

**MINISTRY OF FINANCE**  
**(Department of Revenue)**  
**(CENTRAL BOARD OF DIRECT TAXES)**  
**NOTIFICATION**

New Delhi, the 8th July, 2022

**G.S.R. 524(E).**—In exercise of the powers conferred by sub-clause (iv) of clause (a) of *Explanation* to clause (viiad) of section 47 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

**1. Short title and commencement.**—(1) These rules may be called the Income-tax (21<sup>st</sup> Amendment) Rules, 2022.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 1962, after rule 21AK, the following rule shall be inserted, namely: —

**“21AL. Other Conditions required to be fulfilled by the original fund.** - For the purposes of sub-clause (iv) of clause (a) of *Explanation* to clause (viiad) of section 47 of the Act, the original fund, in a case where a capital asset is transferred to a resultant fund being a Category III Alternative Investment Fund, shall fulfil the condition that the aggregate participation or investment in the original fund, directly or indirectly, by persons resident in India shall not exceed five per cent. of the corpus of such fund at the time of such transfer.

***Explanation.***- For the purpose of this rule, the expressions "original fund" and "resultant fund" shall have the meanings respectively assigned to them in the *Explanation* to clause (viiac) and clause (viiad) of section 47.”;

[Notification No. 80/2022/F. No. 370142/11/2022-TPL]

NEHA SAHAY, Under Secy.

**Note:** The principal rules were published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii) *vide* number S.O. 969 (E) dated the 26<sup>th</sup> March, 1962 and was last amended *vide* notification number G.S.R.482 (E) dated 30<sup>th</sup> June, 2022.