

F No 370142/26/2020-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
(Tax Policy & Legislation Division)

New Delhi, 22nd July, 2020

Notification of Sovereign Wealth Fund under section 10(23FE) of the Income-tax Act, 1961

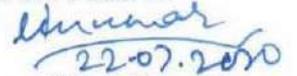
The Finance Act, 2020, *inter alia*, inserted clause (23FE) in section 10 the Income-tax Act, 1961 (the Act) to provide for exemption to income of a specified person in the nature of dividend, interest or long-term capital gains arising from investment made by it in India if the investment is made in specified infrastructure business (including business notified *vide* Notification No 44/2020 dated 06.07.2020, i.e., Infrastructure sub-sectors mentioned in Harmonised Master List updated as on 13.08.2018) during the period from 01.04.2020 to 31.03.2024, and held for at least three years.

2. Specified person for this purpose has been defined to mean wholly owned subsidiaries of Abu Dhabi Investment Authority (ADIA), notified Sovereign Wealth Fund (SWF) and notified Pension Funds (PF), which fulfil conditions specified in the clause or to be prescribed for the PF.

3. In order to facilitate the process of notification of the SWF, the Board, in exercise of powers conferred under section 119 of the Act, hereby specifies that the SWF shall file application in the Form I in the Annexure to this circular. The Form I shall be filed with the Member (Legislation), Central Board of Direct Taxes (CBDT), Department of Revenue, Ministry of Finance, North Block, New Delhi during the financial year 2020-21 and thereafter to the Member, CBDT having supervision and control over the work of Foreign Tax and Tax Research Division.

4. Further, the SWF shall be required to file return of income along with audit report. It shall also be required to file a quarterly statement within one month from the end of the quarter electronically in Form II in respect of each investment made during the quarter in the Annexure to this circular. The Principal Director General of Income Tax/ Director General of Income Tax (Systems) shall lay down the necessary procedure for furnishing and verification of the Form II.

Enclosure: ANNEXURE.


22-07-2020
(Niraj Kumar)

Deputy Secretary (TPL)-I

Copy to the:

1. PS/ OSD to FM/ PS/OSD to MoS (F).
2. PS to the Finance Secretary/ Chairman and Members, CBDT.
3. Joint Secretaries/ CsIT/ Directors/ Deputy Secretaries/ Under Secretaries, CBDT.
4. C&AG of India (30 copies).
5. JS & Legal Adviser, Ministry of Law & Justice. New Delhi.
6. Institute of Chartered Accountants of India.
7. CIT (M&TP). Official Spokesperson of CBDT.
8. Principal DGIT (Systems) for uploading on departmental website.

ANNEXURE

Form I

Application for notification under clause (23FE) of section 10 of the Income-tax Act, 1961
(Sovereign Wealth Fund)

To,

The Member (Legislation), CBDT (For application during FY 2020-21)

The Member (Having control over FT&TR Division) (For application during other FY)

Madam/ Sir,

The applicant is interested in making investment in terms of clause (23FE) of section 10 of the Income-tax Act, 1961 and therefore, it is requested that necessary notification may kindly be done, the details for which are as under:

- (a) Name of the Sovereign Wealth Fund (SWF) :
- (b) Address of the SWF :
- (c) Tax Identification Number of the country of residence :
- (d) Country of residence :
- (e) Permanent Account Number :

2.. It is hereby certified that-

- (a) the SWF is wholly owned and controlled, directly or indirectly, by the Government of _____ (please mention name of the foreign country) and is set up and regulated under its law;
- (b) the earnings of the SWF are credited either to the account of the Government of that foreign country or to any other account designated by that Government so that no portion of the earnings inures any benefit to any private person;
- (c) upon dissolution, the asset of the SWF would vest in the said Government; and
- (d) the SWF does not undertake any commercial activity whether within or outside India.

3. In support of the claims made above, the following documents are attached:

- (a) Documents constituting the SWF and/ or any later amendment thereto; and
- (b) Any other relevant document or information.

VERIFICATION*

I, _____, son/ daughter/ wife** of Shri _____, solemnly declare that to the best of my knowledge and belief, the information given in this application and the annexures and documents, if any, accompanying it are correct and complete and particulars shown therein are truly stated.

2. I also declare that to the best of my knowledge; I have not concealed any fact or information which could be relevant for this application.

3. I further declare that I am making this application in my capacity as _____ (designation) and that I am holding PAN/ Aadhaar _____ and I am competent to make this application and verify it.

Verified today the _____ day of _____

Place _____

(Signature) _____

Name _____

*To be signed by the person competent to verify the return of income under section 140 of the Income-tax Act, 1961.

**Delete whichever is not applicable.

Form II

Intimation by Sovereign Wealth Fund of investment under clause (23FE) of section 10 of the Income-tax Act, 1961

(within one month from the end of the quarter ending on 30th June, 30th September, 31st December and 31st March of the Financial Year)

To,

The Assessing Officer

Madam/ Sir,

Kindly find statement containing details of investment for the quarter ending _____ of the Financial Year _____ in respect of _____ (Name of the SWF) having PAN _____ and notified under clause (23FE) of section 10 of the Income-tax Act, 1961 vide notification no _____, dated _____ (DDMMYYYY) as under:

S No	Date	Amount	Nature [Debt/ Share Capital (Equity/ Preference)/ Unit]	Rate of Dividend, if any, (Preference Share/ Unit)/ Interest (Debt)	Details of the entity in which Investment made		
					Business Trust/ Company or enterprise or entity/ Alternative Investment Fund	Name	PAN
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.							
2.							
Total							

VERIFICATION*

I, _____, son/ daughter/ wife** of Shri _____, solemnly declare that to the best of my knowledge and belief, the information given above is correct and complete and particulars shown therein are truly stated.

2. I also declare that to the best of my knowledge; I have not concealed any relevant fact or information.

3. I further declare that I am making this application in my capacity as _____ (designation) and that I am holding PAN/ Aadhaar _____ and I am competent to make this application and verify it.

Verified today the _____ day of _____

Place _____

(Signature) _____

Name _____

*To be signed by the person competent to verify the return of income under section 140 of the Income-tax Act, 1961.

**Delete whichever is not applicable.