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CA FINAL (Nov 2024)
GROUP II - PAPER 4
DIRECT TAX LAWS & INTERNATIONAL TAXATION
SUGGESTED ANSWERS
(Series 2)

PART - I (MCQs)

MCQ - 2 marks each														
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
D	D	D	B	D	A	C	C	B	C	A	C	D	D	B

PART - II (Descriptive Answers)

1 Computation of Business Income of MP Ltd. for the A.Y.2024-25

Particulars	Amount (₹)	
Profits and gains of business and profession		
Net profit as per the statement of profit and loss		5,60,00,000
Add: Items debited but to be considered separately or to be disallowed		
Depreciation as per Companies Act	52,00,000	
Payment to transporter [No tax is required to be deducted at source u/s 194C on payment to a transporter declaring income under section 44AE, who has furnished a declaration to that effect along with PAN. Therefore, disallowance@30% of payment for non-deduction at source u/s 40(a)(ia) would not be attracted in respect of payment of ₹ 3.50 lakhs to M/s. Bansal Transport]	-	
Bonus paid to staff in respect of P.Y.2022-23 [Bonus for P.Y.2022-23 is stated to have been provided in the books of account of that year. It is also allowable as deduction under the Income-tax Act, 1961 in that year since the same has been paid in August, 2023 i.e., on or before the due date u/s 139(1). Since the bonus for the earlier previous year has once again been debited to statement of profit and loss of this year, the same is required to added back while computing business income, as it is not allowable as deduction again in P.Y.2023-24]	1,50,000	

<p>Interest on loan for purchase of plant and machinery [Interest on loan taken for purchase of plant and machinery for use in business is allowable as deduction u/s 36(1)(iii) for the period after the date the asset is first put to use. Hence, such interest for the period upto the date the asset is first put to use is not allowable as deduction. Accordingly, out of ₹ 15 lakhs paid towards such interest, only ₹ 10 lakhs is allowable as deduction. ₹ 5 lakhs, being interest paid upto the date till such machinery was commissioned has to be added back while computing business income]</p>	5,00,000	
<p>Bad debts written off [No adjustment is required in respect of debt of ₹ 20 lakhs written off owing to insolvency of the debtor, since bad debts written off in the books of account is fully allowable as deduction u/s 36(1)(vii). Since the said amount has already been debited to the statement of profit and loss, no further adjustment is required]</p>	-	
<p>Payment for online advertisement services [Since the payment for online advertisement services is made to a non-resident not having PE in India, equalization levy@ 6% has to be deducted. Since the same has not been deducted, disallowance @100% of the payment would be attracted u/s 40(a)(ib)]</p>	5,00,000	
<p>Payment to Consultant for opinion on new business [Payment to consultant for expert opinion on new business is capital in nature. Hence, the same is not allowable as deduction u/s 37. Since the amount has been debited to the statement of profit and loss, the same has to be added back]</p>	2,00,000	
<p>Purchase of cotton at a price higher than the FMV [Since the purchase is from a related party, a firm in which majority of the directors of the company are partners, at a price higher than the fair market value, the difference between the purchase price (₹ 5,000 per bale) and the fair market value (₹ 4,600 per bale) multiplied by the quantity purchased (1000 bales) has to be added back]</p>	<u>4,00,000</u>	69,50,000
<p>Less: Items credited to statement of profit and loss, but not includible in business income/permissible expenditure and allowances</p>		
<p>Industrial power tariff concession received from State Government [Any assistance in the form of, inter alia, concession received from the Central or State Government would be treated as income. Since the same has been credited to statement of profit and loss, no adjustment is required]</p>	-	
<p>Contribution to National Laboratory</p>	-	

