



## Tax alert: IFSC unit to furnish quarterly statement of remittances, Form notified

### 18 October 2023

The Central Board of Direct Taxes, vide Notification No. 89/2023 dated 16 October 2023, has notified Form No. 15CD, a quarterly statement to be furnished electronically by a qualifying unit of an International Financial Services Centre (IFSC), with respect to remittances to a non-resident (not being a company) or to a foreign company. It has also exempted such unit from furnishing Form No. 15CA (Part D) in respect of remittances which are not chargeable to tax in India.

### Background:

- Section 195(6) of the Income-tax Act, 1961 (ITA) requires a person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum, whether or not chargeable under the provisions of the ITA, to furnish the information relating to payment of such sum, in such form and manner as may be prescribed.

The form and manner of furnishing such information has been prescribed under Rule 37BB of the Income-tax Rules, 1962 (Rules) and Form No. 15CA, 15CB and 15CC.

— **Form No. 15CA** requires furnishing of information in four parts:

- Part A, where the amount of payment or aggregate of payments in a financial year (FY) does not exceed INR 500,000;
- For payments in excess of INR 500,000: -  
Part B, where order/ certificate under section 195(2)/195(3)/197 of the ITA has been obtained;  
Part C, where an accountant's certificate is obtained in **Form No. 15CB**.
- Part D, where payments are not chargeable to tax under the provisions of the ITA.

— **Form No. 15CC** requires information to be furnished by authorised dealers.

The Forms are required to be furnished electronically in accordance with the procedures, formats and standards specified by the Principal Director General of Income-tax (Systems) [PDGIT(S)].

- Rule 37BB(3) of the Rules provides certain exceptions for furnishing information in respect of payments which are not chargeable to tax under the provisions of the ITA.
- The Central Board of Direct Taxes (CBDT) vide Notification No. 89/2023 dated 16 October 2023 has now amended Rule 37BB of the Rules, amongst others:

- To provide exception to unit<sup>1&2</sup> of an International Financial Services Centre<sup>3</sup> (IFSC) from furnishing of information in respect of remittances (which are not chargeable to tax under the provisions of the ITA) in Form No. 15CA (Part D); and
- To provide that unit of an IFSC shall furnish electronically quarterly statement in respect of all remittances to non-resident (not being a company) or to a foreign company in Form No. 15CD.

Further, the Form No. 15CD has also now been prescribed.

### Summary of the Notification:

The notification, amongst others, provides the following:

- A unit of an IFSC [referred to in section 80LA(1A) of the ITA] has been exempted from furnishing information in Form No. 15CA (Part D) in respect of remittances which is not chargeable to tax under the provisions of the ITA.
- A quarterly statement in **Form No. 15CD** is required to be furnished electronically in respect of all the remittances<sup>4</sup> by a unit of an IFSC [referred to in section 80LA(1A) of the ITA]:
  - To the PDGIT(S) or the Director General of Income-tax (Systems) [DGIT(S)] or the person authorised by the PDGIT(S) or the DGIT(S) electronically under digital signature;
  - within 15 days from the end of the quarter of the FY to which such statement relates;
  - in accordance with the procedures, formats and standards specified by the PDGIT(S) or the DGIT(S).
- The PDGIT(S) or the DGIT(S) shall specify the procedures, formats and standards for the purposes of furnishing and verification of Form No. 15CA, 15CB, 15CC and 15CD and shall be responsible for the day-to-day administration in relation to the furnishing and verification of information, certificate and quarterly statement.
- Form No. 15CA and 15CB can be furnished electronically with PDGIT(S) or the DGIT(S), as applicable. The authorized dealer shall furnish electronically quarterly statement of all remittances to the PDGIT(S) or the DGIT(S) or the person authorized by the PDGIT(S) / DGIT(S), as applicable.

### Comments:

- The notification exempts a unit of an IFSC from furnishing Form No. 15CA (Part D) in respect of remittances which are not chargeable to tax as per the provisions of the ITA and requires them to furnish electronically Form No. 15CD in respect of all remittances. Form No. 15CD requires, amongst others, the following details of the unit:
  - Permanent Account Number (PAN)
  - Tax deduction/collection account number
  - Status of the unit
  - Residential status of the unit
  - Complete address, email, and phone number

<sup>1</sup> Unit referred to in section 80LA(1A) of the ITA. "Unit" shall have the same meaning as assigned to it in section 2(zc) of the Special Economic Zones Act, 2005.

<sup>2</sup> The unit should have obtained permission under section 23(1)(a) of the Banking Regulation Act, 1949 (10 of 1949), or permission or registration under Securities and Exchange Board of India Act, 1992 (15 of 1992) or permission or registration under the International Financial Services Centres Authority Act, 2019 (50 of 2019)

<sup>3</sup> "International Financial Services Centre" shall have the same meaning as assigned to it in section 2(q) of the Special Economic Zones Act, 2005

<sup>4</sup> Remittances referred to in sub-rule (1), (2) and (3) of Rule 37BB of the Rules

It also requires details of remittances made (which includes, amongst others, the details of remittee such as name, PAN, address, email, phone number, etc.)

- Further, it may be pertinent to note that earlier, only PDGIT(S) was authorized to specify the procedure, formats and standards in relation to the Forms; now DGIT(S) can also specify them. Further, the Forms could be furnished only with the PDGIT(S); now the same can be furnished with the DGIT(S), if specified.
- The Notification shall come into force with effect from 1 January 2024.



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