



# CBDT invites comments and suggestions on the Draft Notification in respect of foreign company said to be resident in India under Section 115JH of the Income-tax Act, 1961

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Finance Act, 2016, *inter alia*, introduced special provisions in respect of foreign company said to be resident in India on account of Place of Effective Management (PoEM) by way of insertion of a new Chapter XII-BC consisting of Section 115JH in the Income-tax Act, 1961 (the Act) with effect from 1<sup>st</sup> April, 2017.

Section 115JH of the Act, *inter alia*, provides that the Central Government may notify exception, modification and adaptation subject to which, provisions of the Act relating to computation of total income, treatment of unabsorbed depreciation, set off or carry forward and set off of losses, collection and recovery and special provisions relating to avoidance of tax shall apply in a case where a foreign company is said to be resident in India due to its PoEM being in India for the first time and the said company has never been resident in India before.

It has been further provided that these transitional provisions would also cover any subsequent previous year upto the date of determination of POEM in an assessment proceedings.

In this regard, draft notification providing for said exception, modification and adaptation has been framed and uploaded on the website of the Income-tax Department ([www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)) for comments from stakeholders and general public.

The comments and suggestion on the draft rules may be sent by 23<sup>rd</sup> June, 2017 electronically at the email address, [dirtpl1@nic.in](mailto:dirtpl1@nic.in).

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