



INCOME TAX (21st AMENDMENT) RULES, 2022

*Circular: 80/2022/F. No. 370142/11/2022-TPL
New Delhi, dated: July 8, 2022*

CBDT vide the aforementioned notification has introduced the Income Tax (21st Amendment) Rules 2022 on July 8, 2022.

The amendment made to the existing Rules is-

- After rule 21AK, of the Income Tax Rules 1962, the following shall be inserted-
“21AL. Other Conditions required to be fulfilled by the original fund. - For the purposes of sub-clause (iv) of clause (a) of Explanation to clause (viia) of section 47 of the Act, the original fund, in a case where a capital asset is transferred to a resultant fund being a Category III Alternative Investment Fund, shall fulfil the condition that the aggregate participation or investment in the original fund, directly or indirectly, by persons resident in India shall not exceed five per cent. of the corpus of such fund at the time of such transfer.

Explanation- For the purpose of this rule, the expressions "original fund" and "resultant fund" shall have the meanings respectively assigned to them in the Explanation to clause (viia) and clause (viia) of section 47.”

The Income Tax (21st Amendment) Rules shall come into force from the date of its publication in the Official Gazette.





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