

Final Call on Thorny Tax Avoidance Rules and GAAR likely by Feb 2015

The Centre is likely to take a final call on the controversial General Anti Avoidance Rule (GAAR) only by next February. The decision may well be announced by finance minister Arun Jaitley in his next Budget presentation.

“The finance ministry has started holding discussions on the issue but no hurried decision will be taken on the matter. We will study it carefully and come to a fair and appropriate conclusion,” a senior government official who did not wish to be identified told Hindustan Times. “It is not a simple matter and will take some time,” the official added.

According to existing rules, GAAR will come into effect from April 1, 2015.

The implementation of GAAR was announced by Pranab Mukherjee in 2012-13 when he was the finance minister. It gives power to the revenue department to invalidate any transaction that has been undertaken to deliberately to avoid tax and was made applicable to those claiming tax benefits of over 3 crore.

(Hindustan Times)