

MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 19th December, 2023

(INCOME-TAX)

G.S.R. 900(E).—In exercise of the powers conferred by sub-section (2) of section 92CB read with section 295 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. Short title and commencement.—(1) These rules may be called the Income-tax (Twenty-Ninth Amendment) Rules, 2023.

(2) Save as otherwise provided in these rules, they shall come into force from the 1st day of April, 2024.

2. In the Income-tax Rules, 1962,—

(a) in rule 10TA, with effect from the date of publication of this notification in the Official Gazette,—

(i) for clause (f), the following clause shall be substituted, namely:—

‘(f) “intra-group loan” means loan advanced to an associated enterprise being a non-resident, where the loan—

(i) is not advanced by an enterprise, being a financial company including a bank or a financial institution or an enterprise engaged in lending or borrowing in the normal course of business; and

(ii) does not include credit line or any other loan facility which has no fixed term for repayment;’;

(ii) in clause (j), for sub-clause (vi), the following sub-clause shall be substituted, namely:-

“(vi) loss on transfer of assets or investments other than assets, on which depreciation is included in the operating expense;”;

(iii) in clause (k), for sub-clause (iii), the following sub-clause shall be substituted, namely:-

“(iii) income on transfer of assets or investments other than assets, on which depreciation is included in the operating expense;”;

(b) in rule 10TD,—

(i) in sub-rule (2A), in the Table—

(A) in Sl.No. 4, in column number (3),—

- (I) in clause (i), the word “CRISIL” shall be omitted;
- (II) in clause (ii), the word “CRISIL” shall be omitted;
- (III) in clause (iii), the word “CRISIL” shall be omitted;
- (IV) in clause (iv), the word “CRISIL” shall be omitted;

(B) for Sl.No. 5 and the entries relating thereto, the following serial number and entries shall be substituted, namely:-

“5.	Advancing of intra-group loans referred to in clause (iv) of rule 10TC where the amount of loan is denominated in foreign currency.	<p>The interest rate declared in relation to the eligible international transaction is not less than the reference rate of the relevant foreign currency as on 30th September of the relevant previous year plus, -</p> <p>(a) If amount of loan advanced to the associated enterprise including loans to all associated enterprises does not exceed a sum equivalent to two hundred and fifty crore Indian rupees in the aggregate as on 31st March of the relevant previous year:</p> <ul style="list-style-type: none"> (i) 150 basis points, where the associated enterprise has a credit rating of AAA, AA+, AA, AA-, A+, A, A- or equivalent; (ii) 300 basis points, where the associated enterprise has credit rating of BBB+, BBB, BBB- or equivalent; (iii) 400 basis points, where the associated enterprise has a credit rating of BB+, BB, BB-, B+, B, B-, C+, C, C-, D or equivalent or where the credit rating of the associated enterprise is not available; <p>(b) If amount of loan advanced to the associated enterprise including loans to all associated enterprises exceeds a sum equivalent to two hundred and fifty crore Indian rupees in the aggregate as on 31st March of the relevant previous year:</p> <ul style="list-style-type: none"> (i) 150 basis points, where the associated enterprise has a credit rating of AAA, AA+, AA, AA-, A+, A, A- or equivalent; (ii) 300 basis points, where the associated enterprise has credit rating of BBB+, BBB, BBB- or equivalent; (iii) 450 basis points, where the associated enterprise has a credit rating of BB+, BB, BB-, B+, B, B- or equivalent; (iv) 600 basis points, where the associated enterprise has credit rating of C+, C, C-, D or equivalent or where the credit rating of the associated enterprise is not available.”;
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(ii) after sub-rule (2A), the following *Explanation* shall be inserted, namely:-

‘**Explanation.**— For the purposes of this sub-rule,—

(a) “reference rate” means,—

- (i) for US dollar, 6-month Term Secured Overnight Financing rate (SOFR), currently administered by Chicago Mercantile Exchange (CME), as increased by 45 basis points;
 - (ii) for Euro, 6-month Euro Inter Bank Offered Rate (EURIBOR), currently administered by European Money Markets Institute;
 - (iii) for UK Pound Sterling, 6-month Term Sterling Overnight Index Average (SONIA), currently administered by ICE Benchmark Administration/Refinitiv, as increased by 30 basis points;
 - (iv) for Japanese Yen, 6-month Tokyo Term Risk Free Rate (TORF), currently benchmarked by QUICK Benchmarks Inc, as increased by 10 basis points;
 - (v) for Australian dollar, 6-month Bank Bill Swap Rates (BBSW) currently administered by Australian Securities Exchange; and
 - (vi) for Singapore dollar, 6-month Compounded Singapore Overnight Rate Average (SORA), currently administered by Monetary Authority of Singapore, as increased by 45 basis points;
- (b) “credit rating” means the credit rating assigned to the associated enterprise by a Securities and Exchange Board of India registered and Reserve Bank of India accredited credit rating agency which is applicable for the relevant previous year, so however that-
- (i) where the associated enterprise has only one credit rating, then such rating shall be taken as its credit rating; and
 - (ii) where the associated enterprise has a credit rating from more than one such credit rating agency, then the least of such ratings shall be taken as its credit rating.’.

[Notification No. 104/2023/ F. No. 370142/26/2023-TPL]

SOURABH JAIN, Under Secy.

Note: The principal rules were published in the Gazette of India, Extraordinary, Part-II, section-3, sub-section (ii) *vide* number S.O. 969 (E) dated the 26th March, 1962 and were last amended *vide* notification number G.S.R. 898(E) dated the 18th December, 2023.