

**MINISTRY OF FINANCE****(Department of Revenue)****(CENTRAL BOARD OF DIRECT TAXES)****NOTIFICATION**

New Delhi, the 2nd November, 2020

**(INCOME-TAX)**

**S.O. 3952(E).**—In exercise of powers conferred by sub-clause (vi) of clause (b) of the *Explanation* to clause (23FE) of section 10 of the Income-tax Act, 1961 (hereinafter referred to as the “Act”), the Central Government hereby specifies the sovereign wealth fund, namely, the MIC Redwood 1 RSC Limited, Abu Dhabi, United Arab Emirates, (hereinafter referred to as “the assessee”) as the specified person for the purposes of the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31<sup>st</sup> day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfilment of the following conditions, namely:-

- (i) the assessee shall file return of income, for all the relevant previous years falling within the period beginning from the date in which the said investment has been made and ending on the date on which such investment is liquidated, on or before the due date specified for furnishing the return of income under sub-section (1) of section 139 of the Act;
- (ii) the assessee shall get its books of account audited for the previous years referred to in clause (i) by any accountant specified in the *Explanation* below sub-section (2) of section 288 of the Act and furnish the Audit Report in the format annexed as Annexure to this notification herewith at least one month prior to the due date specified for furnishing the return of income under sub-section (1) of section 139 of the Act.
- (iii) the assessee shall furnish a quarterly statement within one month from the end of each quarter electronically in Form II as annexed to the Circular No 15 of 2020, dated the 22<sup>nd</sup> July, 2020 with F. No. 370142/26/2020-TPL, issued by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes (Tax Policy and Legislation Division), in respect of each investment made by it during the said quarter;
- (iv) the assessee shall maintain a segmented account of income and expenditure in respect of such investment which qualifies for exemption under clause (23FE) of section 10 of the Act;
- (v) the assessee shall continue to be owned and controlled, directly or indirectly, by the Government of the Abu Dhabi and at no point of time any other person should have any ownership or control, directly or indirectly, in the assessee;
- (vi) the assessee shall continue to be regulated under the law of the Government of Abu Dhabi;
- (vii) the earnings of the assessee shall be credited either to the account of the Government of Abu Dhabi or to any other account designated by that Government so that no portion of the earnings inures to any private person;
- (viii) (a) the assessee does not and shall not have any loan, borrowing, advances, deposits or investment in it of any kind directly or indirectly from any person other than the Government of the Abu Dhabi;  
(b) The assessee shall only invest the surplus fund of the Government of Abu Dhabi and that Government shall not raise any loan, debt etc. directly or indirectly, from the market or any entity to make the said investment;
- (ix) the asset of the assessee shall vest in the Government of Abu Dhabi upon dissolution;

- (x) the assessee does not and shall not undertake any commercial activity whether within or outside India other than the said investment or investment of similar nature;
- (xi) the assessee shall have monitoring mechanism to protect the said investment with investee but shall not manage day to day operations of the investee or appoint executive directors in the investee company or participate in the decision making process or control them; and
- (xii) the assessee shall not carry out asset management activity for any person other than itself.
2. Violation of any of the conditions as stipulated in the said clause (23FE) and this notification shall render the assessee ineligible for the tax exemption.
3. This notification shall come into force from the date of its publication in the Official Gazette.

### ANNEXURE

#### Audit report to be filed by the Sovereign Wealth Fund claiming exemption under clause (23FE) of section 10 of the Income -tax Act, 1961

#### Part I

\*I/we report that the statutory audit of M/s. .... (Name and address of the assessee with Permanent Account Number or Aadhaar Number), the particulars of which are given in Part II was conducted by \*me/ us/ M/s. .... as per the requirement under the Notification No ...../..... dated ..... published in the Official Gazette on .....

2. In \*my/ our opinion and to the best of \*my/ our information and according to examination of books of account including other relevant documents and explanations given to \*me/us, it is certified that the assessee \*has/ has not complied with the conditions as laid down under clause (23FE) of section 10 of the Income-tax Act, 1961 and those provided in the said notification specifying the assessee being the Sovereign Wealth Fund as specified person for the purposes of claiming exemption under the said clause (23FE).

2.1 \*The conditions not complied with by the assessee are as under:-

- (a) .....
- (b) .....

3. In \*my/our opinion and to the best of \*my/ our information and according to examination of books of account including other relevant documents and explanations given to \*me/us, the particulars given in the Part II are true and correct subject to the following observations/qualifications, if any, namely:-

- (a) .....
- (b) .....

#### Part II

1. Name of the Assessee :
2. PAN/ AADHAAR :
3. Previous Year :
4. Total Income of the Assessee during the previous year:
5. Amount of income eligible for exemption under clause (23FE) of section 10 of the Income-tax Act, 1961 :

Place: .....

Date: .....

\*\* (Signature and stamp/ Seal of the signatory)

Name of the signatory .....

Full address .....

Membership No.....

UDIN.....

**Notes:**

3. \*Delete whichever is not applicable.
4. This report has to be signed by an accountant falling within the meaning of expression “accountant” as provided in the *Explanation* below sub-section (2) of section 288 of the Income-tax Act, 1961.

[Notification No. 89/2020/ F. No. 370133/16/2020-TPL]

ANKIT JAIN, Under Secy. (Tax Policy and Legislation Division)