

## Overview of the Indian provisions relating to three tier documentation

### Country by Country report

Eligibility	The filing obligation is linked to the total consolidated group revenue threshold in the immediately preceding accounting year. While the revenue threshold is yet to be notified, the Memorandum explaining the Finance Bill 2016 provides that the current international consensus is for a threshold of Euro 750 million equivalent in local currency. Given this, it seems that India would also align to the recommendation made by the OECD which is Euro 750 million.
Applicable year	This is applicable from FY 2016-17 and onwards.
Content of the report	The information to be furnished in CbCR is aligned to the recommendation given by the OECD.
Obligation of group entities of the MNE Group operating in India	The group entity of the MNE group (any one if there are multiple entities) needs to notify the prescribed Indian authority about the reporting entity which would be filing the CbCR. The group entities are not required to file the CbCR with the Indian tax authorities unless in certain specified situations.
Filing due date	Aligned to the due date of filing the tax return i.e. 30 <sup>th</sup> November for the corporate entities.
Non-compliance	Penalties prescribed for non-compliance which is linked to per day of default. Penalty could vary from INR 5,000 to 50,000 per day of default. Further, furnishing inaccurate information could attract a penalty of INR 500,000

## Master File

Eligibility	The constituent entity of an International Group needs to keep and maintain the Master File. There is no revenue threshold notified yet for exemption from applicability of this requirement. One has to wait for the rules on the Master file to be notified soon.
Applicable year	This is applicable from FY 2016-17 and onwards.
Content of the report	The information to be maintained as part of the Master File is not yet notified. It seems likely that India may also adopt the Master File template as recommended by the OECD in Action Plan 13.
Authority to whom it has to be filed	Master File has to be submitted to the prescribed authority yet to be notified.
Due date	Master File has to be furnished to the prescribed authority by the prescribed date yet to be notified.
Non-compliance	Failure to furnish Master File could attract a penalty of INR 500,000.

## **Local File**

While there are no separate provisions enacted for the Local File, it seems that the local contemporaneous documentation requirement as specified under Section 92D read with Rule 10D could substitute the Local File requirement. Hence, there may not be any additional document which needs to be prepared to comply with Local File needs.