

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

NOTIFICATION

New Delhi, the 28th July, 2025

No. 126/2025

G.S.R. 503(E).— In exercise of the powers conferred by section 295 read with clause (4E) of section 10 of 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. (1) These rules may be called the Income-tax (Twentieth Amendment) Rules, 2025.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 1962, in rule 21AK, —

(a) in sub-rule (1), clause (b),-

(i) in the opening portion, after the words “offshore derivative instruments”, the words “or over-the-counter derivatives” shall be inserted;

- (ii) in sub-clause (i), after the words “by the International Financial Services Centres Authority”, the words “or any Foreign Portfolio Investor being a unit of an International Financial Services Centre” shall be inserted;
- (b) in sub-rule (2), after the words “offshore banking unit”, the words “or the Foreign Portfolio Investor” shall be inserted.
- (c) in the *Explanation*, -
- (i) in clause (v), for the words “a purchaser and a seller; and”, the words “a purchaser and a seller;” shall be substituted;
 - (ii) in clause (vi), the word “and” shall be inserted at the end; and
 - (iii) after clause (vi,) the following clause shall be inserted, namely:-

‘(vii), “Foreign Portfolio Investor” means a person registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992).’.

[F. No. 370142/26/2025-TPL]

SAMUEL PITTA, Dy. Secy.

Note: -The Income-tax Rules, 1962 were published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) *vide* number S.O. 969 (E), dated the 26th March, 1962 and was last amended *vide* number G.S.R. 322 (E), dated the 19.05.2025.