



# Central Board of Direct Taxes (CBDT) invites comments from stakeholders on Draft Income Computation and Disclosure Standards on Real Estate Transactions by 26th May, 2017

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The Committee constituted by the Finance Minister to suggest the areas in respect of which further Income Computation and Disclosure Standards (ICDS) may be notified under the Income Tax Act, 1961 ('the Act') has suggested the notification of ICDS in respect of Real Estate Transactions and submitted the draft of the same.

The draft ICDS submitted by the committee is based on the Guidance Note issued on Real Estate Transactions issued by Institute of Chartered Accountants of India (ICAI). For the purposes of providing uniformity and certainty and harmonising the same with provisions of the Act, the committee suggested certain changes in draft ICDS.

The draft ICDS on Real Estate Transactions along with the significant changes suggested in ICDS vis-à-vis the Guidance Note issued by ICAI are uploaded on the Income-tax website at <http://www.incometaxindia.gov.in>. The Central Board of Direct Taxes (CBDT) invites comments from stakeholders on the draft ICDS on Real Estate Transactions, which may be submitted to Director TPL-III by e-mail at [dirtpl3@nic.in](mailto:dirtpl3@nic.in) by **26<sup>th</sup> May, 2017**.

Section 145(2) of the Income-tax Act, 1961 ('the Act') provides that the Central Government may notify Income Computation and Disclosure Standards (ICDS) for any class of assessee or for any class of income. Accordingly, Central Government notified 10 ICDS vide Notification No. S.O. 3079 (E) dated 29th September, 2016. These ICDS *inter-alia* contain provisions relating to valuation of inventory; construction contracts; effects in changes of foreign exchange rates, borrowing costs etc. These ICDS are applicable from assessment year 2017-18 (previous year 2016-17) in respect of specified assessee for computation of income under the head "Profits and gains of business or profession" or "Income from other sources".

The Finance Minister had constituted a Committee comprising of experts from accounting field, departmental officers and representatives from the Institute of Chartered Accountants of India (ICAI) to suggest the areas in respect of which further ICDS may be notified under the Act.

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**DSM/VKS/KA**

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