[Contribution to National laboratory for scientific research qualifies for deduction@ 100% u/s 35(2AA). Since the same has been debited to the statement of profit and loss, no adjustment is required]		
Profit on sale of plot of land	8,00,000	
[Short-term capital gains arise on sale of plot of land held for less than 24 months. However, in this case, since transfer is to a 100% subsidiary company, which is an Indian company, the same would not constitute a transfer for levy of capital gains tax as per section 47(iv). Since same has been credited to statement of profit and loss, same has to be reduced while computing business income]		
Additional compensation received from State Government in respect of land	5,00,000	
[Since the additional compensation has been received pursuant to an interim order of the Court, the same would be deemed as income chargeable to tax under the head "Capital Gains" in the year of final order as per section 45(5). Since the compensation has been credited to the statement of profit and loss, the same has to be deducted while computing business income]		
Depreciation as per Income-tax Rules, 1961	71,00,000	
Discount on issue of debentures	9,00,000	
[Allowable as deduction over the tenure of debentures i.e., 5 years Hence, 1/5th allowable as deduction in P.Y.2023-24 (1/5th of ₹ 45 lakhs, being 3% of ₹ 1500 lakhs)]		
Purchases omitted to be recorded in the books of account	<u>3,00,000</u>	96,00,000
Since the purchase is made in March, 2024 (i.e., P.Y. 2023-24), in respect of which bill of ₹ 3 lakhs received in March, 2024, which has been omitted to be recorded in the books in this year, it has to be deducted to compute the business income. It is logical to assume that the company is following mercantile system of accounting		
Profits and gains from business and profession		5,33,50,000

2 (a)

Computation of MAT liability of Godavari Ltd. under section 115JB

Particulars	₹	₹
Book profit after adjustment of items under section 115JB(2) [except brought forward business loss & unabsorbed depreciation]		87,34,000
Less: Brought forward business loss [₹ 8,20,000 + ₹ 7,30,000]	15,50,000	
Unabsorbed depreciation [₹ 7,60,000 + ₹ 9,50,000]	17,10,000	32,60,000

[Since Godavari Ltd. is a company against which an application for corporate insolvency resolution process has been admitted by NCLT under section 7 of the Insolvency and Bankruptcy Code, 2016, the amount of total loss brought forward (including unabsorbed depreciation) is allowed to be reduced from the book profit for the purposes of levy of MAT under section 115JB].		
Book profit computed in accordance with Explanation 1 to section 115JB(2)		54,74,000
Add: Items credited to OCI that will not be reclassified to profit or loss:		
Deferred gains on cash flow hedges	6,70,000	
Share of Other Comprehensive Income of Other Associates	2,80,000	
Re-measurement of post-employment benefit obligations	5,20,000	
Revaluation surplus for assets ₹ 8,20,000 [Book profit not to be increased by revaluation surplus for assets as per proviso to section 115JB(2A)]	Nil	14,70,000
		69,44,000
Less: Items debited to OCI that will not be reclassified to profit or loss:		
Deferred costs of hedging	3,80,000	
Changes in fair values of equity instruments ₹ 8,00,000 [Book profit not to be decreased by changes in fair values of equity instruments as per proviso to section 115JB(2A)]	Nil	3,80,000
		65,64,000
Add: One-fifth of Transition amount [Credit Balance]		
Transition amount	48,00,000	
Less: Amounts to be excluded from above		
Capital Reserve	6,00,000	
Translation difference in foreign operations	5,00,000	
	37,00,000	
One-fifth of ₹ 37,00,000		7,40,000
Book Profit for levy of MAT		73,04,000
MAT on book profit under section 115JB = 15% of ₹ 73,04,000		10,95,600
Add: Health and education cess@4%		43,824
MAT liability		11,39,424
MAT liability (rounded off)		11,39,420

Computation of tax credit to be carried forward

Particulars	₹
MAT liability (rounded off)	11,39,420
Income-tax computed as per the normal provisions of the Act	10,20,000

Since the income-tax liability computed as per the regular provisions of the Income-tax Act, 1961 is less than the MAT payable, the book profit would be deemed to be the total income and tax is leviable @15%: The total tax liability (rounded off) is ₹ 11,39,420.	
Computation of tax credit to be carried forward	
Tax payable on deemed total income	11,39,420
Less: Income-tax payable as per the normal provisions of the Act	10,20,000
Tax credit in respect of tax paid on deemed income	1,19,420
[Can be carried forward for 15 Assessment Years i.e., upto A.Y.2039-40]	

2 (b)

