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INSPIRING ACTION  
DRIVING CHANGE  
SHAPING A BRIGHTER FUTURE

## POWERING CHANGE

*"Join hands with us as we catalyze positive change for individuals, businesses, and communities."*

SHRI NAVEEN MATHUR

DIRECTOR  
COMMODITIES, CURRENCIES & GIFT CITY, IFSC  
ANAND RATHI GROUP



# THE CHANGING LANDSCAPE OF GLOBAL ECONOMIES: A WINDOW INTO THE DYNAMIC WORLD OF WORLDONOMICS

In today's interconnected world, the dynamics of global economics continue to evolve rapidly. As nations strive to navigate the challenges and opportunities in this ever-changing landscape, Worldonomics plays a crucial role in bringing insights and analysis to the forefront. With its reputable position as a leading informational hub, the Worldonomics Times US website ([worldonomics.in](http://worldonomics.in)) serves as an invaluable reference for anyone seeking a deeper understanding of the world economy.

One of Worldonomics' notable strengths is its ability to provide comprehensive coverage and insights on a wide array of economic topics. From macroeconomics to sector-specific analyses, readers can explore a myriad of articles written by renowned economists and industry experts. Whether one is interested in exploring the impact of geopolitical events on financial markets or dissecting the implications of emerging technologies, Worldonomics covers it all.

## Advancements in Technology:

Technology undeniably stands at the forefront of societal progress. Across a broad spectrum of articles, discussions on technological progress and its implications on various aspects of life have taken the spotlight. Subjects such as artificial intelligence, blockchain, virtual reality, and quantum computing have consistently attracted attention. These articles feature groundbreaking research, real-world applications, and ethical considerations, captivating readers with a glimpse into the future.

## Sustainable Development and Climate Change:

The pressing need to tackle climate change and promote sustainable development has been a recurring theme in our publication. Articles centered on renewable energy sources, eco-friendly practices, and the shift towards a low-carbon economy have maintained a steady presence. The convergence of technology and sustainability has also been a notable focus, with discussions on smart cities, circular economy, and sustainable transportation solutions.

## Education and Lifelong Learning:

The significance of education and continuous learning has been a prominent theme in our publication. Articles exploring innovative teaching methods, the integration of technology in education, vocational training, and online learning have appealed to readers adapting to a knowledge-based economy. The focus on empowering individuals to acquire new skills and knowledge has remained consistent.

## Social Justice and Equality:

In a world where social issues demand ongoing attention, our publication has presented numerous insightful articles on social justice and equality. Topics such as gender equality, racial justice, LGBTQ+ rights, and socio-economic disparities have sparked meaningful dialogues. These articles delve into the challenges faced by marginalized communities while proposing solutions to foster a fair and inclusive society.



*Sandeep Kumar*

EDITOR-IN-CHIEF

**Worldonomics Times**

# ALL ABOUT FORM 15CA/15CB & ITS FILING PROCEDURE

## Introduction

In today's globalized world, cross-border transactions have become increasingly common. With the rise of international trade and investment, it is crucial for taxpayers to comply with the regulatory requirements of their respective countries. In the context of India, one such compliance requirement for certain cross-border transactions is the submission of Form 15CA and 15CB. This article aims to provide a comprehensive understanding of Form 15CA and 15CB and the procedures involved.

**Section 195(6) of Income Tax Act, 1961** provides that the 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 this Act, shall furnish the information relating to payment of such sum, in such form and manner, as may be prescribed [Rule 37BB]".



## Form 15CA/15CB

**Form 15CA- Form 15CA** is a declaration that is required to fill by a person making a remittance to a non-resident or to a foreign company. The purpose of Form 15CA is to collect information regarding the payments made to non-residents such as the nature and purpose of the remittance, the country of the non-resident recipient and the amount of remittance etc. Form 15CA has four parts based on the amount of remittance and the requirement of other certificates or orders under the Income Tax Act, which are as follows :

- **Part A** needs to be filled if the remittance amount is chargeable to tax under the provisions of the Income-tax Act, 1961 and the remittance or the aggregate of such remittances, as the case may be, does not exceed five lakh rupees during the financial year.
- **Part B** needs to be filled if the remittance amount is chargeable to tax under the provisions of the Income-tax Act, 1961 and the remittance or the aggregate of such remittances, as the case may be, exceeds five lakh rupees during the financial year and an order/certificate u/s 195(2)/195(3)/197 has been obtained from the Assessing Officer.
- **Part C** needs to be filled if the remittance amount is chargeable to tax under the provisions of Income-tax Act, 1961 and the remittance or the aggregate of such remittances, as the case may be, exceeds five lakh rupees during the financial year and a certificate in Form No.15CB from an accountant as defined in the Explanation in sub-section (2) of section 288 has been obtained.
- **Part D** needs to be filled if the remittance is not chargeable to tax as per the provisions of the Income-tax Act,1961[other than remittance where no RBI approval is required].

**Form 15CB-** Form 15CB is a certificate issued by a Chartered Accountant (CA) certifying details of the payment, the nature of the payment, and the rate of tax applicable as per the provisions of the Income Tax Act, 1961, along with other details. The purpose of Form 15CB is to ensure that the taxpayer has obtained professional certification regarding the taxability of the transaction and the applicable tax rate.



