Circulars/Notifications

Given below are the important Circulars and Notifications issued by the CBDT, CBEC and FEMA 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 **eboard@icai.in**

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

I. NOTIFICATIONS

1. Protocol amending the convention and the protocol between the Government of the Republic of India and the Government of the Republic of Slovenia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, which was signed at Ljubljana on January 13, 2003 - Notification No. 90/2017, dated 27-10-2017

India and Slovenia have signed a Protocol amending the existing Convention and Protocol between the two countries for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income on 17.05.2016 in Ljubljana.

In exercise of the powers conferred by Section 90 of the Income-tax Act, 1961, the Central Government has directed that all the provisions of the agreement and protocol between the Government of the Republic of India and the Government of the Republic of Slovenia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, which was signed in Ljubljana on 17.05.2016, shall be given effect to in the Union of India with effect from 01.03.2017, being the date of entry into force of the said Protocol.

The Double Taxation Avoidance Agreement (DTAA) between India and Slovenia was initially signed in 2003. Article 26 on the 'Exchange of Information' in India-Slovenia DTAA has now been replaced to meet internationally accepted standards, and new Article 27 on 'Assistance in the Collection of taxes' has been inserted.

The Protocol will broaden the scope of the existing framework of exchange of tax related information which will help curb tax evasion and tax avoidance between the two countries and will also enable mutual assistance in collection of taxes.

2. CBDT notifies rules in respect of Country-by-Country reporting and furnishing of Master File-Notification No. 92/2017, dated 31-10-2017

In keeping with India's commitment to implement the recommendations of 2015 Final Report on Action 13, titled "Transfer Pricing Documentation and Country-by-Country Reporting", identified under the OECD Base Erosion and Profit Shifting (BEPS) Project, Section 286 was inserted vide Finance Act, 2016, providing for furnishing of a Country-by-Country report in respect of an international group by its constituent or parent entity. Section 92D was also amended vide Finance Act, 2016 to provide for keeping and maintaining of Master File by every constituent entity of an international group, which was to be furnished as per rules prescribed in this regard.

Subsequent to the aforesaid amendments to the Act, comments and suggestions were invited by the CBDT on the proposal to insert Rules 10DA, 10DB and Form Nos. 3CEBA to 3CEBE in the Income-tax Rules, 1962 laying down the guidelines.

After examining the recommendations of the Committee set up in this regard, and comments and suggestions received from stakeholders and general public, the CBDT vide this notification has notified the rules for maintaining and furnishing of transfer pricing documentation in the Master File and Country-by-Country report.

Since it is the first reporting year for furnishing of the Country-by-Country report, the due date for filing the Country-by-Country report for reportable accounting year 2016-17 has already been extended to 31.03.2018 vide Circular No. 26/2017 dated 25.10.2017. Similarly, the date of compliance for furnishing the Master File for F.Y. 2016-17 has been extended to 31.03.2018 as a one-time relief measure.

The salient features of the Country-By-Country Report and Master File rules are as under:

- The threshold for the Country-By-Country Report is total consolidated group revenue of ₹5,500 crore or more.
- The threshold for the Master File is consolidated group revenue exceeding ₹500 crore and either the aggregate value of international transactions as per the books of accounts exceeding ₹50 crore or aggregate value of international transactions in respect of intangible property exceeding ₹10 crore.
- Report of Master File has to be submitted in Form 3CEAA and the Country-by-Country Report in Form 3CEAD.
- An international group having multiple Indian constituent entities may designate one constituent entity to file the Master File.
- Part A of Form 3CEAA is to be filled by every constituent entity of an international group regardless of whether it qualifies under the threshold for furnishing Master File. However, to reduce the compliance burden, such international group having multiple Indian constituent entities can designate one constituent entity to file Part A on its behalf.
- Form 3CEAD for furnishing Country-by-Country Report follows OECD template.

3. Third Protocol to the Convention between the Government of the Republic of India and the Government of New Zealand for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income-Notification No. 93/2017, dated 02-11-2017

The Third Protocol for amendment of the Convention between the Government of the Republic of India and the Government of New Zealand for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed by both countries on 26.10.2016. The Protocol entered into force in India on 07.09.2017 and has been notified in the Official Gazette on 02.11.2017.

