

F No 370142/17/2018 -TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, April 8, 2019

Order under section 119 of the Income-tax Act, 1961

Vide Notification in GSR 1217 (E) dated December 18, 2018, sub-rule (4) of Rule 10DB of the Income-tax Rules, 1962 (the Rules) was amended with effect from December 18, 2018; to provide that the period for furnishing of the report under sub-section (4) of section 286 of the Income-tax Act, 1961 (the Act) by the constituent entity referred to in that sub-section shall be twelve months from the end of the reporting accounting year.

1.1 It has been further provided that in case the parent entity of the constituent entity is resident of a country or territory, where, there has been a systemic failure of the country or territory and the said failure has been intimated to such constituent entity, the period for submission of the report shall be six months from the end of the month in which said systemic failure has been intimated.

2. On receipt of representations regarding the hardship being faced in complying with the requirement of furnishing the report under sub-section (4) of section 286 of the Act read with sub-rule (4) of rule 10DB of the Rules by March 31, 2018, vide Circular No 9/2018 dated December 26, 2018, as a one-time measure, the period for furnishing of said report by the constituent entities referred to under clause (a) or (aa) of said sub-section, in respect of reporting accounting years ending upto February 28, 2018, was extended to March 31, 2019.

3. The agreement for providing for exchange of the report of the nature referred to in sub-section (2) of section 286 of the Act has been entered into by India and the USA on March 27, 2019. However, the agreement and the exchange mechanism would come into effect only after both the countries notify each other about the completion of all internal procedures for exchange which is underway.

3.1 Since filing of the report by the constituent entity referred under clause (a) or (aa) of sub-section (4) of section 286 of the Act in India gets triggered on completion of twelve months from the last date of the reporting accounting year and Circular 9/2018 has extended the period for furnishing of the report till March 31, 2019 in respect of reporting accounting years ending upto February 28, 2018, due to non-notification of the agreement and resultantly non-activation of the exchange mechanism between India and the USA, said report has to be filed by such constituent entities, whose parent entities are resident in USA and whose reporting accounting years ended after February 28, 2018.

4. In view of the above, in order to remove the genuine hardship faced by the constituent entities referred to under clause (a) or (aa) of said sub-section, whose parent entities are resident in USA, in furnishing of the report under sub-section (4) of section 286 of the Act read with sub-rule (4) of rule 10DB of the Rules, the Board, in exercise of powers conferred under section 119 of the Act, extends the period for furnishing of said report by such constituent entities, in respect of reporting accounting years ending upto April 29, 2018, to April 30, 2019.


(Rajesh Kumar Kedia)

Director to the Government of India

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