

PAPER – 7 : DIRECT TAX LAWS AND INTERNATIONAL TAXATION

(One paper — Three hours –100 Marks)

Part I : Direct Tax Laws (70 Marks)

Objective:

To acquire the ability to analyze and interpret the provisions of direct tax laws and recommend solutions to practical problems.

Contents:

Law and Procedures under the Income-tax Act, 1961,

1. Basis of charge, residential status, income which do not form part of total income, heads of income, income of other persons included in assessee's total income, aggregation of income, set-off and carry forward of losses, deductions from gross total income, rebates and reliefs
2. Special provisions relating to companies and certain persons other than a company¹
3. Provisions relating to charitable and religious trust and institutions, political parties and electoral trusts
4. Tax Planning, Tax Avoidance & Tax Evasion
5. Collection & Recovery of Tax, Refunds
6. Income-tax Authorities, Procedure for assessment, Appeals and Revision
7. Settlement of Tax Cases, Penalties, Offences & Prosecution
8. Liability in Special Cases²
9. Miscellaneous Provisions and Other Provisions³

¹ Including firms, LLPs, Trusts, AOPs, BOIs, Securitisation Trusts, Business Trusts, Investment Fund etc.

² Representative assesseees, Executors etc.

³ The entire income-tax law is included at the Final level. Any residuary provision under the Income-tax Act, 1961, not covered under any of the above specific provisions or under Part II: International Taxation would be covered under "Other Provisions". Further, if any new Chapter is included in the Income-tax Act, 1961, the syllabus will accordingly include the provisions relating thereto.

Part II: International Taxation (30 Marks)

Objective:

To develop an understanding of the concepts, principles and provisions of International Taxation and acquire the ability to apply such knowledge to make computations and to address application-oriented issues.

Contents:

1. Taxation of international transactions and Non-resident taxation
 - (i) The provisions under the Income-tax Act, 1961, including
 - a) Specific provisions relating to Non-residents
 - b) Double Taxation Relief
 - c) Transfer Pricing & Other Anti-Avoidance Measures
 - d) Advance Rulings
 - (ii) Equalisation levy
2. Overview of Model Tax Conventions – OECD & UN
3. Application and interpretation of Tax Treaties
4. Fundamentals of Base Erosion and Profit Shifting

Note: If any new legislation(s) are enacted in place of an existing legislation(s), the syllabus will accordingly include the corresponding provisions of such new legislation(s) in the place of the existing legislation(s) with effect from the date to be notified by the Institute. Similarly, if any existing legislation(s) on direct tax laws ceases to be in force, the syllabus will accordingly exclude such legislation(s) with effect from the date to be notified by the Institute.

Further, the specific inclusions/exclusions in any topic covered in the syllabus will be effected by way of Study Guidelines every year, if required. Specific inclusions/exclusions in a topic may arise due to additions/deletions made every year by the Annual Finance Act.