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New PAN application

For obtaining new PAN (Permanent Account Number) modified forms have been announced with effect from 1st November, 2011.

New **Form 49AA** has been prescribed for -

- Individuals not being a Citizen of India
- Entities incorporated outside India/
- Unincorporated entities formed outside India

The rules now also give an exhaustive list of documents which need to be given along with the PAN application to prove the identity and address of the applicant. The list of documents and new forms are available at Income tax website www.incometaxindia.gov.in

This change does not have any effect on the existing PAN.

Source:

CBDT Notification dated 17th October 2011 bearing number S.O. 2394(E).

Modest relaxation in FDI/ FEMA provisions

Prior approval of Reserve Bank of India no longer required for transfer of shares in certain cases-

A. Transfer from Non-resident to Resident:

-Where investments meet FEMA regulations and relevant SEBI guidelines

B. Transfer from Resident to Non-resident

- Where investment complies with FIPB/ FEMA/ SEBI guidelines, or where permission has been taken from relevant financial sector regulator.

This will avoid multiplicity of permissions from various regulators for the same transaction.

[Source: RBI/2011-12/247 A.P. (DIR Series) Circular No.43 dated 4 November, 2011]

Repatriation of export proceeds:

Exporters of goods and software are required to bring into India their export proceeds within six months.

Reserve Bank of India had permitted exporters to bring in the export proceeds within one year, instead of six months. This relaxation was valid till 30th September, 2011. This permission has now been extended till 30th September, 2012.

[Source: RBI/2011-12/241 A.P. (DIR Series) Circular No.40 dated 1 November, 2011]

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