

# ***Tax Bulletin***

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**CBDT notifies Final Rules with respect to Master File and Country-by-Country report  
(Notification No. 92/2017)**

The CBDT vide Notification No. 92/2017 on October 31, 2017 issued Final Rules (Rule 10DA and 10DB) in respect of keeping, maintaining and furnishing information and documents with respect to Master File and Country-by-Country report (CbCR), as per section 92D and section 286 of the Income-tax Act, 1961, respectively.

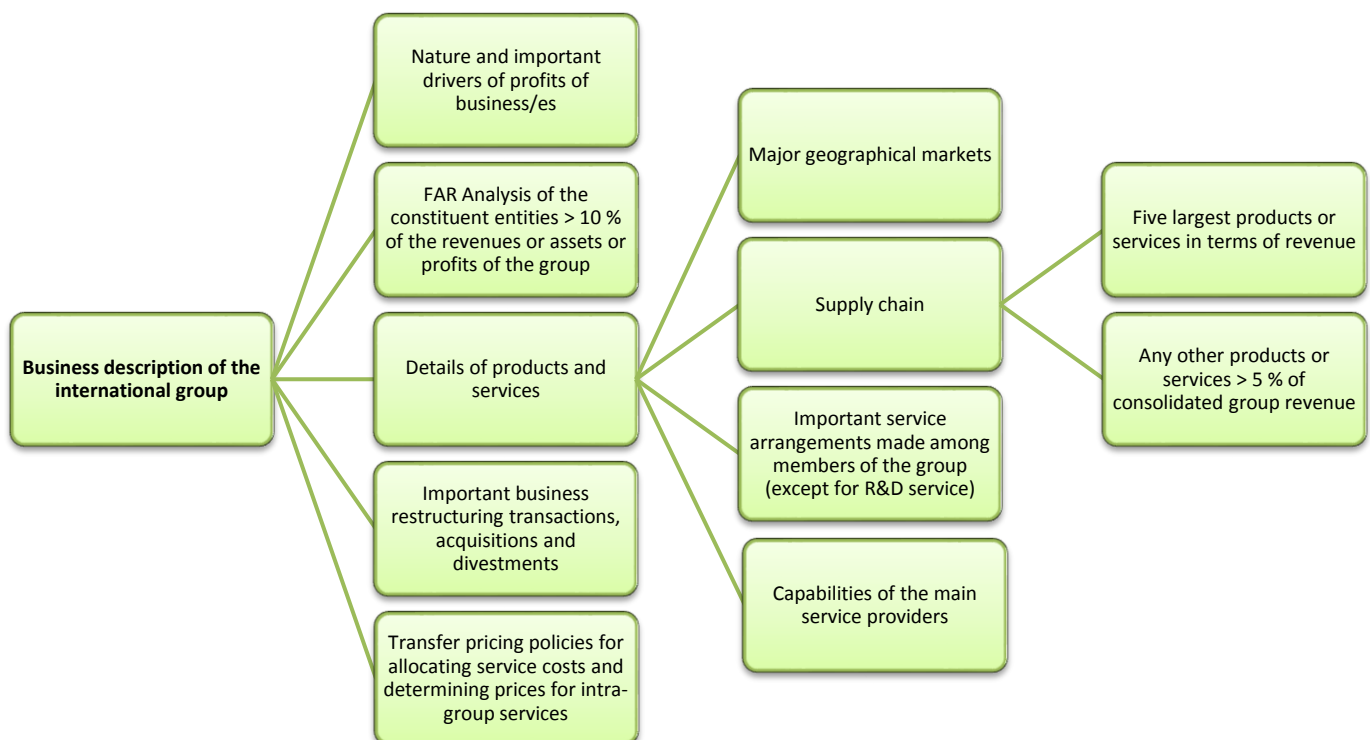
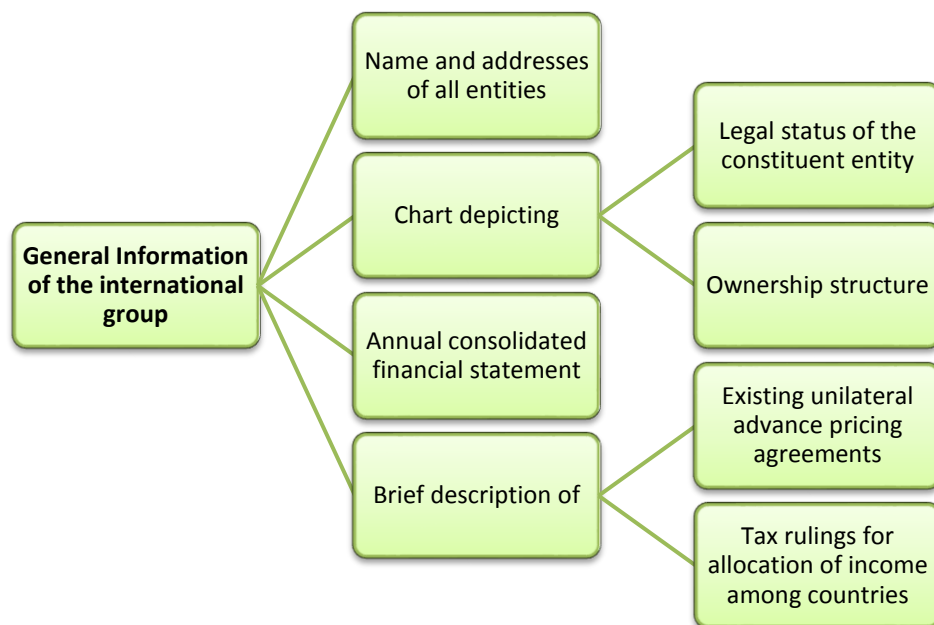
***RULE 10DA – MASTER FILE***

