Brief history of GAAR For any country and particularly any government, taxes collected from its citizens is one of the most important functions, as it enables them to run its economy effectively. However, it is also seen that taxpayers may optimize their transactions / structures in a tax efficient manner such that the overall intention may not be to evade taxes. Tax evasion generally refers to avoidance of payment of tax by resorting to dubious methods through colourable devices. While a taxpayer may be allowed to do tax planning, countries generally introduce provisions (in their domestic tax laws, as also in various double taxation avoidance agreements), to counter any potential efforts for tax evasion. In Indian tax laws, there are various Specific Anti-Avoidance Rules (‘SAAR’) such as dividend stripping, thin capitalization. The General Anti-Avoidance Rules commonly known as ‘GAAR’ were introduced in.......