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SAFE HARBOUR RULES IN INDIA – A CONCEPT

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ABSTRACT

In order to reduce the increasing number of transfer pricing audits and prolonged disputes, the Finance (No.2) Act, 2009 with retrospective effect from 1.4.2009 inserted a new section 92CB to provide that determination of arm's length price under section 92C or Section 92CA shall be subject to Safe Harbour rules. Vide this amendment; the Government of India had empowered the CBDT to make Safe Harbour rules.

KEYWORDS: Outbound Loans, Corporate Guarantee, Stakeholders, Safe Harbour