Subject: The Income Declaration Scheme 2016- Rule amendment and issuance of FAQ- Clarification regarding

Fifth set of Frequently Asked Questions (FAQs) was issued clarifying certain issues relating to Income Declaration Scheme,2016 (the Scheme). Clarification has been sought as to whether the answer number 4 of the said FAQ shall apply to all assets declared under the scheme or it is limited to only immovable property. As explained in the said answer, the clarification was issued considering the fact that investment in an immovable property may be funded partially from undisclosed and partially from disclosed sources. In such cases, if the property is sold in near future, gains from part of the property may be long term and the balance may be short term. This shall cause undue hardship to the declarant. Therefore, the clarification issued relates only for determination of holding period of immovable property.

In view of the above, it is again clarified that answer number 4 of the said FAQ shall only be applicable for determining holding period of an immovable property for which the date of acquisition is evidenced by a deed registered with any authority of the State Government. However, for assets other than immovable property declared under the scheme, the holding period shall start from 01.06.2016 for purpose of computation of capital gains.

(Meenakshi J Goswami)
Commissioner of Income Tax (Media and Technical Policy)
Official Spokesperson, CBDT.