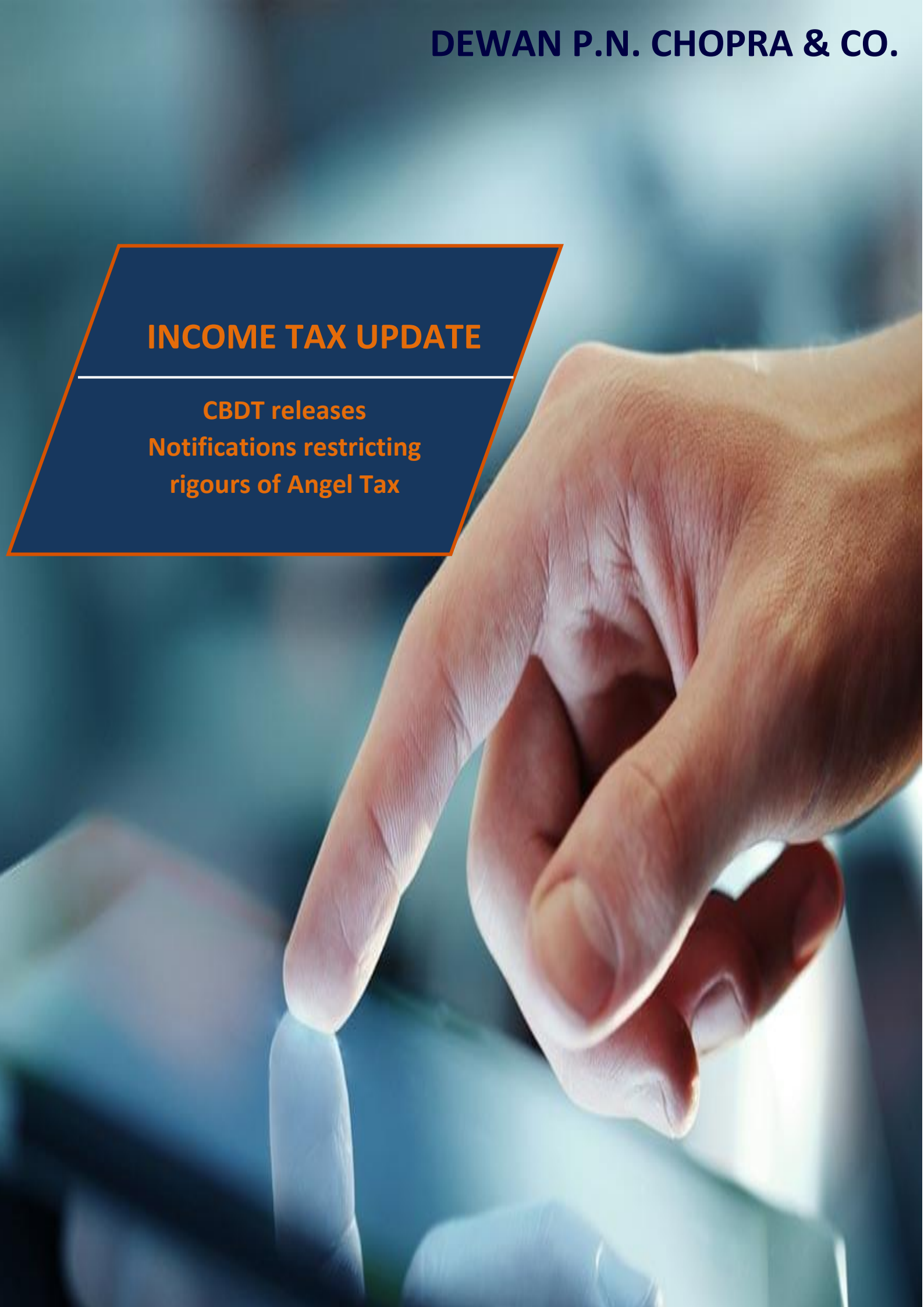


**INCOME TAX UPDATE**

**CBDT releases  
Notifications restricting  
rigours of Angel Tax**



## CBDT Releases Notifications Easing Constraints of Angel Tax

Pursuant to Press Release dated 19.05.2023 proposing changes with respect to Angel Tax, CBDT has issued notification no. 29 dated **24.05.2023**. CBDT notifies the class or classes of persons for inapplicability of Section 56(2)(viib) which are:

- a) Government and Government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies including entities controlled by the Government or where direct or indirect ownership of the Government is 75% or more,
- b) Banks or Entities involved in Insurance Business where such entity is subject to applicable regulations in the country where it is established or incorporated or is a resident

c) Any of the following entities, which is a resident of any country or specified territory listed in Annexure, and such entity is subject to applicable regulations in the country where it is established or incorporated or is a resident:

- Entities registered with SEBI as Category-I FPIs,
- Endowment Funds associated with a university, hospitals or charities,
- Pension Funds created or established under the law of the foreign country or specified territory,
- Broad Based Pooled Investment Vehicle or Fund where the number of investors in such vehicle or fund is more than 50 and such fund is not a hedge fund or a fund which employs diverse or complex trading strategies.

The countries notified in the Annexure are - Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Iceland, Israel, Italy, Japan, Korea, New Zealand, Norway, Russia, Spain, Sweden, UK and USA

For details, please refer CBDT Press Release dated 24.05.2023:

Notification No. 29/2023:

<https://incometaxindia.gov.in/communications/notification/notification-29-2023.pdf>

*DISCLAIMER: - The summary information herein is based on CBDT's notification no. 29 dated 24.05.2023. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Readers should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.*