

F. No. 142/11/2015-TPL  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

**PRESS RELEASE**

Dated: 23<sup>rd</sup> December, 2015

**Subject: - Draft Guiding Principles for determination of Place of Effective Management (POEM) of a Company.**

The Finance Act, 2015 has amended, with effect from 01.04.2016, the provisions of Income-tax Act relating to determination of residence of a company. In accordance with the amended provisions a company would be said to be resident in India in any previous year, if it is an Indian company or its Place of Effective Management (POEM) in that year is in India.

2. The Explanatory Memorandum to the Finance Bill, 2015 stated that a set of guiding principles for determination of POEM would be issued for the benefit of the taxpayers as well as the tax administration.

3. In this regard draft guiding principles for determination of POEM have been formulated and have been uploaded on the Finance Ministry website ([www.finmin.nic.in](http://www.finmin.nic.in)) and website of the Income-tax Department ([www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)) for comments from stakeholders and general public.

4. The comments and suggestion on the draft guidance may be sent by 2<sup>nd</sup> January, 2016 at the email address ([dirtpl1@nic.in](mailto:dirtpl1@nic.in)) or by post at the following address with "Comments on draft Guidance on POEM" written on the envelop.

Director (Tax Policy & Legislation)-I  
Central Board of Direct Taxes,  
Room No. 147-D,  
North Block,  
New Delhi – 110001

**(Dr. B. K. Sinha)**  
**Commissioner of Income-tax**  
**(Media & Technical Policy)**  
**Official Spokesperson, CBDT**