

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

PRESS RELEASE

New Delhi, 5th May, 2016

Subject: Taxability of Income/Loss arising from Transfer of Unlisted Shares-reg.

CBDT, vide order dated 2nd May, 2016 has given direction to field formation, with a view to avoid disputes/Litigation and to maintain uniform approach that the income arising from transfer of unlisted shares, irrespective of period of holding, would be taxable under the head 'Capital Gain' except in certain circumstances where the Assessing Officer would examine the issue and take appropriate view.

This order is in continuation to the earlier circular of CBDT (circular No.6/2016 dated 29.2.2016), wherein position of Income Tax Department regarding transfer of listed shares and securities was spelt out.

With these initiatives, it is expected that there would be much needed certainty and predictability regarding taxability of income arising from transfer of shares. Consequently, due to uniformity in approach, tax disputes and litigation on this issue would reduce substantially.

The full text of the order is available on the official website of the Income Tax Department www.incometaxindia.gov.in for viewing.

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Commissioner of Income Tax
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Official Spokesperson, CBDT.**