

## India

### Summary of CbC Reporting and Transfer Pricing Documentation Rules

#### Country-by-Country Report

- Effective Date: From Assessment Year 2017-18 (i.e., fiscal years beginning on or after April 1, 2016).
- Filing Threshold: International groups with consolidated group revenue of INR 55 billion or more in the preceding fiscal year. From April 1, 2021, the threshold is increased to INR 64 billion.
- Local Filing: An Indian constituent entity must file the CbC report if certain conditions are met.
- Information Reported: Consistent with the OECD guidance.
- Forms/Filing Instructions (see Bloomberg Tax International Tax Forms database): Filed electronically with the Director General of Income Tax (Risk Assessment).
  - CbC Notification of Reporting Entity: Form 3CEAC.
  - CbC Report: Form 3CEAD.
  - Designation of the constituent entity for the single filing of the CbC report: Form 3CEAE.
- Deadline for Filing Notification of Reporting Entity: At least two months prior to the due date for filing the CbC report. According to an August 2021 circular, the deadline was extended to December 31, 2021 (if required to be filed on or before November 30, 2021).
- Deadline for Filing CbC Report: Within 12 months from the end of the reporting accounting year of the MNE group. According to an August 2021 circular, the deadline was extended to December 31, 2021 (if required to be filed on or before November 30, 2021).
- Penalties: Penalties may apply for non-compliance.
- Exchange of Information:
  - MCAA CbC: signed.
  - U.S. CAA CbC: signed.

For a schedule of CbC report and CbC notification deadlines (by country), please see [CbC Reporting Deadlines](#).

#### Master File

- Effective Date: From Assessment Year 2017-18 (i.e., fiscal years beginning on or after April 1, 2016).
- Filing Threshold: Required for constituent entities if (i) the consolidated group revenue of the international group exceeds INR 5,000 million for the preceding reporting year; and (ii) the aggregate value of the international transactions exceeds INR 500 million or the aggregate value of intangible property-related international transactions exceeds INR 100 million during the reporting year.
- Information Reported: Generally in line with the OECD guidance with a few additional requirements, including a description of the functions, assets and risks of constituent entities that contribute at least 10% of the revenue or assets, or profits of the group; a list of all entities engaged in the development and management of intangible property; a list of the top ten unrelated lenders associated with group financing arrangements and the identification of the group entities providing central financing functions.
- Forms/Filing Instructions: Filed electronically with the Director General of Income Tax (Risk Assessment).

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- Form 3CEAA (Master File): all constituent entities must submit Part A, and constituent entities meeting the master file filing threshold must submit Part B.
- Form 3CEAB: notifies the designation of the constituent entity for the single filing of the master file if there is more than one constituent entity resident in India.
- Deadline for Submission: Form 3CEAA (Master File) must be filed by November 30<sup>th</sup> following the relevant fiscal year (i.e., by the due date for filing the income tax return). Form 3CEAB (if applicable) must be filed by the designated entity at least 30 days before the due date for filing the master file.
- Penalties: Penalties may apply for non-compliance.

## **Local File**

India has not introduced any changes to the existing Indian transfer pricing documentation requirements to align them with the OECD BEPS Action 13 Local File requirements (see Transfer Pricing Documentation discussion below).

## **Transfer Pricing Documentation**

Contemporaneous transfer pricing documentation must be maintained if the aggregate value of international transactions exceeds INR 10 million during the year (note that if the threshold is not met, taxpayers must be able to substantiate the arm's length price based on available documents). In general, the content of the transfer pricing documentation is similar to the OECD Transfer Pricing Guidelines and includes general information about the transacting parties as well as specific information related to the international transactions. The documentation must be prepared and maintained by October 31<sup>st</sup> of the year following the relevant fiscal year. From April 1, 2023, the documentation must be submitted within 10 days (previously 30 days) of a request by the tax authorities (this period may be extended). Penalties may apply for non-compliance.

*For more detailed guidance, please see the Transfer Pricing Portfolio: India, Chapter 75:VIII.B (Contemporaneous Documentation – Nature of Documentation).*

[\[Portfolio 6955-1st: Transfer Pricing: Rules and Practice in Selected Countries \(H-I\), 75-VIII. Contemporaneous Documentation, B. Nature of Documentation \(bloomberglaw.com\)\]](#)

## **Transfer Pricing Disclosure**

Taxpayers must electronically file the Form 3CEB (i.e., a report obtained from an independent accountant) detailing various information relating to the international transactions entered into by the taxpayer, including the nature and value of international transactions; the method applied to justify the transfer price; and any voluntary transfer pricing adjustments. The form must be filed by October 31<sup>st</sup> of the year following the relevant fiscal year. Penalties may apply for non-compliance.

*For more detailed guidance, please see the Transfer Pricing Portfolio: India, Chapter 75:IX (Tax Return Disclosure (Accountant's Report)).*

[\[Portfolio 6955-1st: Transfer Pricing: Rules and Practice in Selected Countries \(H-I\), 75-IX. Tax Return Disclosure \(Accountant's Report\), 75:IX. Tax Return Disclosure \(Accountant's Report\) \(bloomberglaw.com\)\]](#)