

CHANGES IN RULES REGARDING FILLING OF 15CA-15CB (w.e.f 01/04/2016)

The Central Board of Direct Taxes (CBDT) vide **Notification no. 93/2015 dated December 16, 2015** has brought notable changes in Rule 37BB of Income Tax Rules for anyone making payment to a non-resident or an NRI remitting money outside India or transferring from NRO to NRE account.

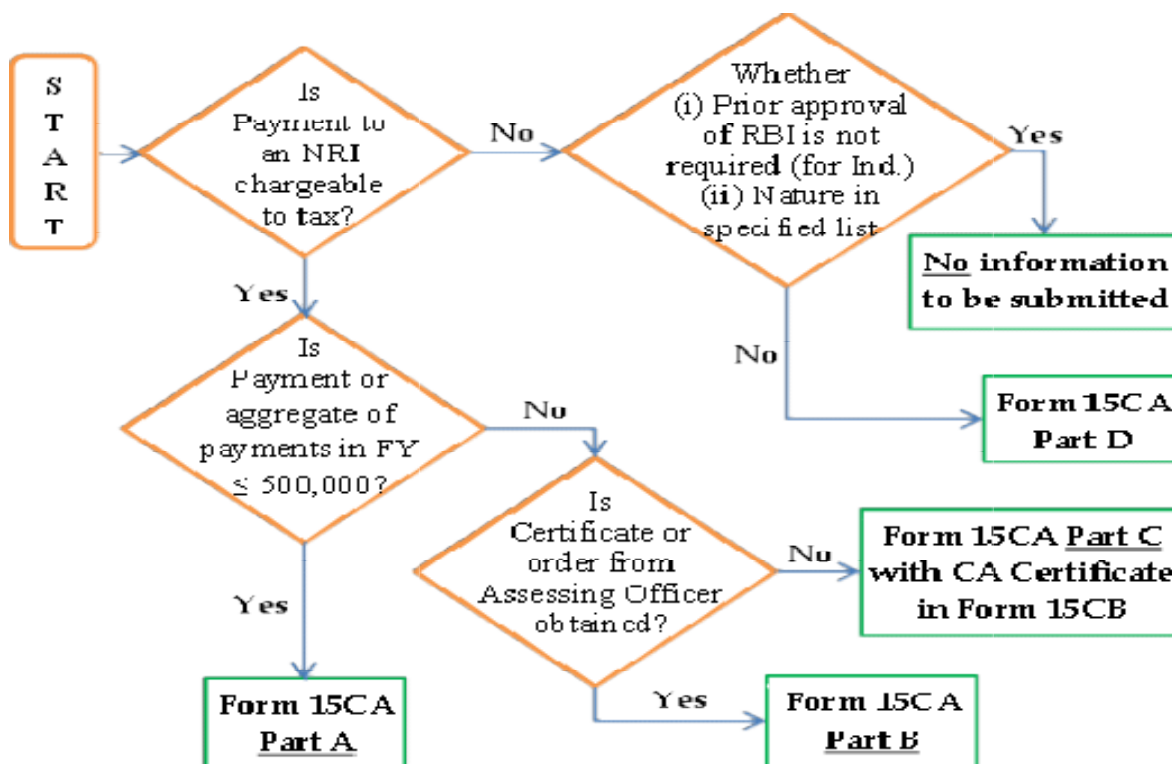
The Important Changes under the Revised Rules are hereunder:

1. Form 15CA and 15CB will **NOT** be required for:

- Any payments included in the **specified list**. The nature of payment in specified list has been expanded from 28 to 33 including payments for imports, family maintenance and savings. (**Detailed List mentioned below**)
- Any payment by an individual for remittance which do not requiring RBI approval under its Liberalized Remittance Scheme (LRS) as per the provisions of section 5 of Foreign Exchange Management Act , 1999.

2. Form 15CA has been revised and now has 4 parts (Part A, Part B, Part C and Part D) to be used under specific circumstances:

- For any payment chargeable to tax, if the aggregate of such payments during the year does not exceed Rs. 500,000, **Form 15CA Part A** is to be submitted.
- For any payment exceeding Rs. 500,000, if a certificate u/s 197 or an order u/s 195 (2) or 195(3) from the Assessing Officer is obtained, **Form 15CA Part B** is to be submitted.
- For any payment that is (i) chargeable to tax, and (ii) amount of payment or sum of payments exceeds Rs. 5,00,000 during the year, and (iii) order or certificate from Assessing Officer is not obtained; A CA certificate in Form No. 15CB and **Form 15CA part C** will be required. **The CA certificate in Form 15CB is to be submitted electronically.**
- For any payment that is not chargeable to tax and is not included in #1 above (i.e. Form 15CB and Form 15 are not required), **Form 15CA Part D** is to be submitted.



3. Prescribed form No. 15CC for Quarterly statement to be furnished by an authorized dealer in respect of foreign remittances made by him.

4. Electronic Filing of Form 15CA & CB

- a. The information in Form No. 15CA shall be furnished electronically under digital signature and thereafter printout of the said form shall be submitted to the authorised dealer, prior to remitting the payment.
- b. The certificate in Form No. 15CB shall also be furnished and verified electronically.

In summary, Form 15CB and Form 15CA are now required **ONLY FOR** any **taxable** payment **exceeding Rs. 500,000** for which Assessment Order or Certificate is not obtained.

SPECIFIED LIST (Form 15CA-CB Not Required)

| S. No | Descriptions |
|-------|---|
| 1 | Indian investment abroad-in equity capital (shares) |
| 2 | Indian investment abroad-in debt securities |
| 3 | Indian investment abroad-in branches and wholly owned subsidiaries |
| 4 | Indian investment abroad-in subsidiaries and associates |
| 5 | Indian investment abroad-in real estate |
| 6 | Loans extended to Non-Residents |
| 7 | Advance payment against imports |
| 8 | Payment towards imports-settlement of invoice |
| 9 | Imports by diplomatic missions |
| 10 | Intermediary trade |
| 11 | Imports below Rs.5,00,000-(For use by ECD offices) |
| 12 | Payment for operating expenses of Indian shipping companies operating abroad. |
| 13 | Operating expenses of Indian Airlines companies operating abroad |
| 14 | Booking of passages abroad - Airlines companies |
| 15 | Remittance towards business travel. |
| 16 | Travel under basic travel quota (BTQ) |
| 17 | Travel for pilgrimage |
| 18 | Travel for medical treatment |
| 19 | Travel for education (including fees, hostel expenses etc.) |
| 20 | Postal services |
| 21 | Construction of projects abroad by Indian companies including import of goods at project site |
| 22 | Freight insurance - relating to import and export of goods |
| 23 | Payments for maintenance of offices abroad |
| 24 | Maintenance of Indian embassies abroad |
| 25 | Remittances by foreign embassies in India |
| 26 | Remittance by non-residents towards family maintenance and savings |
| 27 | Remittance towards personal gifts and donations |
| 28 | Remittance towards donations to religious and charitable institutions abroad |
| 29 | Remittance towards grants and donations to other Governments and charitable institutions established by the Governments |
| 30 | Contributions or donations by the Government to international institutions |
| 31 | Remittance towards payment or refund of taxes |
| 32 | Refunds or rebates or reduction in invoice value on account of exports |
| 33 | Payments by residents for international bidding |

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