

**MINISTRY OF FINANCE**

**(Department of Revenue)**

**(CENTRAL BOARD OF DIRECT TAXES)**

**NOTIFICATION**

New Delhi, the 12th March, 2021

**G.S.R 175(E).**—In exercise of the powers conferred by section 285BA 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 Income-tax Rules, 1962, namely:-

**1.** Short title and commencement. - (1) These rules may be called the Income-tax (4<sup>th</sup> Amendment) Rules, 2021.

(2) They shall come into force from the date of its publication in the Official Gazette.

**2.** In the Income-tax Rules, 1962, in rule 114E,—

**(A)** in sub-rule (2), in the TABLE, in serial number 3, in column (3), in item (iv), for the brackets, figures and word “(6 of 1934)”, the brackets, figures and word “(2 of 1934)” shall be substituted;

**(B)** after sub-rule (5), the following sub-rule shall be inserted, namely:—

“(5A) For the purposes of pre-filling the return of income, a statement of financial transaction under sub-section (1) of section 285BA of the Act containing information relating to capital gains on transfer of listed securities or units of Mutual Funds, dividend income, and interest income mentioned in column (2) of Table below shall be furnished by the persons mentioned in column (3) of the said Table in such form, at such frequency, and in such manner, as may be specified by the Principal Director General of Income Tax (Systems) or the Director General of Income Tax (Systems), as the case may be, with the approval of the Board, namely:—

TABLE

Sl. No.	Nature of transaction	Class of person (reporting person)
(1)	(2)	(3)
1.	<i>Capital gains on transfer of listed securities or units of Mutual Funds</i>	<p>(i) <i>Recognised Stock Exchange;</i></p> <p>(ii) <i>depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996);</i></p> <p>(iii) <i>Recognised Clearing Corporation;</i></p> <p>(iv) <i>Registrar to an issue and share transfer agent registered under sub-section (1) section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).</i></p>
2.	<i>Dividend income</i>	<i>A company</i>
3.	<i>Interest income</i>	<p>(i) <i>A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act);</i></p> <p>(ii) <i>Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898).</i></p> <p>(iii) <i>Non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), to hold or accept deposit from public.</i></p>

*Explanation.* — For the purposes of this rule,—

- (a) "listed securities" means the securities which are listed on any recognised stock exchange in India;
- (b) "Mutual Fund" means a Mutual Fund as referred to in clause (23D) of section 10 of the Act;
- (c) "recognised clearing corporation" shall have the same meaning as assigned to it in clause (o) of sub-regulation (1) of regulation 2 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 made under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (d) "recognised stock exchange" shall have the same meaning as assigned to it in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- (e) "securities" shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);"

(C) in sub-rule (6),—

- (i) in clause (a), after the words, brackets and figures "column (3) of the Table under sub-rule (2)", the words, brackets, figures and letter "and column (3) of the Table under sub-rule (5A)" shall be inserted;
- (ii) in clause (b), after the words, brackets and figures "column (3) of the Table under sub-rule (2)", the words, brackets, figures and letter "and column (3) of the Table under sub-rule (5A)" shall be inserted;
- (iii) in Explanation 2, after the words, brackets and figures "Table in sub-rule (2)", the words, brackets, figures and letter "and in sub-rule (5A)" shall be inserted;

(iv) in Explanation 3, after the words, brackets and figures “Table in sub-rule (2)”, the words, brackets, figures and letter “and in sub-rule (5A)” shall be inserted;

**(D)** in sub-rule (7), after the words, brackets and figures “referred to in sub-rule (1)”, the words, brackets, figures and letter “and sub-rule (5A)” shall be inserted.

[Notification No. 16/2021] [F.No. 370142/03/2021-TPL]

SHEFALI SINGH, Under Secy., Tax Policy and Legislation

**Note:-** The principal rules were published vide notification S.O. 969 (E), dated the 26<sup>th</sup> March, 1962 and last amended *vide* notification GSR No. 170(E), dated the 11<sup>th</sup> March, 2021.