The Protocol updates the existing framework of exchange of tax related information to latest international standard which will help curb tax evasion and tax avoidance between the two countries and will also enable mutual assistance in collection of taxes.

The complete text of the above Notifications can be downloaded from the link below: http://www.incometaxindia.gov.in/Pages/communications/notifications.aspx

II. CIRCULARS

1. Clarification related to guidelines for establishing 'Place of Effective Management' (PoEM) in India-Circular No. 25/2017, Dated 23-10-2017

The concept of 'Place of Effective Management' (PoEM) for deciding residential status of a company, other than an Indian company, was introduced in the Income-tax Act, 1961 which has become effective from 01.04.2017, i.e., Assessment Year 2017-18 onwards.

The guiding principles for determination of PoEM of a company were issued on 24.01.2017 vide Circular No. 06/2017. Further, vide Circular No. 08/2017 dated 23.02.2017, it has been clarified that the PoEM provisions shall not apply to a company having turnover or gross receipts of ₹50 crore or less in a financial year.

Representations have been received from the stakeholders wherein concerns have been raised that as per the extant guidelines, PoEM may be triggered in cases of certain multinational companies with regional headquarter structure merely on the ground that certain employees having multi-country responsibility or oversight over the operations in other countries of the region are working from India, and consequently, their income from operations outside India may be taxed in India.

In this regard, it may be mentioned that Para 7 of the guidelines provides that the place of effective management in case of a company engaged in active business outside India (ABOI) shall be presumed to be outside India if the majority meetings of the board of directors (BoD) of the company are held outside India.

However, Para 7.1 of the guidelines provides that if on the basis of facts and circumstances, it is established that the Board of directors of the company are standing aside and not exercising their powers of management and such powers are being exercised by either the holding company or any other person(s) resident in India, then the PoEM shall be considered to be in India.

It has also been provided that for this purpose, merely because the BoD follows general and objective principles of global policy of the group laid down by the parent entity which may be in the field of Pay roll functions, Accounting, Human resource (HR) functions, IT infrastructure and network platforms, Supply chain functions, Routine banking operational procedures, and not being specific to any entity or group of entities *per se*; would not constitute a case of BoD of companies standing aside.

In view of the above, it is clarified that so long as the Regional Headquarter operates for subsidiaries/ group companies in a region within the general and objective principles of global policy of the group laid down by the parent entity in the field of Pay roll functions, Accounting, HR functions, IT infrastructure and network platforms, Supply chain functions, Routine banking operational procedures, and not being specific to any entity or group of entities per se; it would, in itself, not constitute a case of BoD of companies standing aside and such activities of Regional Headquarter in India alone will not be a basis for establishment of PoEM for such subsidiaries/ group companies.

The provisions of General Anti-Avoidance Rule contained in Chapter X-A of the Income-tax Act, 1961 may get triggered in such cases where the above clarification is found to be used for abusive/ aggressive tax planning.

2. Order under Section 119 of the Income-tax Act, 1961 in respect of extension of due date for filing of Country-by-Country Report for reporting accounting year 2016-17 - Circular No. 26/2017, Dated 25-10-2017

In keeping with India's commitment to implement the recommendations of 2015 Final Report on Action 13, titled "Transfer Pricing Documentation and Country-by-Country Reporting", identified under the OECD Base Erosion and Profit Shifting (BEPS) Project, Section 286 of the Income-tax Act, 1961 was inserted vide Finance Act, 2016, providing for furnishing of a Country-by-Country report (CbCR) in respect of an international group by its constituent or parent entity. Under Section 286(2), the 'due date' for furnishing the Country-by-Country Report is the date specified under Section 139(1) for furnishing the return of income for the relevant accounting year.

Since F.Y. 2016-17 will be the first reporting year for furnishing of CbCR, the CBDT has, in exercise of its powers conferred under Section 119, in respect of all assessees covered under Section 286(2), extended the 'due date' prescribed therein for furnishing of report in respect of international group for reporting accounting year 2016-17 to 31.03.2018.

