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CBDT PROVIDES RELAXATION FOR FILING FORM 15CA / 15CB UP TO 30 JUNE 2021

15 June 2021

The Central Board of Direct Taxes (CBDT) has issued a Press Release dated 14 June 2021 (Press Release) to ease the compliance requirement of mandatory filings (Form 15CA / 15CB) to be made for foreign remittances.

With respect to payments to non-residents, electronic submission of Form 15CA / 15CB with the Authorised Dealers (AD) is mandated by the Income-tax Act 1961 and rules thereunder. These forms are required not only for outbound payments (ie from a Resident to a Non-Resident), but also for offshore payments that have a nexus with or are taxable in India (ie from a Non-Resident to a Non-Resident - for instance, transaction for sale of shares of Indian company between non-residents). Lately, due to technical issues being faced with the income-tax department's new portal (recently launched), many payers were unable to electronically submit Form 15 CA / 15CB. This issue impacted payments to non-residents as these forms are required to be filed *before* releasing payments to non-residents.

To address this issue, the CBDT has issued the Press Release permitting taxpayers to submit Form 15CA / 15CB in physical form to AD banks till 30 June 2021. The Press Release also states that a facility will be provided on the new e-filing portal to upload these forms at a later date for the purpose of generation of the Document Identification Number.

Comment

This is a timely clarification for outbound payments (by allowing residents to make physical filing with the AD bank in the interim followed by online filings) as well as for offshore payments (while physical filing may not be applicable in their case, electronic submission can be done once the portal is available).

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