

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**DRAFT SCHEME OF THE PROPOSED RULES FOR COMPUTATION OF ARM
LENGTH PRICE (ALP) OF AN INTERNATIONAL TRANSACTION OR
SPECIFIED DOMESTIC TRANSACTION UPLOADED ON FINANCE
MINISTRY’S WEBSITE FOR COMMENTS AND SUGGESTIONS BY 31ST MAY,
2015.**

New Delhi, May 22, 2015
Jyaistha 1, 1937

The Finance (No. 2) Act, 2014 had amended the provision of Income-tax Act relating to transfer pricing regime. The purpose of amendment of section 92C (2) of the Act was to facilitate introduction of “range” concept for determination of Arm’s Length Price of an international transaction or a specified domestic transaction. Further, use of multiple year data for comparability analysis for the purpose of transfer pricing was also to be incorporated.

The use of multiple year data and “range” concept in transfer pricing regime is proposed to be incorporated through amendments to be made to Income-tax Rules, 1962.

In this regard draft outlines of the new regime to be incorporated in the rules has been formulated and has been uploaded on the Finance Ministry website (www.finmin.nic.in) and website of the Income-tax Department (www.incometaxindia.gov.in) for comments from stakeholders and general public.

The comments and suggestions on the draft regime may be submitted by 31st May, 2015 at the email address (dirtpl1@nic.in) or by post at the following address with “Comments on draft transfer pricing rules” written on the envelope:

DSM/KA