Withdrawal of Circulars No. 2 dated 26th March, 2013

Circular No. 05 /2013 [F. No. 500/139/2012-FTD-I], dated 29-06-2013

The Central Board of Direct Taxes had issued Circular No. 2 (hereinafter called "the Circular") on 26th March 2013 regarding application of Profit Split Method.

2. It is noticed the Circular appeared to give the impression that there was a hierarchy among the six method listed in section 92C and that Profit Split Method (PSM) was the preferred method in the case involving unique intangible or in multiple interrelated international transactions.

3. Accordingly, the Central Board of Direct Taxes withdraws Circular No 2 dated 26th March 2013 with immediate effect.

The above may be brought to the notice of all concerned.

(Batsala Jha Yadav)
Director to the Government of India
Central Board of Direct Taxes

Copy to:

1. The Chairperson, Members and all other officers of the CBDT of the rank of Under Secretary and above
2. All Chief Commissioners / Directors General of Income-tax
3. The Director (PR, PP & OL), Mayur Bhawan, New Delhi for printing in the quarterly tax bulletin and for circulation as per the usual mailing list (100 copies)
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5. All Directors of Income-tax, New Delhi
6. The Director General of Income-tax, NADT, Nagpur
7. Guard file
8. Joint Secretary and Legal Advisor, Ministry of Law and Justice, New Delhi
9. The Institute of Chartered Accountants of India, IP Estate, New Delhi

(Batsala Jha Yadav)
Director to the Government of India
Central Board of Direct Taxes