3. Applicability of income-tax provisions under Section 40A(3), 269ST and Rule 114B to cash sale of agricultural produce by cultivators/agriculturists to Traders - Circular No. 27/2017, Dated 03-11-2017

The provisions of Section 40A(3) provide for the disallowance of expenditure exceeding ₹10,000 made otherwise than by an account payee cheque/ draft or use of electronic clearing system through a bank account. However, Rule 6DD carves out certain exceptions from application of the provisions of Section 40A(3) in some specific cases and circumstances, which *inter alia*, include payments made for purchase of agricultural produce to the cultivators of such produce. Therefore, no disallowance under Section 40A(3) can be made if the trader makes cash purchases of agricultural produce from the cultivator.

Further, Section 269ST, subject to certain exceptions, prohibits receipt of ₹2 lakh or more, otherwise than by an account payee cheque/draft or by use of electronic clearing system through a bank account from a person in a day or in respect of a single transaction or in respect of transactions relating to an event or occasion from a person. Therefore, any cash sale of an amount of ₹2 lakh or more by a cultivator of agricultural produce is prohibited under Section 269ST.

Furthermore, the provisions relating to quoting of PAN or furnishing of Form No. 60 under Rule 114B do not apply to the sale transaction of ₹2 Lakh or less.

In view of the above, it is clarified by the CBDT that cash sale of the agricultural produce by its cultivator to the trader for an amount less than ₹2 Lakh will not:-

a) result in any disallowance of expenditure under Section 40A(3) in the case of trader.
b) attract prohibition under Section 269ST in the case of the cultivator; and
c) require the cultivator to quote his PAN/or furnish Form No. 60.

4. Clarification on Indirect Transfer provisions in case of redemption of share or interest outside India under the Income-tax Act, 1961 - Circular No. 28/2017, Dated 07-11-2017

Under the provisions contained in Section 9(1)(i), all income accruing or arising, whether directly or indirectly, through or from any business connection in India, or through or from any property in India, or through or from any asset or source of income in India or through the transfer of a capital asset situated in India, shall be deemed to accrue or arise in India. Explanations 5, 6 and 7 of Section 9(1)(i) further define the scope of said provision.

Concerns were raised by investment funds, including private equity funds and venture capital funds that on account of the extant indirect transfer provisions in the Act, non-resident investment funds investing in India, which are set up as multi-tier investment structures, suffer multiple taxation of the same income at the time of subsequent redemption or buyback. Such taxability arises firstly at the level of the fund in India on its short term capital gain/business income and then at every upper level of investment in the fund chain on subsequent redemption or buyback. The CBDT had received representations to exclude investors above the level of the direct investor who is already chargeable to tax in India on such income from the ambit of indirect transfer provisions of the Act.

Addressing such concerns in his Budget speech on 01.02.2017 the Finance Minister had stated that Category I and Category II Foreign Portfolio Investors (FPI) will be exempted from indirect transfer provisions. It was also stated that a clarification will be issued that indirect transfer provisions shall not apply in case of redemption of shares or interests outside India as a result of or arising out of redemption or sale of investment in India which is chargeable to tax in India.

Vide Finance Act, 2017, Category I and Category II FPIs have already been exempted from indirect transfer provisions of the Act through insertion of proviso to Explanation 5 to Section 9(1)(i), with effect from 01.04.2015.

The CBDT has, vide this Circular, clarified that the provisions of Section 9(1)(i) of the Act read with Explanation 5 thereof shall not apply in respect of income accruing or arising to a non-resident on account of redemption or buyback of its share or interest held indirectly (i.e. through upstream entities registered or incorporated outside India) in the specified funds if such income accrues or arises from or in consequence of transfer of shares or securities held in India by the specified funds and such income is chargeable to tax in India. However, the above benefit shall be applicable only in those cases where the proceeds of redemption or buyback arising to the non-resident do not exceed the pro-rata share of the non-resident in the total consideration realised by the specified funds from the said transfer of shares or securities in India. It is further clarified that a non-resident investing directly in the specified funds shall continue to be taxed as per the extant provisions of the Act.

The detailed circulars can be downloaded from the link below: http://www.incometaxindia.gov.in/Pages/communications/circulars.aspx

III. PRESS RELEASES/INSTRUCTIONS/OFFICE MEMORANDUM

1. Indian Advance Pricing Agreement regime moves forward with signing of seven more APAs by CBDT in October, 2017–Press Release, dated 02-11-2017

The CBDT has entered into 7 more Advance Pricing Agreements (APAs) during the month of October, 2017. All these Agreements are Unilateral.

