

Clause 3 of the Bill seeks to amend section 2 of the Income-tax Act relating to definitions.

Sub-clause (a) of the said clause seeks to amend clause (14) of the aforesaid section which defines "capital asset" and item (vi) of the said clause (14) excludes from the definition of capital asset, *inter alia*, Gold Deposit Bonds issued under the Gold Deposit Scheme, 1999 notified by the Central Government. It is proposed to amend item (vi) of the said clause (14) so as to also exclude the deposit certificates issued under the Gold Monetisation Scheme, 2015 from the definition of capital asset.

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 (b) of the said clause proposes to insert a new clause (23C) to define the term "hearing" so as to include communication of data and documents through electronic mode.

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

Sub-clause (c) of the said clause proposes to amend clause (24) relating to the definition of income.

Sub-clause (xviii) of clause (24) of the aforesaid section, *inter alia*, provides that any assistance in the form of a subsidy or grant or cash incentives, etc., by the Central or a State Government to any assessee other than the subsidy or grant or reimbursement which is taken into account for determination of the actual cost of the asset, in accordance with *Explanation* 10 to clause (1) of section 43, shall be included in the definition of income.

It is proposed to amend the said sub-clause (xviii) so as to provide that subsidy or grant by the Central Government for the purpose of the corpus of a trust or institution established by the Central Government or a State Government, as the case may be, shall also not form part of income.

This amendment 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 the said clause seeks to amend clause (37A) of the said section so as to provide that for the purposes of deduction of tax under section 194LBB, or section 194LBC the "rates in force" in relation to an assessment year or financial year shall mean the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year or rate or rates of income-tax specified in an agreement entered into by the Central Government under section 90 or notified by the Central Government under section 90A, whichever is applicable.

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