Computation of total income and tax liability of Smt. Laxmi

Particulars	₹	₹
Income from house property		
Rental income from property at Mumbai 1,80,000 (computed)		
Less: Loss from let out property at Chennai <u>(4,40,000)</u>	(2,60,000)	
Profits and gains from business and profession		
Business income in India 6,00,000		
Business income in Country B <u>4,00,000</u>	10,00,000	
Less: Loss from house property of ₹ 2,60,000 allowed to be set-off to the extent of ₹ 2,00,000	<u>(2,00,000)</u>	8,00,000
Balance loss of ₹ 60,000 from house property to be carried forward to A.Y. 2025-26		
Income from other sources		
Dividend income from domestic company	2,00,000	<u>2,00,000</u>
Gross Total Income/Total Income		10,00,000
Tax on total income		
Tax on ₹ 10,00,000 [20% x ₹ 5,00,000 + ₹10,000]		1,10,000
Add: Education Cess @4%		<u>4,400</u>
		1,14,400
Average rate of tax in India [i.e., ₹ 1,14,400/₹ 10,00,000 x 100]	11.44%	
Average rate of tax in Country B	20%	
Doubly taxed income	4,00,000	
Rebate under section 91 on ₹ 4,00,000 @11.44%		
[lower of average Indian tax rate and rate of tax in Country B]		<u>45,760</u>
Tax payable in India [₹ 1,14,400 - ₹ 45,760]		<u>68,640</u>

3 (a)

As per section 115TD, the accreted income of Ramnarayan Foundation trust, a charitable trust, registered under section 12AA would be chargeable to tax at the rate of 34.944% [30% plus surcharge @12% plus cess@4%] on non-distribution of assets on dissolution to another trust registered u/s 12AB within 12 months from the end of month in which the dissolution takes place.

Computation of accreted income and tax liability in the hands of Ramnarayan

Foundation trust on dissolution

Particulars	Amount (₹)
Aggregate FMV of total assets as on 29.12.2023, being the specified date (date of dissolution) [See Working Note 1]	61,12,500
Less: Total liability computed in accordance with the prescribed method of valuation [See Working Note 2]	<u>9,00,000</u>
Accreted Income	52,12,500
Less: Value of assets distributed within a period of 12 months from the end of the month of dissolution	<u>8,00,000</u>
	<u>44,12,500</u>
Tax Liability@34.944% of ₹ 44,12,500	15,41,904
Tax Liability (rounded off)	15,41,900
Working Notes:	
(1) Aggregate FMV of total assets on the date of dissolution	
- Land and building , FMV as on specified date has to be considered and one-fourth of the value of land and building to be ignored, since acquired out of agricultural income exempt u/s 10(1) [₹ 50 lakhs x 3/4]	37,50,000
- Equity shares - quoted [market value on the date of dissolution]	18,00,000
- Equity shares - unquoted in Z Ltd. [Since the trust was registered only on 1.4.2013 and benefit of section 11 and 12 was available to the trust only from A.Y.2014-15, relevant to P.Y.2013-14, the value of 50% of the unquoted shares purchased in P.Y.2010-11, in respect of which benefit under sections 11 and 12 was not allowed, has to be ignored for computing accreted income] Value of unquoted shares = ₹ 4,12,500 [50% of ₹ 8,25,000 (Book value of assets (other than bullion, jewellery) of Z Ltd. i.e., ₹ 60,00,000 + Market value of bullion and jewellery of Z Ltd. i.e., ₹ 30,00,000 – Liabilities of ₹ 35,00,000 x paid up value of shares i.e., ₹ 1,50,000/total amount of paid up equity share capital as shown in the Balance Sheet of ₹ 10,00,000)]	4,12,500
- Cash	1,00,000
- Bank Balance	<u>50,000</u>
	<u>61,12,500</u>
(2) Total liability	
- Corpus Fund of ₹ 6,00,000 [not includible]	Nil
- Reserves and Surplus ₹ 3,00,000 [not includible]	Nil
- Loan taken for purchase of land and building	9,00,000
- Loan taken for purchase of unquoted shares [Since the entire loan is in relation to unquoted shares acquired during the year 2010-11, when the trust was not eligible for exemption under section 11 and 12, the same is not deductible]	<u>Nil</u>
	<u>9,00,000</u>

3 (b) (1) As per section 9(1)(v)(b), interest payable by a person resident in India would be

deemed to accrue or arise in India. However, such interest would not be deemed to accrue or arise in India if the interest is payable in respect of moneys borrowed and used, inter alia, for the purpose of business or profession carried on by such resident outside India.

In the present case, if M/s XYZ Highway Ltd. has used the money borrowed for its projects in India, interest received by financial institution resident in US would be deemed to accrue or arise in India.