With the signing of these seven Agreements, the total number of APAs entered into by the CBDT has gone up to 184. This includes 171 Unilateral APAs and 13 Bilateral APAs. In the current financial year, a total of 32 APAs (2 Bilateral and 30 Unilateral) have been signed till 02.11.17.

The 7 APAs entered into during October, 2017 pertain to various sectors of the economy like FMCG, Semi-conductor, Information Technology, Travel & Leisure, Office furniture and Engineering. The international transactions covered in these agreements include Provision of IT Enabled Services, Provision of Software Development Services, Provision of Marketing Support Services, Provision of Engineering Design Services, Payment of Interest, Trading, Import of Components, etc.

The progress of the APA scheme strengthens the Government's resolve of fostering a non-adversarial tax regime. The Indian APA programme has been appreciated nationally and internationally for being able to address complex transfer pricing issues in a fair and transparent manner.

2. Processing of income-tax returns filed in Forms ITR-2, 3, 4, 5 & 6 under Section 143(1) of the Income-tax Act - applicability of Section 143(1)(a)(vi) – Instruction No. 10/2017, dated 15-11-2017

Section 143(1)(a)(vi), as introduced vide Finance Act, 2016, w.e.f. 01.04.2017, while processing the return of income, prescribes that the total income or loss shall be computed after making adjustment for addition of income appearing in Form 26AS or Form 16A or Form 16 (the three Forms) which has not been included in computing the total income in the return.

In this regard, while processing income-tax returns filed in Forms ITR-2, 3, 4, 5 & 6, doubts were raised regarding the nature, extent and scope

of comparison of information as contained in the return of income with the three Forms which might lead to issuance of intimation proposing adjustments in the returned income. It has also come to the notice of CBDT that some of the information so available in the ITRs is incomparable with information contained in the three Forms. In the said backdrop, it became imperative for the CBDT to lay down suitable guidelines for CPC/AOs so that provisions of Section 143(1)(a)(vi) are invoked only in appropriate cases.

After examining the matter, CBDT in exercise of its powers under Section 119, laid down the following guidelines regarding applicability of Section 143(1)(a)(vi) while considering returns for processing pertaining to ITR Forms 2, 3, 4, 5 & 6.

For purposes of Section 143(1)(a)(vi), only the information so contained in the three Forms specified therein, would be taken into consideration.

In returns filed in ITR-4 Form, information about a particular head/item of income under the heads 'salary', 'income from house property', or 'income from other sources' is only on net basis and thus, complete data/information may not be available therein which may enable any comparison with the data/ information as contained in the three Forms. Therefore, Section 143(1)(a)(vi) shall not be applicable in such instances. However, if the receipts under these heads are completely omitted from the return, then the provisions of Section 143(1)(a)(vi) shall be applicable. Further in ITR-4, wherever in the return Form, presumptive income under both Sections 44AD and 44AE is disclosed, it will be difficult to correlate the receipts in the return with the information in the three Forms. Hence, any likely difference in the receipts under these items in the return with the receipts in the three Forms under this scenario would be excluded from the purview of Section 143(1)(a)(vi). Similarly, it will be difficult to correlate the income under Section 44AE in the return with the information in the three Forms. However, where the presumptive income from business either u/s. 44AD or profession u/s. 44ADA alone are reported in the return and the gross receipts from presumptive business or profession shown in the return is less than the gross receipts as per the three Forms, intimation proposing adjustment would be issued.

For returns in Forms ITR-2 & 3, as receipts/ income under the heads 'salary' is comparable with information available in the three Forms on a gross basis, provisions of Section 143(1)(a)(vi) may be invoked in such cases wherever applicable.

In ITRs 3, 5 & 6, in respect of income under the heads 'income from house property' or 'income from other sources', there may be difficulties in ascertaining whether the receipt being shown in the three Forms is getting reflected under the head 'income from house property' or 'income from other sources' in the ITR Form or is being treated as business income under the head 'income from business or profession' by the concerned assessee. Under these circumstances, any likely difference in income shown under the head 'income from house property' or 'income from other sources' as contained in ITRs 3, 5 & 6 with the three Forms, being difficult to verify under Section 143(1)(a)(vi), would be excluded from purview of intimations proposing adjustments. However, there are certain types of income which are only taxable under the head 'income from other sources', in such situations, in case of mismatch at gross level, adjustments u/s. 143(1)(a)(vi) shall be proposed. In respect of income under the head 'income from house property' being shown in ITR-2, as receipts/income are comparable with information available in the three Forms on a gross basis, provisions of Section 143(1)(a)(vi) of the Act may be invoked.

