
Rule - 10D , Income-tax Rules, 1962

Information and documents to be kept and maintained under section 92D.

10D. (1) Every person who has entered into an international transaction ¹⁰⁻¹¹[or a specified domestic transaction] shall keep and maintain the following information and documents, namely:—

- (a) a description of the ownership structure of the assessee enterprise with details of shares or other ownership interest held therein by other enterprises;
- (b) a profile of the multinational group of which the assessee enterprise is a part along with the name, address, legal status and country of tax residence of each of the enterprises comprised in the group with whom international transactions ¹⁰⁻¹¹[or specified domestic transactions, as the case may be,] have been entered into by the assessee, and ownership linkages among them;
- (c) a broad description of the business of the assessee and the industry in which the assessee operates, and of the business of the associated enterprises with whom the assessee has transacted;
- (d) the nature and terms (including prices) of international transactions ¹⁰⁻¹¹[or specified domestic transactions] entered into with each associated enterprise, details of property transferred or services provided and the quantum and the value of each such transaction or class of such transaction;
- (e) a description of the functions performed, risks assumed and assets employed or to be employed by the assessee and by the associated enterprises involved in the international transaction ¹²[or the specified domestic transaction];
- (f) a record of the economic and market analyses, forecasts, budgets or any other financial estimates prepared by the assessee for the business as a whole and for each division or product separately, which may have a bearing on the international transactions ¹²[or the specified domestic transactions] entered into by the assessee;
- (g) a record of uncontrolled transactions taken into account for analysing their comparability with the international transactions ¹²[or the specified domestic transactions] entered into, including a record of the nature, terms and conditions relating to any uncontrolled transaction with third parties which may be of relevance to the pricing of the international transactions ¹²[or specified domestic transactions, as the case may be];
- (h) a record of the analysis performed to evaluate comparability of uncontrolled transactions with the relevant international transaction ¹²[or specified domestic transaction];
- (i) a description of the methods considered for determining the arm's length price in relation to each international transaction ¹²[or specified domestic transaction] or class of transaction, the method selected as the most appropriate method along with explanations as to why such method was so selected, and how such method was applied in each case;
- (j) a record of the actual working carried out for determining the arm's length price, including details of the comparable data and financial information used in applying the most appropriate method, and adjustments, if any, which were made to account for differences between the international transaction ¹²[or the specified domestic transaction] and the comparable uncontrolled transactions, or between the enterprises entering into such transactions;
- (k) the assumptions, policies and price negotiations, if any, which have critically affected the determination of the arm's length price;
- (l) details of the adjustments, if any, made to transfer prices to align them with arm's length prices determined under these rules and consequent adjustment made to the total income for tax purposes;
- (m) any other information, data or document, including information or data relating to the associated enterprise, which may be relevant for determination of the arm's length price.

(2) ¹³[Nothing contained in sub-rule (1), in so far as it relates to an international transaction, shall] apply in a case where the aggregate value, as recorded in the books of account, of international transactions entered into by the assessee does not exceed one crore rupees :

Provided that the assessee shall be required to substantiate, on the basis of material available with him, that income arising from international transactions entered into by him has been computed in accordance with section 92.

¹⁴[(2A) Nothing contained in sub-rule (1), in so far as it relates to an eligible specified domestic transaction referred to in rule 10THB, shall apply in a case of an eligible assessee mentioned in rule 10THA and—

- (a) the eligible assessee, referred to in clause (i) of rule 10THA, shall keep and maintain the following information and documents, namely:—
 - (i) a description of the ownership structure of the assessee enterprise with details of shares or other ownership interest held therein by other enterprises;
 - (ii) a broad description of the business of the assessee and the industry in which the assessee operates, and of the business of the associated enterprises with whom the assessee has transacted;
 - (iii) the nature and terms (including prices) of specified domestic transactions entered into with each associated enterprise and the quantum and value of each such transaction or class of such transaction;
 - (iv) a record of proceedings, if any, before the regulatory commission and orders of such commission relating to the specified domestic transaction;
 - (v) a record of the actual working carried out for determining the transfer price of the specified domestic transaction;
 - (vi) the assumptions, policies and price negotiations, if any, which have critically affected the determination of the transfer price; and
 - (vii) any other information, data or document, including information or data relating to the associated enterprise, which may be relevant for determination of the transfer price;
- (b) the eligible assessee, referred to in clause (ii) of rule 10THA, shall keep and maintain the following information and documents, namely:—
 - (i) a description of the ownership structure of the assessee co-operative society with details of shares or other ownership interest held therein by the members;
 - (ii) description of members including their addresses and period of membership;
 - (iii) the nature and terms (including prices) of specified domestic transactions entered into with each member and the quantum and value of each such transaction or class of such transaction;
 - (iv) a record of the actual working carried out for determining the transfer price of the specified domestic transaction;
 - (v) the assumptions, policies and price negotiations, if any, which have critically affected the determination of the transfer price;
 - (vi) the documentation regarding price being routinely declared in transparent manner and being available in public domain; and
 - (vii) any other information, data or document which may be relevant for determination of the transfer price.]

