

CONSTITUTION OF AN EXPERT COMMITTEE ON GAAR TO UNDERTAKE STAKEHOLDER CONSULTATIONS TO FINALISE THE GUIDELINES FOR GAAR

PRESS RELEASE, DATED 13-7-2012

The Prime Minister has approved the constitution of an Expert Committee on GAAR to undertake stakeholder consultations and finalise the guidelines for GAAR. This Committee would manage the consultation process and finalise the draft GAAR Guidelines.

2. While postponing GAAR by one year to 2013 was a very welcome move, a widespread consultative process is necessary to generate a discussion on GAAR provisions so that there is an informed debate on how GAAR is going to operate. Some steps have been taken in this direction:

1. Department of Revenue undertook some consultations with stakeholders before finalising a first draft set of guidelines. This consultation was done by invitation.
2. Subsequently, at PM's behest, D/o Revenue put the draft guidelines on the web. This was widely welcomed as it lifted the veil on the GAAR Guidelines.

3. While these steps are good in themselves, a need was felt **for far more widespread consultations**. There is a need to have greater clarity on many other fronts. With this in view, the Prime Minister has constituted this Expert Committee which will bring transparency and a high degree of technical expertise to the consultation process.

4. For this purpose, an Expert Committee on GAAR has been constituted consisting of:

1. Dr. Parthasarathi Shome	- Chairman
2. Shri N. Rangachary, former Chairman, IRDA	- Member
3. Dr. Ajay Shah, Professor, NIPFP	- Member
4. Shri Sunil Gupta, Joint Secretary, Tax Policy & Legislation, Department of Revenue	- Member

5. The Terms of Reference of the Committee will be to:

1. Receive comments from stakeholders and the general public on the draft GAAR guidelines which have been published by the Government on its website.
2. Vet and rework the guidelines based on this feedback and publish the second draft of the GAAR guidelines for comments and consultations.
3. Undertake widespread consultations on the second draft GAAR guidelines.
4. Finalise the GAAR guidelines and a roadmap for implementation and submit these to the government.

6. The Committee will work to the following time schedule:

1. Receive comments from stakeholders and general public till **end-July 2012**.
2. Vet and rework the guidelines based on this feedback and publish the second draft GAAR guidelines by **31 August 2012**.
3. Finalise the GAAR guidelines and a roadmap for implementation and submit these to the government by **30 September 2012**.

7. The Department of Revenue will provide all necessary support to the Expert Committee to facilitate its work including office assistance and assistance to facilitate consultations.