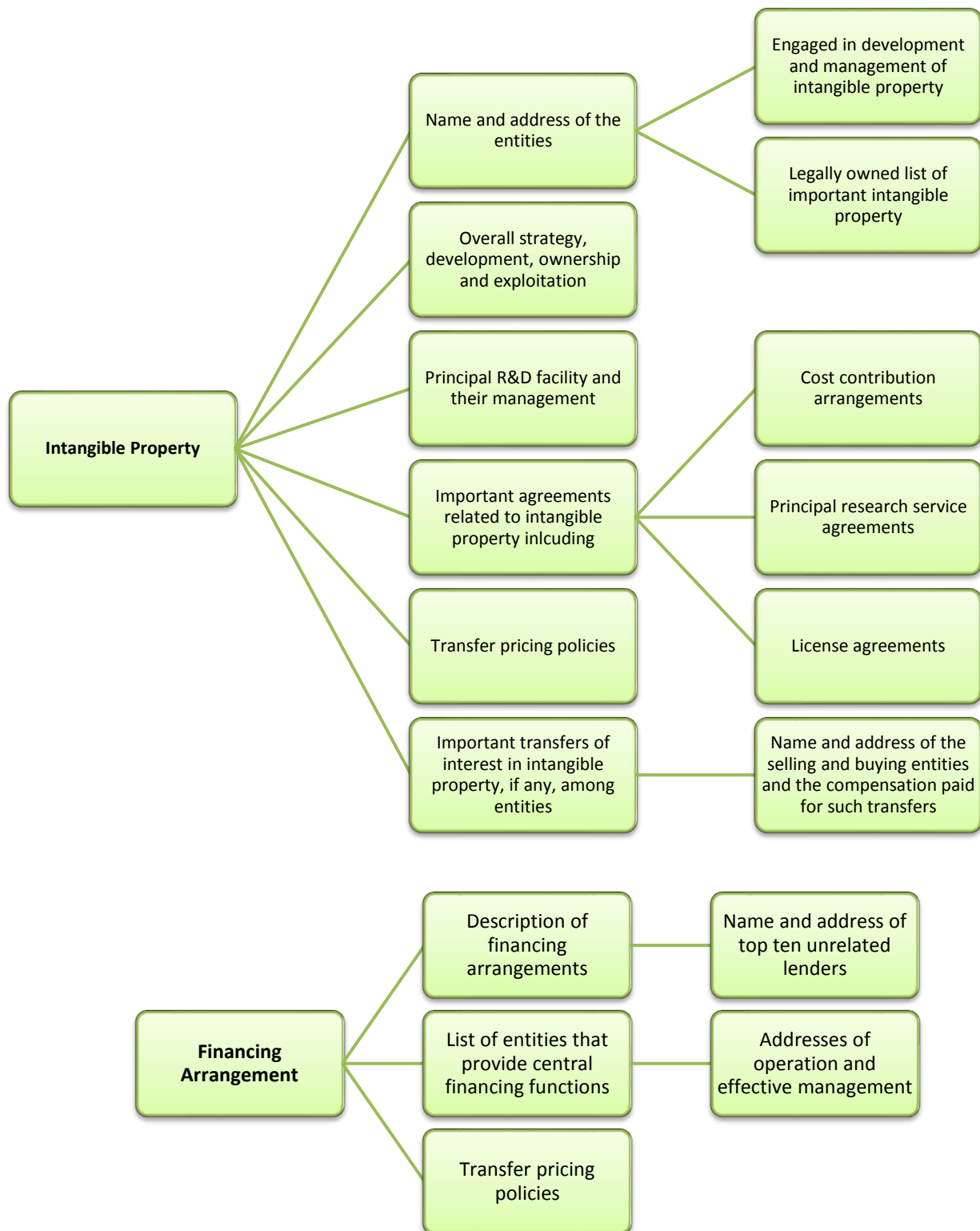
1. Master File requirements provided in Part A of Form No. 3CEAA are applicable to every constituent entity of the international group, read with section 92D.
2. Master File requirements provided in Part B of Form No. 3CEAA are applicable, if:
  - a. consolidated revenue of international group is more than INR 500 crores (approximately USD 80mn) in the accounting year 2016-17; and
  - b. entity having international transactions (cross border related party transactions) in the accounting year 2016-17 of:
    - i. more than INR 50 crores (approximately USD 8mn); or
    - ii. more than INR 10 crores (approximately USD 1.6mn) in relation to intangible property
3. In a case, where more than one constituent entities of an international group are resident in India, above information would need to be filed by that constituent entity which has been designated by the international group. Such intimation will be furnished in in Form No. 3CEAB before the Director General of Income-tax (Risk Assessment) (DGIT-RA).
4. Such information and documents prescribed in Form No. 3CEAA would need to be kept and maintained for nine years from the end of the previous year.

