

**Finance Act, 2012, (Central)**

**Section 4 - Amendment of Section 9**

In section 9 of the Income-tax Act, in sub-section (1),--

(a) in clause (1), after Explanation 3, the following Explanations shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1962, namely:--

'Explanation 4.--For the removal of doubts, it is hereby clarified that the expression "through" shall mean and include and shall be deemed to have always meant and included "by means of", "in consequence of" or "by reason of".

Explanation 5.--For the removal of doubts, it is hereby clarified that an asset or a capital asset being any share or interest in a company or entity registered or incorporated outside India shall be deemed to be and shall always be deemed to have been situated in India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India.';

(b) in clause (vi), after Explanation 3, the following Explanations shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 1976, namely:--

'Explanation 4.--For the removal of doubts, it is hereby clarified that the transfer of all or any rights in respect of any right, property or information includes and has always included transfer of all or any right for use or right to use a computer software (including granting of a licence) irrespective of the medium through which such right is transferred.

Explanation 5.--For the removal of doubts, it is hereby clarified that the royalty includes and has always included consideration in respect of any right, property or information, whether or not--

(a) the possession or control of such right, property or information is with the payer;

(b) such right, property or information is used directly by the payer;

(c) the location of such right, property or information is in India.

Explanation 6.--For the removal of doubts, it is hereby clarified that the expression "process" includes and shall be deemed to have always included transmission by satellite (including up-linking, amplification, conversion for down-linking of any signal), cable, optic fibre or by any other similar technology, whether or not such process is secret;'