In case of business receipts being taxable under the head 'income from business or profession' which are reported in ITRs 3, 5 & 6 Forms, comparison of such receipts in the three Forms with data in ITR at gross level may not be possible as receipts shown in the three Forms would get subsumed in the consolidated income in P&L a/c. Further, items in the P&L a/c such as commission, interest etc. may be shown at a net basis whereas the details in the three forms are reported on a gross basis. Hence, any likely difference in business receipts as contained in ITRs 3, 5 & 6 with the three Forms is excluded from the purview of intimations proposing adjustments under Section 143(1)(a)(vi) since they may not be comparable .

In case of income under the head 'capital gains' being shown under any of the ITR Forms i.e. 2, 3, 5 & 6, for purposes of Section 143(1)(a)(vi), the information of payment, which may span multiple years, being reflected in the three Forms and the information being captured in the ITRs may not be comparable. Therefore, Section 143(1)(a)(vi) shall not be applicable in case of income under the

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head 'capital gains' being shown under any of the ITR Forms i.e. 2, 3, 5 & 6. However, the credit for tax which is deducted at source and paid to the credit of the Central Government shall be governed by Section 199 of the Act read with Rule 37BA of Income-tax Rules, 1962. Further, information in the three Forms regarding TDS on immovable property in the case of persons engaged in real estate etc. may be in the nature of business income, such cases being covered under above para, Section 143(1)(a)(vi) would not be applicable on them.

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

EXCISE AND SERVICE TAX

1. CBEC to Redistribute Cases in Jurisdictions to Reduce Pendency of Cases with Commissioners (Appeal)

In order to clear the pendency of cases as on 30th June 2017 before the Commissioners of Central Excise and Service Tax (Appeals), the CBEC will redistribute the cases pending in the jurisdiction of a Principal Chief/Chief Commissioner of Central Excise and Service Tax, among other Commissioner rank officers posted in that jurisdiction.

[Press Release dated 17th October, 2017]

CUSTOMS

1. Electronic Sealing of Export Containers

CBEC Vide para 5 of Circular 37/2017-Customs dated 20th September 2017 provided the implementation of mandatory e-sealing through RFID e-seals (Radio Frequency Identification) with effect from 1st November 2017. In this regard, CBEC Vide Circular No. 41/2017-Customs dated 30th October 2017 clarifies that with the introduction of self-sealing using RFID e-seals, it has enhanced export facilitation by dispensing the need for exporters seeking the presence of jurisdictional officer for the purposes of supervising stuffing of the cargo at approved premises. This measure is expected to reduce transaction costs of exporters since they would not have to incur MoT charges in respect of such supervision as well it will improve timeliness of their exports. By using RFID technology, it will also enhance cargo security during transportation to Ports & ICDs as well as during holding time.

Circulars 26/2017-Customs dated 1st July 2017 and Circular 36/2017 dated 28th August 2017 have provided that following classes of exporters to adopt RFID e-sealing:

a) exporters already enjoying the facility of self-sealing as approved by jurisdictional formations under the erstwhile procedures;
b) exporters who have hitherto been availing of supervised sealing and have been automatically entitled to avail of self-sealing using RFID e-seals, without having to expressly seek any permission/approval of the jurisdictional commissioner for this purpose;
c) AEOs, regardless of whether they were self-sealing or undertaking supervised sealing, have also been entitled to avail of the new procedure;
d) Lastly, all exporters have been extended this facility subject to their filing GST returns but after seeking permission for self-sealing from the jurisdictional Commissioner as per procedure prescribed under para 9(iii) of Circulars 26/2017-Customs dated 1st July 2017.

All exporters who have been permitted self-sealing facilities under erstwhile procedures and exporters who are AEOs, it would be mandatory to seal their export containers with prescribed RFID e-seal w.e.f. 8th November 2017. Any non-compliance will subject the containers to usual RMS parameters.