If, M/s XYZ Highway Ltd. used the money borrowed for its projects in Sri Lanka i.e., for business outside India, it would be covered under the exception and the interest received by financial institution resident in US would not be deemed to accrue or arise in India.

- (2) As per section 9(1)(i), income arising through the transfer of a capital asset situated in India would be deemed to accrue or arise in India. As per Explanation 5 to section 9(1)(i), shares in a company registered outside India would be deemed to be situated in India, **if the shares derive, directly or indirectly, its value substantially from assets located in India.**

However, income from transfer of such shares **would not be deemed to accrue or arise in India** if such company directly owns assets in India and the transferor neither holds the right of management or control in such company **nor holds more than 5%** of the total share capital of such company [As per Explanation 7 to section 9(1)(i)].

In the present case, M/s ABC Ltd. is a company incorporated in England which directly owns assets in India. However, **since Mr. A holds more than 5% of the total share capital of M/s ABC Ltd, capital gain** arising from the transfer of shares of M/s ABC Ltd would be **deemed to accrue or arise in India in the hands of Mr. A.**

- 4 (a) (i) **TDS@10% under section 194J** would be attracted in respect of fees **for professional services exceeding ₹ 30,000** paid to a resident during any financial year. However, TDS provisions u/s **194J would not be attracted**, if the fee is paid exclusively for **personal purposes.**

In this case, since the fee paid by Mr. Shan is for furnishing of his residential house, it is exclusively for personal purposes. Therefore, **Mr. Shan is not required to deduct tax at source under section 194J on the fees of ₹ 50,000 paid to an architect for furnishing his residential house** even if, in such a case, the turnover from the business exceeds ₹100 lakhs during the preceding financial year or the amount of fees for professional services exceeds ₹30,000 during the financial year.

- (ii) As per Explanation 4 to section 9(1)(vi), consideration for transfer of all or any right to use of computer software (including granting of a licence) would fall within the meaning of "royalty".

Tax deduction at source@10% under section 194J would be attracted where the amount of royalty exceeds ₹ 30,000.

However, an **individual is not required to deduct tax at source under section 194J on the sum paid by way of royalty, even if it exceeds ₹ 30,000.**

Therefore, **Mr. Soham, being an individual, is not required to deduct tax at source** on the amount of ₹ 50,000 paid towards purchase of licensed copy of computer software from the software vendor.

- (iii) **Under section 194J, TDS is attracted in respect of, inter alia, fees for technical services.** Technical services like managerial and consultancy services are in the nature of specialised services made available by the service provider to cater to the special needs of the customer-user as may be felt necessary. It is the above feature that distinguishes or identifies a service provider from a facility offered

However, the service provided by the BSE for which transaction charges are paid does not satisfy the test of specialized, exclusive and individual requirement of the user or the consumer who may approach the service provider for such assistance or service. Therefore, the **transaction charges paid to BSE by its members are not for technical services but are in the nature of payments made for facilities provided by stock exchange.** Such payments would, therefore, **not attract the provisions of tax deduction at source under section 194J.**

Accordingly, payment of **transaction charges of ₹ 10 lakhs by M/s. Sunivesh Investors to BSE in respect of fully automated online trading facility would not be liable for tax deduction at source under section 194J.**

- (iv) The issue under consideration is whether the bank is required to deduct tax at source on the amount of interest paid or payable on fixed deposits in the name of Registrar General of High Court.

Under **section 194A, the bank is obliged to deduct tax at source in respect of any credit or payment of interest (exceeding ₹ 40,000) on deposits made with it.** The expression “payee” under section 194A would mean the recipient of income whose account is maintained by the person paying interest.

However, in this case, the actual payee is not ascertainable and the person in whose name the interest is credited is not a person liable to pay tax under the Act. The Registrar

General is recipient of neither the amount credited to his account nor to interest accruing thereon. Therefore, he cannot be considered as a ‘payee’ for the purposes of section 194A. In the absence of a payee, the machinery provisions for deduction of tax from interest credited become ineffective.

The **credit by the bank in the name of Registrar General would, thus, not attract the provisions of section 194A.** Therefore, the **bank is correct in not deducting tax on the interest accrued.**

- 4 (b) (i) Shahi Pvt. Ltd, an Indian company and Sumi Inc. of Japan, are deemed to be associated enterprises as per section 92A(2), since Shahi Ltd.’s manufacturing is wholly dependent on raw material imported from Sumi Inc. Further, the transaction of purchasing raw material falls within the meaning of “international transaction” u/s 92B. Hence, transfer pricing provisions would be attracted in this case.