***Key features of Form No. 3CEAA***

- Part A of the said form requires a constituent entity to furnish the below:
  - a. name, address and PAN of the assessee,
  - b. name and address of the international group,
  - c. name, address and PAN of the constituent entities of the international group having operations in India

- Part B of the said form requires the constituent entity to furnish the below:





The above extremely onerous requirements and sensitive information on the operations of the group are now required by the revenue authorities. This information of the Master File will provide a bird's eye view of the group's operations.

***RULE 10DB – COUNTRY-BY-COUNTRY REPORT***

1. CbCR would be applicable to an international group having total consolidated group revenue of more than INR 5,500 crore (approximately USD 750mn) in the accounting year preceding the reporting year i.e. for reporting accounting year 2016-17, group revenue threshold should be tested for accounting year 2015-16.
2. Every parent entity or an alternate reporting entity, resident in India, would need to furnish CbCR prescribed under Form No. 3CEAD.
3. In any other case, constituent entity resident in India, will notify the DGIT-RA in Form No. 3CEAC, that, which entity of the international group shall furnish the CbCR.

***Key features of Form No. 3CEAD***

- Part A of the said form requires a constituent entity to furnish an overview of allocation of income, taxes and business activities aggregated by tax jurisdiction, i.e. information relating to:
  - a. Global revenue of related and unrelated party, profit before taxes, taxes paid;
  - b. Stated capital, accumulated earnings;
  - c. Number of employees, tangible assets
- Part B of the said form requires a list of all the constituent entities of the international group:
  - a. Tax jurisdiction and the constituent entities resident in such tax jurisdiction
  - b. Tax jurisdiction of constituent entities where jurisdiction of organization / incorporation and tax residence is different
  - c. Nature of the main business activities carried out by that constituent entity, i.e. research and development, holding or managing intellectual property, sales, marketing or distribution, internal group finance, holding shares, dormant, etc.
- Part C of the said form requires any further brief information or explanation that is considered necessary to facilitate the understanding of the information provided in Part A and Part B

The above information may allow the revenue authorities to understand the level of economic activity and strategic functions, carried out in various tax jurisdictions, in which the international group operates.

Tabular representation of the applicable due-dates for the various forms to be furnished electronically:

<b>Master File / CbCR</b>	<b>Applicability</b>	<b>Forms to be furnished</b>	<b>Due date for Accounting Year 2016-17</b>	<b>Due date for Subsequent Accounting Years</b>
Master File	Every constituent entity covered under section 92D	Part A of Form No. 3CEAA	31 March 2018	Due date of filing return of income
	Constituent entity covered under section 92D and threshold under Rule 10DA(1) is satisfied	Part B of Form No. 3CEAA	31 March 2018	Due date of filing return of income
	When more than one constituent entity is resident in India, the designated entity shall notify the DGIT-RA	Form No. 3CEAB	1 March 2018	30 days before the due date for filing Form No. 3CEAA
Country-by-Country Report	Every constituent entity resident in India, whose parent is not resident in India	Form No. 3CEAC	31 January 2018	2 months prior to due date for filing Form No. 3CEAD
	Every parent entity or an alternate reporting entity, resident in India	Form No. 3CEAD	31 March 2018	Due date of filing return of income

#### Disclaimer

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice and after a thorough examination of the particular situation.