In respect of the category of exporters who are availing supervised stuffing at their premises, they shall have to switch to RFID e-sealing procedures, w.e.f. from 20th November 2017.

The procedures in respect of customs stations where RFID readers have not been provided by any vendor so far, shall continue as per existing practice, till 31st December 2017. Board shall take necessary steps to make sure that the readers are made available at such customs stations by 1st January 2018. The detailed discussion on above clarification is available on cbec.gov.in.

[Circular No. 41/2017-Customs dated 30th October 2017]

2. Seeks to impose definitive anti-dumping duty on the imports of "Sodium Chlorate" originating in or exported from Canada, China PR and European Union.

The Central Government vide Notification No. 53/2017-Customs (ADD) dated 2nd November,

2017 notified that "Sodium Chlorate" (subject goods) falling under tariff item 2829 11 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) originating in, or exported from Canada, China PR and EU (subject countries) and imported into India, the designated authority in its final findings has come to the conclusion that:-

I. There is dumping of product concerned from the subject countries;
II. Imports from subject countries are suppressing the prices of the domestic industry;
III. The price injury to domestic industry has been caused by dumped imports, with a significant positive injury margin due to price suppression;

The designated authority has recommended the imposition of definitive anti-dumping duty on the imports of subject goods, originating in or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

The anti-dumping duty imposed shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

[Notification No. 53/2017-Customs (ADD) dated 2nd November, 2017]

3. Forwarding of samples for testing to the Outside Laboratories

CBEC vide Circular No. 42/2017- Customs dated 7th November, 2017 notified a major relief package for exporters. The GST Council in its 22nd meeting held that by 10th October, 2017 the refund of IGST paid on goods exported outside in July would begin to be paid and refund for the subsequent months would be handled expeditiously. In cases where exporter has filed GSTR-3B and information furnished by the exporters in GSTR-1 and GSTR-3B is matching with the details filed by them in shipping bills, the refunds have already been disbursed. But there are many cases where refund of IGST could not be done due to some common errors, the analysis of these errors hindering the refund for the export of goods in the month of July and August, 2017 and decisions taken to address such errors are given in the said circular. For further details, Circular No. 42/2017 dated 7th November, 2017 may be referred.

[Circular No. 42/2017- Customs dated 7th November, 2017]

4. Procedure regarding appeal at a higher fora after Department lost in two previous stages

CBEC vide File No. 390/Misc/69/2017-JC dated 9th November, 2017 clarified the issue whether Department should contest a case if the issue has been lost in two previous stages of appeals. In this regard, TPRU suggested that the Department should not contest and this suggestion was considered in detail by the Board.

The Board observed that this cannot be made a rigid rule as department may be genuinely aggrieved. Therefore, it has been decided by the Board that the proposal of TPRU can be accepted subject to critical examination by the Commissionerate on a case to case basis. Wherever the concerned Commissioner feels that the matter is fit for filing further appeal in a higher fora as there are strong reasons justifying the further expense of monetary and energy resources, he would submit complete justification for appealing against a case for the third subsequent time to the Zonal Chief Commissioner.

The Zonal Chief Commissioner would satisfy himself that the Department has a strong case in the issue and would record his certificate accordingly. It is only after this certification that such SLP/CA proposals are to be sent to the Board or appeal to be filed at higher fora.

[Instruction No. 390/Misc/69/2017-JC dated 9th November, 2017]

(Matter on FEMA has been contributed by CA. Manoj Shah, Mumbai and CA. Hinesh Doshi, Mumbai)

(A.) Notification No. FEMA 20(R)/2017-RB dated November 07, 2017

Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017

In exercise of the powers conferred by clause (b) of sub-Section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in supersession of Notification No. FEMA 20/2000-RB and Notification No. FEMA 24/2000-RB both dated May 3, 2000, as amended from time to time, the Reserve Bank makes the regulations to regulate investment in India by a Person Resident outside India.

Full revised notification can be seen at– https://rbidocs.rbi.org.in/rdocs/notification/PDFs/N20RB29574DA17294D5C93E4951B2FC86666.PDF. ■

I believe that if one always looked at the skies, one would end up with wings. - Gustave Flaubert