Computation of Arm’s length price and adjustment to be made	₹ in crores
Price of imported goods charged by Sumi Inc. from Shahi Pvt. Ltd.	30.00
Less: Mark up earned @ 20% [₹ 30 crores x 20/120] from Shahi Pvt. Ltd.	5.00
	25.00
Add: Mark up earned in uncontrolled comparable transaction @10%	2.50
	27.50

Add: Adjustment on account of brand value [Annual cost of brand value]	0.90
Arm's length price of raw material purchase	28.40
Less: Price at which raw material was imported by Shahi Pvt. Ltd. from Sumi Inc.	30.00
Adjustment to be made to the income of Shahi Pvt. Ltd.	1.60

- (ii) Shahi Pvt. Ltd. **cannot claim deduction under section 10AA in respect of ₹ 2 crores**, being the amount of income by which the total income is **enhanced** by the TPO, by virtue of the first proviso to section 92C(4).
- (iii) **No**, Shahi Pvt. Ltd. would not be liable for **penalty** for under reporting of income based on the report of the TPO, since the amount of under-reported income represented by any addition made in conformity with the arm's length price determined by the Transfer Pricing Officer would not be included within the scope of under-reported income under section 270A, **assuming Shahi Pvt. Ltd. has maintained information and documents**, as prescribed under section 92D, **declared the international transactions** under Chapter X **and disclosed all material facts** relating to the transaction.

5 (a) (i) **Taxability of interest from deposits made out of borrowed funds:**

Issue involved:

The issue under consideration is whether the interest income of ₹ 2 lakhs on short-term fixed deposits made out of the unspent amount of term loan disbursed to BSL Ltd., would be a capital receipt not chargeable to tax or a revenue receipt chargeable to tax.

Provisions applicable:

Interest which is chargeable to tax under the Income-tax Act, 1961 would be assessable under the head "Income from Other Sources",

- (i) if such income is not exempt, and
- (ii) is not chargeable to tax under any other head including "Profits and gains of business or profession."

Analysis of the issue:

Interest earned by the assessee is clearly its income and unless it can be shown that there is exemption under any provision of the Act, like section 10, such income will be taxable.

The fact that the source of income was borrowed money does not detract anything from the revenue character of the receipt.

The interest payable on funds borrowed for the business prior to commencement of such business can be capitalized. However, such interest payable cannot be adjusted against interest received on investment of surplus funds assessable under section 56 under the head "Income from Other Sources".

In this case, since the assessee had deposited the amount of surplus funds available with it prior to commencement of business with the bank solely for the purpose of earning interest, such interest, in the absence of specific exemption in respect thereof, is chargeable to tax under the head "Income from Other Sources".

Conclusion:

Accordingly, the **action of the AO is legally valid/ justified.**

(ii) Issue involved:

The issue under consideration in this case is whether the AO is justified in rejecting the claim for exemption u/s 10(23C), on the ground that the assessee-institution does not exist solely for educational purposes.

Provisions applicable:

Section 10(23C)(iiiad) postulates three requirements, namely,

- (i) the education institution must exist solely for educational purposes;
- (ii) it should not be for purposes of profit; and
- (iii) the aggregate annual receipts of such institution should not exceed the amount as may be prescribed.

Analysis of the issue:

The following tests would apply for determining whether an educational institution exists solely for education purposes and not for purposes of profit:

- (i) Where an educational institution carries on the activity of education primarily for educating persons, the fact that it makes a surplus does not lead to the conclusion that it ceases to exist solely for educational purposes and becomes an institution for the purpose of making profit;
- (ii) The predominant object test must be applied - the purpose of education should not be submerged by a profit making motive;
- (iii) A distinction must be drawn between the making of surplus and an institution being carried on "for profit". Merely because imparting of education results in making a profit, it cannot be inferred that it becomes an activity for profit;
- (iv) If after meeting expenditure, surplus arises incidentally from the activity carried on by the educational institution, it will not cease to be one existing solely for educational purposes.

The ultimate test is whether on an overall view of the matter in the concerned assessment year, the object is to make profit as opposed to educating persons.

