

Clause 7 of the Bill seeks to amend section 10 of the Income-tax Act relating to incomes not included in total income.

Sub-clause (A) of the said clause seeks to amend clause (12) of the aforesaid section.

The said clause provides that the accumulated balance due and becoming payable to an employee participating in a recognised provident fund, is exempt from tax, subject to fulfilment of certain conditions specified in rule 8 of Part A of the Fourth Schedule.

It is proposed to amend the said clause (12) so as to provide that nothing contained in this clause shall apply in respect of any amount of accumulated balance, attributable to any contributions made on or after the 1st day of April, 2016 by an employee other than an excluded employee, exceeding forty per cent. of such accumulated balance due and payable in accordance with provisions of rule 8 of Part A of the Fourth Schedule.

It is further proposed to insert a new clause (12A) in the said section so as to provide that any payment from the National Pension System Trust to an employee on closure of account or his opting out of the pension scheme referred to in section 80CCD, to the extent it does not exceed forty per cent. of the total amount payable to him at the time of closure or his opting out of the scheme, shall be exempt from tax.

It is also proposed to amend clause (13) of the said section so as to provide that any payment in commutation of an annuity purchased out of contributions made on or after the 1st day of April, 2016, which exceeds forty per cent. of the annuity, shall be chargeable to tax. The said clause also seeks to provide that any payment from an approved superannuation fund by way of transfer to the account of the employee under a pension scheme referred to in section 80CCD notified by the Central Government shall be exempt from tax.

These amendments will take effect from 1st April, 2017 and will, accordingly, apply in relation to assessment year 2017-2018 and subsequent years.

Sub-clause (B) of the said clause seeks to amend clause (15) of the said section so as to provide that the interest on deposit certificates issued under the Gold Monetisation Scheme, 2015 notified by the Central Government shall also be exempted from income-tax.

This amendment will take effect retrospectively from 1st April, 2016 and will, accordingly, apply in relation to assessment year 2016-2017 and subsequent years.

Sub-clause (C) of the said clause seeks to amend clause (23DA) of the said section so as to provide that the definition of the term "securitisation" for the purposes of the said clause shall also include securitisation, as defined in clause (z) of sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

It is further proposed to amend clause (23FC) of the said section so as to provide that any income of a business trust by way of interest received or receivable from a special purpose vehicle or the dividend referred to in sub-section (7) of section 115-O shall also not be included in total income of such business trust.

It is also proposed to amend clause (23FD) of the said section so as to provide that any distributed income from a business trust received by a unit holder which is of the same nature as dividend referred to in sub-section (7) of section 115-O shall not be included in the total income of such unit holder.

It is also proposed to amend clause (34) of the said section so as to provide that any income by way of dividend in excess of ten lakh rupees shall not be exempt from tax in the case of an individual, Hindu undivided family or a firm.

It is also proposed to amend clause (35A) of the said section so as to provide that nothing contained in the clause shall apply to any income by way of distributed income referred to in section 115TA received on or after the 1st day of June, 2016.

It is also proposed to amend clause (38) of the said section so as to provide for exemption from capital gains tax in case of income arising from transaction undertaken on a recognised stock exchange located in the International Financial Services Centre and the consideration for such transaction is paid or payable in foreign currency. It is also proposed to define the expressions International Financial Services Centre and recognised stock exchange.

These amendments will take effect from 1st April, 2017 and will, accordingly, apply in relation to the assessment year 2017-2018 and subsequent years.

Sub-clause (D) of said clause seeks to insert a new clause (48A) in the said section so as to provide for exemption in respect of any income of a foreign company on account of storage of crude oil in a facility in India and sale of crude oil therefrom to any person resident in India subject to the conditions that the storage and sale by the foreign company is pursuant to an agreement or an arrangement entered into by the Central Government or approved by the Central Government and having regard to the national interest, the foreign company and the agreement or arrangement are notified by the Central Government in this behalf.

This amendment will take effect retrospectively from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016-2017 and subsequent years.

Sub-clause (E) of the said clause seeks to insert a new clause (50) in the said section so as to provide that any income arising from specified services provided on or after the date on which the provisions of Chapter VIII of the Finance Act, 2016, comes into force and chargeable to equalisation levy under that Chapter shall be exempt. It is further proposed to provide an *Explanation* under the proposed clause (50) so as to provide that the expression "specified service" shall have the meaning assigned to it in clause (i) of section 161 of the Chapter VIII of the Finance Act, 2016.

This amendment will take effect from 1st June, 2016.