

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)
NOTIFICATION

New Delhi, the 12th February, 2020

INCOME-TAX

G.S.R. 110(E).—In exercise of the powers conferred by section 115BAA and section 115BAB read with section 295 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 (4th Amendment) Rules, 2020.
- (2) They shall come into force on the 1st day of April, 2020.

2. In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), after rule 21AD, the following rules shall be inserted, namely: -

“21AE. Exercise of option under sub-section (5) of section 115BAA.—(1) The option to be exercised in accordance with the provisions of sub-section (5) of section 115BAA by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-IC.

(2) The option in Form No. 10-IC shall be furnished electronically either under digital signature or electronic verification code.

(3) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall-

- (i) specify the procedure for filing of Form No. 10-IC;
- (ii) specify the data structure, standards and manner of generation of electronic verification code, referred to in sub-rule (2), for verification of the person furnishing the said Form; and
- (iii) be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to the Form so furnished.;

21AF. Exercise of option under sub-section (7) of section 115BAB. (1) The option to be exercised in accordance with the provisions of sub-section (7) of section 115BAB by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-ID.

(2) The option in Form No. 10-ID shall be furnished electronically either under digital signature or electronic verification code.

(3) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall-

- (i) specify the procedure for filing of Form No. 10-ID;
- (ii) specify the data structure, standards and manner of generation of electronic verification code, referred to in sub-rule (2), for verification of the person furnishing the said Form; and
- (iii) be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to the Form so furnished.”.

3. In the principal rules, in Appendix II, after Form No. 10-IB, the following Forms shall be inserted, namely: -

“FORM No. 10-IC

[See sub-rule (1) of rule 21AE]

Application for exercise of option under sub-section (5) of section 115BAA of the Income - tax Act, 1961

To,

The Assessing Officer,

.....
.....

Sir/Madam,

I,....., on behalf of [name and registered address of the company exercising the option under sub-section (5) of section 115BAA]having Permanent Account Number (PAN)..... do hereby exercise the option referred to in sub-section (5) of section 115BAA of the Income-tax Act, 1961 (the Act) for previous year 20.....-..... and subsequent years.

2. The details of the company are given below:

- (i) Name of the Company :
- (ii) Whether a Domestic company : Yes/No
- (iii) PAN :
- (iv) Registered Address :
- (v) Date of Incorporation :
- (vi) Nature of business or activities :

3. (i) Whether the company has any Unit in International Financial Services Centre (IFSC), as referred to in sub-section (1A) of section 80 LA : Yes/No

(ii) If answer to (i) is Yes, provide following details: (Add number of columns depending on number of Units):

	Unit 1	Unit 2	Unit 3
Name			
Address of Unit			
Nature of Activities undertaken in Unit			

4. Whether option under sub-section (4) of section 115BA has been exercised in From 10-IB : Yes/No
5. I do hereby withdraw the option under sub-section (4) of section 115BA exercised on [date]..... in Form. No. 10IB, for previous year 20.....-.....and subsequent years. (to be activated in the utility if answer to point 4 is Yes)
6. I understand that the option under sub-section (5) of section 115BAA, once exercised for any previous year, cannot be subsequently withdrawn for the same or any other previous year.
7. I do hereby further affirm that the conditions stipulated in section 115BAA are and shall be satisfied by the aforesaid company.

Place:

Date:

Yours faithfully,

Signature of Principal Officer.....

Name.....

Designation.....

Address.....

Note: This option form should be signed by the principal officer.

FORM No. 10-ID

[See sub-rule (1) of rule 21AF]

Application for exercise of option under sub-section (7) of section 115BAB of the Income-tax Act, 1961

To,

The Assessing Officer,

.....
.....

Sir/Madam,

I,....., on behalf of [name and registered address of the company exercising the option under sub-section (7) of section 115BAB] having Permanent Account Number (PAN)..... do hereby exercise the option referred to in sub-section (7) of section 115BAB of the Income-tax Act, 1961 (the Act) for previous year 20.....-.....and subsequent years.

2. The details of the company are given below:
- | | | |
|-------|--|----------|
| (i) | Name of the Company | : |
| (ii) | Whether a Domestic company | : Yes/No |
| (iii) | PAN | : |
| (iv) | Registered Address | : |
| (v) | Date on which company was set up and registered | : |
| (vi) | Nature of business or activities | : |
| (vii) | Date of commencement of manufacturing/production | : |
3. I understand that the above option, once exercised for any previous year, cannot be subsequently withdrawn for the same or any other previous year.
4. I do hereby affirm that;
- the business has not been formed by splitting up or reconstruction of a business already in existence except for as provided in section 33B.
 - the company does not use any machinery or plant previously used except as provided in *Explanation 1* and *Explanation 2*.
 - the company does not use any building previously used as a hotel or convention centre, in respect of which deduction under section 80-ID has been claimed and allowed.
 - the company is not engaged in any business other than the business of manufacture or production of any article or thing and research in relation to, or distribution of, such article or thing manufactured or produced by it as specified against point 2(vi) above.
5. I do hereby further affirm that the conditions stipulated in section 115BAB in addition to the above conditions are and shall be satisfied by the aforesaid company.

Place:

Date:

Yours faithfully,

Signature of Principal Officer.....

Name.....

Designation.....

Address.....

Note: This option form should be signed by the principal officer.” .

[Notification No. 10/2020/F. No. 370142/34/2019-TPL]

NEHA SAHAY, Under Secy. (Tax Policy and Legislation Division)

Note : The principal rules were published in the Gazette of India Extraordinary, Part II, section 3, sub-section (ii), *vide* notification number S.O. 969(E) dated the 26th March, 1962 and were last amended *vide* notification number G.S.R. No. 56(E) dated the 29th January, 2020.