

CBDT MODIFIES PAN-RELATED RULES FOR INTERNATIONAL FIRMS AND NRS DOING BUSINESS WITH IFSC BANKING UNITS

Oct 10, 2023

[Notification No. 88/2023 F. No. 370142/33/2023-TPL]

CBDT, see Notification No. 88/2023, dated October 10, 2023, announces revisions to Rules 114B, 114BA, and 114BB, as well as a new Form 60; The second proviso to Rule 114B (requiring a declaration on Form 60) is restricted to any individual who is not a "company or a firm."

Inserts a new proviso requiring a foreign firm without a PAN and no income liable to tax in India to file a Form 60 declaration when engaging in any transaction (as defined in Sl. No. 2 or 12 of the Table in Rule 114BB) with an IFSC banking unit.

Amends Rule 114BA [transactions covered by Section 139A(1)(vii) requiring PAN] to exempt a non-resident (not being a company) or a foreign company from making a deposit or withdrawal of an amount other than cash or opening a current account other than a cash credit account if:

- i. the transaction is entered into with an IFSC banking unit,
- ii. such non-resident (not being a company) or foreign company does not have.

Also provides that Rule 114BB [transactions covered by Section 139A(6A) for quoting PAN & Aadhaar] shall not apply to a non-resident (not being a company) or a foreign company making a deposit or withdrawal of an amount other than cash aggregating Rs.20 Lacs or more in a fiscal year or opening a current account other than a cash credit account, if the transaction is entered into with an IFSC.