(3) The information specified in ¹⁵[sub-rules (1) and (2A)] shall be supported by authentic documents, which may include the following :

- (a) official publications, reports, studies and data bases from the Government of the country of residence of the associated enterprise, or of any other country;
- (b) reports of market research studies carried out and technical publications brought out by institutions of national or international repute;
- (c) price publications including stock exchange and commodity market quotations;
- (d) published accounts and financial statements relating to the business affairs of the associated enterprises;

- (e) agreements and contracts entered into with associated enterprises or with unrelated enterprises in respect of transactions similar to the international transactions ¹⁶[or the specified domestic transactions, as the case may be];
- (f) letters and other correspondence documenting any terms negotiated between the assessee and the associated enterprise;
- (g) documents normally issued in connection with various transactions under the accounting practices followed.

(4) The information and documents specified under ¹⁷[sub-rules (1), (2) and (2A)], should, as far as possible, be contemporaneous and should exist latest by the specified date referred to in clause (iv) of section 92F:

Provided that where an international transaction ¹⁶[or a specified domestic transaction] continues to have effect over more than one previous year, fresh documentation need not be maintained separately in respect of each previous year, unless there is any significant change in the nature or terms of the international transaction ¹⁶[or the specified domestic transaction, as the case may be], in the assumptions made, or in any other factor which could influence the transfer price, and in the case of such significant change, fresh documentation as may be necessary under ¹⁷[sub-rules (1), (2) and (2A)] shall be maintained bringing out the impact of the change on the pricing of the international transaction ¹⁶[or the specified domestic transaction].

(5) The information and documents specified in ¹⁷[sub-rules (1), (2) and (2A)] shall be kept and maintained for a period of eight years from the end of the relevant assessment year.

10-11. Inserted by the IT (Sixth Amdt.) Rules, 2013, w.r.e.f. 1-4-2013.

12. Inserted by the IT (Sixth Amdt.) Rules, 2013, w.r.e.f. 1-4-2013.

13. Substituted for "Nothing contained in sub-rule (1) shall" by the IT (Sixth Amdt.) Rules, 2013, w.r.e.f. 1-4-2013.

14. Substituted by the IT (Nineteenth Amdt.) Rules, 2015, w.e.f. 8-12-2015. Prior to its substitution, sub-rule (2A), as inserted by the IT (Second Amdt.) Rules, 2015, w.e.f. 4-2-2015, read as under :

"(2A) Nothing contained in sub-rule (1), in so far as it relates to an eligible specified domestic transaction referred to in rule 10THB, shall apply in a case of an eligible assessee referred to in rule 10THA and, the said eligible assessee, shall keep and maintain the following information and documents, namely:—

- (i) a description of the ownership structure of the assessee enterprise with details of shares or other ownership interest held therein by other enterprises;
- (ii) a broad description of the business of the assessee and the industry in which the assessee operates, and of the business of the associated enterprises with whom the assessee has transacted;
- (iii) the nature and terms (including prices) of specified domestic transactions entered into with each associated enterprise and the quantum and the value of each such transaction or class of such transaction;
- (iv) a record of proceedings if any before the regulatory commission and orders of such commission relating to the specified domestic transaction;
- (v) a record of the actual working carried out for determining the transfer price of the specified domestic transaction;
- (vi) the assumptions, policies and price negotiations, if any, which have critically affected the determination of the transfer price;
- (vii) any other information, data or document, including information or data relating to the associated enterprise, which may be relevant for determination of the transfer price."

15. Substituted for "sub-rule (1)" by the IT (Second Amdt.) Rules, 2015, w.e.f. 4-2-2015.

16. Inserted by the IT (Sixth Amdt.) Rules, 2013, w.r.e.f. 1-4-2013.

17. Substituted for "sub-rules (1) and (2)" by the IT (Second Amdt.) Rules, 2015, w.e.f. 4-2-2015.