BA, the following shall be inserted at the end, namely: --
-- "Provided that the provisions of this rule shall not apply in a case,--

(a) where the person, making the deposit or withdrawal of an amount otherwise than by way of cash as per clause (a) or (b), or opening a current account not being a cash credit account as per clause (c) of this rule, is a non-resident (not being a company) or a foreign company;

(b) the transaction is entered into with an IFSC banking unit; and

(c) such non-resident (not being a company) or the foreign company does not have any income chargeable to tax in India.

Explanation. -- For the purposes of this rule, "IFSC banking unit" shall have the same meaning as assigned to it in clause (1) of the Explanation to rule 114B.";

4. In the principle rules, in rule 114BB, after the proviso, the following shall be inserted, namely: -- "Provided further that the provisions of this sub-rule shall not apply in a case,--
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(a) where the person, making the deposit or withdrawal of an amount otherwise than by way of cash as per Sl. No. 1 or Sl. No. 2 of column (2), or opening a current account not being an cash credit account as per Sl. No. 3 of column (2) of the Table, is a non-resident (not being a company) or a foreign company;

(b) the transaction is entered into with an IFSC banking unit; and

(c) such non-resident (not being a company) or the foreign company does not have any income chargeable to tax in India.

Explanation. -- For the purposes of this sub-rule, "IFSC banking unit" shall have the same meaning as assigned to it in clause (1) of the Explanation to rule 114B.";

For more details, please follow

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