

Income Tax Notification No.18/2012

Dated: May 23, 2012

Income-tax (6th Amendment) Rules, 2012-Other method of determination of arm's length price

In exercise of the powers conferred by 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. (1) These rules may be called the Income-tax (6th Amendment) Rules, 2012.

(2) They shall come into force on the 1st day of April, 2012 and shall apply to Assessment year 2012-13 and subsequent years.

2. In the Income-tax Rules, 1962 (hereinafter referred to as the said rules), after rules 10A, the following rule shall be inserted, namely:-

"Other method of determination of arm's length price

10AB. For the purposes of clause (f) of sub-section (1) of section 92C, the other method for determination of the arms' length price in relation to an international transaction shall be any method which takes into account the price which has been charged or paid, or would have been charged or paid, for the same or similar uncontrolled transaction, with or between nonassociated enterprises, under similar circumstances, considering all the relevant facts."

3. In rule 10B of the said rules, in sub rule (1), after clause (e), the following clause shall be inserted, namely:-

"(f) Any other method as provided in rule 10AB."

F.No.142/5/2012-TPL

(Vivek Anand Ojha)
Under Secretary (TPL-I)

Note.- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number S.O.969, dated the 26th March, 1962 and was last amended by Income-tax (5th Amendment) Rules, 2012 vide Notification S.O. No.942(E) dated 30th April, 2012