

New Rule defining period of stay in India for crew of ships

Section 6 of the Income Tax Act, 1961 deals with "Residence in India". The Finance Act, 2015 inserted Explanation 2 to Section 6(1) which says that for an individual who is a citizen of India and a member of a crew of a foreign bound ship leaving India, the period of stay in India in respect of the voyage as such a crew member shall be determined in the prescribed manner.

Now the CBDT has issued notification number 70/2015 prescribing the manner of determination of period of stay for such cases. According to the said Notification, in case of a citizen of India and a member of a crew of a ship, the period or periods of stay in respect of an eligible voyage shall not include the following period(s): the period from the date of joining the ship till the date of signing off from the ship as entered in the Continuous Discharge Certificate in respect of the voyage.

"Eligible Voyage" has been defined as a voyage undertaken by a ship engaged in the carriage of passengers or freight in international traffic where, if the voyage has originated in any port in India, its destination is a port outside India, or where the voyage has originated in any port outside India, its destination is a port in India.

This rule (numbered as 126) takes effect from 01st April, 2015 and helps bring about clarity in the matter of computing periods of stay for members of the crew of merchant ships. However, the interesting point to note is that according to Explanation 2, the manner of determination of periods of stay in India shall be prescribed only in respect of crew of a foreign bound ship leaving India whereas the notification also refers to voyages originating in a port outside India and having a port in India as the destination.