

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES

Notification No. 18

New Delhi, the 17th March, 2016

Income-tax (6th Amendment) Rules, 2016 - Method of determination of period of holding of capital assets, being a share or debenture of a company, which becomes the property of the assessee in the circumstances mentioned in clause (x) of section 47.

S.O. 1146 (E).- In exercise of the powers conferred by section 2, 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. (1) These rules may be called the Income-tax (6th Amendment) Rules, 2016.

(2) They shall come into force from the 1st day of April, 2016.

2. In the Income-tax Rules, 1962, after rule 8A, the following rule shall be inserted, namely:-

“8 AA. Method of determination of period of holding of capital assets in certain cases.-

(1) The period for which any capital asset, other than the capital assets mentioned in clause (i) of the Explanation 1 to clause (42A) of section 2 of the Act, is held by an assessee, shall be determined in accordance with the provisions of this rule.

(2) In the case of a capital asset, being a share or debenture of a company, which becomes the property of the assessee in the circumstances mentioned in clause (x) of section 47 of the Act, there shall be included the period for which the bond, debenture, debenture-stock or deposit certificate, as the case may be, was held by the assessee prior to the conversion.”

[Notification No. 18/2016][F.No.142/1/2016-TPL]

[Ekta Jain]

Deputy Secretary (Tax Policy & Legislation)

Note:- The principal rules were published vide notification number S.O. 969 (E), dated the 26th March, 1962 and last amended vide notification S.O.No.1101 (E), dated the 15th March, 2016.