Obligation for reporting transaction of crypto-asset under section 509.

242. (1) A reporting crypto-asset service provider is subject to the reporting requirements under rule 243 and due diligence requirements under rule 244, if it is—

(*a*) an entity or individual resident for tax purposes in India; or

(*b*) an entity that is incorporated or organised under the laws of India; or

(*c*) an entity that either has legal personality in India or has an obligation to file return of income under section 263; or

(*d*) an entity managed from India; or

(*e*) an entity or individual that has a regular place of business in India.

(2) A reporting crypto-asset service provider shall be subject to the reporting requirements under rule 243 and due diligence requirements under rule 244 with respect to relevant transactions effected through a branch based in India.

(3) A reporting crypto-asset service provider is not required to complete the reporting requirements under rule 243 and due diligence requirements under rule 244 in India,—

(*a*) where it is an entity,—

  (*i*) pursuant to sub-rule (1)(*b*) to (*e*), if such requirements are completed by such reporting crypto-asset service provider in a partner jurisdiction by virtue of it being resident for tax purposes in such partner jurisdiction;

  (*ii*) pursuant to sub-rule (1)(*d*) and (*e*), if such requirements are completed by such reporting crypto-asset service provider in a partner jurisdiction by virtue of it being—

    (*A*) an entity that is incorporated or organised under the laws of such partner jurisdiction; or

    (*B*) an entity that either has legal personality in the partner jurisdiction or has an obligation to file tax returns or tax information returns to the tax authorities in partner jurisdiction with respect to the income of such entity; or

  (*iii*) pursuant to sub-rule (1)(*e*), if such requirements are completed by such reporting crypto-asset service provider in a partner jurisdiction by virtue of it being managed from such partner jurisdiction; or

(*b*) where it is an individual, pursuant to sub-rule (1)(*e*), if such requirements are completed by such reporting crypto-asset service provider in a partner jurisdiction by virtue of it being resident for tax purposes in such partner jurisdiction; or

(*c*) pursuant to clause (*a*) or clause (*b*) or clause (*c*) or clause (*d*) or clause (*e*) of sub-rule (1), if it has lodged a notification with India in a format specified by India confirming that such requirements are completed by such reporting crypto-asset service provider under the rules of a partner jurisdiction pursuant a substantially similar nexus that it is subject to in India; or

(*d*) with respect to relevant transactions that are effected through a branch in a partner jurisdiction, if such requirements are completed by such branch in such partner jurisdiction.