Conclusion:

Therefore, the **action of the Assessing Officer**, rejecting the claim for exemption u/s 10(23C) **not valid**.

- 5 (b)** Chapter VIII of the Finance Act, 2016, provides for an equalisation levy of 6% of the amount of consideration for specified services received or receivable by a non-resident not having permanent establishment (PE) in India, from a resident in India who carries out business or profession, or from a non-resident having PE in India.

"Specified services" means -

- (i) **Online advertisement;**
- (ii) Any provision for **digital advertising space** or any other facility or service for the purpose of online advertisement;
- (iii) Any other service as may be notified by the Central Government.

However, **equalization levy is not chargeable where the aggregate amount of consideration** for specified service received or receivable in a previous year by the non-

resident from a person resident in India and carrying on business or profession, or from a non-resident having a PE in India, **does not exceed ₹ 1 lakh.**

Further, equalization levy is not attracted where payment for specified service is not for the purposes of carrying out business or profession.

(i) In this case, **equalisation levy @6% is chargeable** on the amount of ₹ 4,00,000 received by M/s Neil Inc., a non-resident not having a PE in India, from M/s Raghuram Co. Ltd., an Indian company for online advertisement of its products. Accordingly, **M/s Raghuram Co. Ltd. is required to deduct equalisation levy of ₹ 24,000** i.e., @6% of ₹ 4 lakhs, being the amount paid towards online advertisement services provided by M/s Neil Inc.

Non-deduction of equalisation levy would attract disallowance u/s 40(a)(ib) of 100% of the amount paid to M/s. Neil Inc. while computing business income of M/s. Raghuram Co. Ltd.

(ii) In this case, **equalisation levy is not chargeable** as the amount of consideration of ₹ 50,000 for digital space for online advertisement **paid to Mr. David does not exceed ₹ 1,00,000.**

6 (a)

Particulars	Option 1	Option 2
	Own manufacture	Buy and Sell
	₹ in lakhs	₹ in lakhs
Profit on sale of ₹ 2500 lakhs @ 15% and 5%	375.00	125.00
Interest on bank deposit ₹ 200 lakhs @ 9%	—	<u>18.00</u>
EBT	375.00	143.00
Tax thereon @ 30%	<u>112.50</u>	<u>42.90</u>
Profit after tax	262.50	100.10
Add: Depreciation being non-cash charge	175.00	-
Depreciation @15% on ₹ 500 lakhs = ₹ 75 lakhs		
Additional depreciation @20% on ₹ 500 lakhs = ₹ 100 lakhs		
Cash/liquid profit	437.50	100.10

Conclusion: Based on the cash/liquid profit, it is advisable to replace machinery and manufacture than buy finished goods from open market and sell in its brand name.

6 (b)

M/s. Thomas & Thomas of U.K shall be **required to file the return of income in India for the journey of its ship before it leaves for onward journey to Korea.**

However, as per the proviso to section 172(3), where the **Assessing Officer is satisfied** that it is not possible for the master of the ship to furnish the return before the departure of the ship from the port, and if satisfactory arrangements have been made for filing of return and payment of tax by the authorised agent in India, he **may permit filing of return within 30 days of departure of the ship.**

Section 172(4A) provides a **time limit of 9 months for completion of assessment in such cases.** The period of 9 months is reckoned from the end of the financial year in which the return under section 172(3) is furnished.

- 6 (c) An arrangement which **lacks commercial substance or is deemed to lack commercial substance would be an impermissible avoidance agreement** where the **main purpose** or one of the main purposes of the arrangement is to **obtain a tax benefit**. Accordingly, **GAAR provisions would be attracted** in respect of such impermissible avoidance agreement.

An arrangement, which involves or includes **round tripping of funds, is deemed to lack commercial substance**.

Round trip financing includes any arrangement in which, through a series of transactions—

- (a) **funds are transferred among the parties** to the arrangement; and
- (b) such transactions **do not have any substantial commercial purpose** other than obtaining the tax benefit (but for the purposes of Chapter X-A, on GAAR),

without having any regard to—

- (A) whether or not the funds involved in the round trip financing can be traced to any funds transferred to, or received by, any party in connection with the arrangement;
- (B) the time, or sequence, in which the funds involved in the round trip financing are transferred or received; or
- (C) the means by, or manner in, or mode through, which funds involved in the round trip financing are transferred or received