

**CBDT notifies threshold limits for Significant Economic Presence under
Sec. 9**

**INCOME-TAX (THIRTEENTH AMENDMENT) RULES, 2021 - INSERTION OF
RULE 11UD**

**NOTIFICATION G. S. R. 314(E) [NO. 41 /2021/ F. NO. 370142/11/2018-TPL], DATED
3-5-2021**

In exercise of the powers conferred by the clause (a) and clause (b) of *Explanation 2A* to sub-section (1) of section 9 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:-

Short title and commencement

1. (1) These rules may be called the Income-tax (13th Amendment) Rules, 2021.
- (2) They shall come into force with effect from the 1st day of April, 2022.
2. In the Income-tax Rules, 1962, after rule 11UC, the following rule shall be inserted, namely:-

"11UD. *Thresholds for the purposes of significant economic presence.*—(1) For the purposes of clause (a) of *Explanation 2A* to clause (i) of sub-section (1) of section 9, the amount of aggregate of payments arising from transaction or transactions in respect of any goods, services or property carried out by a nonresident with any person in India, including provision of download of data or software in India during the previous year, shall be two crore rupees;

(2) For the purposes of clause (b) of *Explanation 2A* to clause (i) of sub-section (1) of section 9, the number of users with whom systematic and continuous business activities are solicited or who are engaged in interaction shall be three lakhs. "