## Applicability of Form 15CA/15CB

S.No	Particular	Form 15CA	Form 15CB
1.	Remittance is chargeable to tax + Amount of remittance does not exceed Rs 5 lakhs	Yes	No
2.	Remittance is chargeable to tax +Amount of remittance exceeds Rs 5 lakhs +AO certificate obtained for lower or nil withholding tax	Yes	No
3.	Remittance is chargeable to tax + Amount of remittance exceeds Rs 5 Lakhs	Yes	Yes
4.	Remittance is not chargeable to tax	Yes	No
5.	Remittance is covered under exemption list in Rule 37BB	No	No
7.	Payment made by an individual and which does not require prior approval of RBI as per Rule 37BB	No	No

### CA not expected to check genuineness of documents submitted by client while issuing Form 15CB

High Court said on 23.11.2022 in a CA's criminal case held that a CA in India while issuing Certificate 15CB is needed to only examine the remittance nature & Nothing more on that. CA is not needed to go into genuineness or otherwise of documents file by the respective clients. (Madras High Court - Criminal Revision Case No.1354 of 2022) In order to protect Chartered Accountant professional interests, chartered accountants should start making the following remark in every 15CB certification.

*"15CB certificate is mainly issued on basis of documents present by payer without recording any satisfaction on the validity of legal documents."*

### Procedure for foreign remittances

- Classification the transaction (Business income, Royalty, fees for technical services, Salaries, Capital Gain, Dividend, Interest etc.)
- Verify the factual and basic documents. For e.g. invoice, contracts, legal status, PAN (Section 206AA) in India.
- Whether taxable in India or Not?
- Taxability as per DTAA - No PE, TRC, Form 10F (Online {Notification No. 03/2022 dated 16 July 2022})etc. ¶ Whether order or certificate for "NIL" or "Lower" rate is available under section 195(2)/195(3)/197.



### Beneficial provision of DTAA (DTAA vs. Income Tax Act)

Section 90, read with agreement entered into does not create any new charge on the taxpayer. It only provides for distribution of taxing power between the countries entered into DTAA. In its scheme of distribution of taxing powers, certain income which may have been included in the total income of a person under Income tax Act, more particularly under section 5 (Scope of total income) may now be kept out of tax. This could happen in cases where India agrees to give away its taxing right in respect of such incomes. In such cases, DTAA will prevail over section 5.

DTAA stands for **double taxation avoidance agreement** that is entered between the countries to overcome the problem of double taxation. The assessee can take the beneficial provision of DTAA, if comply with the conditions specify under section 90, for different sources or types of income. Section 90(4) specifies that the any person who is not the resident of India can take the benefit of DTAA with India if he obtains the **tax residence certificate (TRC)** from the government of the country and also required to furnish some additional information in **form 10F**.

## Section 206AA- Requirement to furnish Permanent Account Number

Notwithstanding anything contained in any other provisions of this Act, any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIIB (hereafter referred to as deductee) shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:—

- at the rate specified in the relevant provision of this Act, or
- at the rate or rates in force, or
- at the rate of 20% Now the question arises whether the provision of DTAA will override the provision of 206AA.

As per the case law, Emmsons International Ltd vs. DCIT [2018] 93 487/171 ITD 140 (Delhi – Trib.), in the case of non-resident assesseees, payments such as interest, royalty, fees for technical services, dividend, and payment on the transfer of any capital asset will not be subject to the higher TDS rate of 20% even in cases where PAN is not furnished.

### How to file 15CA form online?

- Log in through the e-filing portal of the Income Tax Department using your PAN and password.
- Then, go to e-file tab and select "File Income Tax Forms".
- Then in tab "Person not dependent on any Source of Income" select 'Deduction of tax at source (Form 15CA) in search box.
- Fill in the details in Part A, B, C, or D of the form as applicable (mentioned above) and click on Submit.
- A confirmation screen with a transaction ID and acknowledgment number will appear. You can also download the form as a PDF file for your future reference.

### How to file 15CB online?

1. First we have to add C.A on e-filing portal by using client login id and password in the following way-:

- First go to 'Authorised Partners' tab and select My Chartered Accountant (CA).
- Then, Choose option 'Add CA' and fill membership number of C.A.
- After adding C.A, request will be sent to C.A on its e-filing portal.

2. When C.A will accept the request then C.A will do further process for filing Form 15CB which is discussed below.

- Login to e-filing portal by using CA's credential.
- Then, go to e-file tab and select "File Income Tax Forms".
- Then in tab "Person not dependent on any Source of Income" select 'Deduction of tax at source (Form 15CB) in search box.
- Then, select option 'Online' and also select 'Financial Year' of respective year.
- Then, select 'Let's Get Started' and move ahead.
- Then, we will get the page in which we need to enter detail for different sections-:

1. **Certification**- we have to examine the agreement between the Remitter and Remittee and mention the name of beneficiary (Remittee).

2. **Remittee (Recipient) Details**- In this section we have to enter the detail of the remittee like the address of the remittee.

3. **Remittance Detail (fund transfer)** - In this section we have to enter the details of remittance like country to which remittance is made, currency, amount payable in Indian and foreign currency and also the detail of bank from which transfer is to made and in bank details we need to make sure we are mentioning the correct nature of remittance as per agreement because according to this, rate of TDS is decided.

4. **Taxability under Income Tax Act (without DTAA)** - In this section we have to ensure whether remittance is chargeable to tax in India or not. If remittance is not taxable in India then we have to also mention the reason there of and if remittance is taxable in India then need to enter detail regarding relevant section of the Act under which the remittance is covered, amount of income chargeable to tax, tax liability and basis for determining taxable income and tax liability.

**5. Taxability under Income tax Act (with DTAA relief)** – In this section we need to enter detail like whether tax residence certificate (TRC) is obtained from recipient of remittance, relevant DTAA, relevant article of DTAA, taxable income and tax liability as per DTAA and also classify the nature of remittance whether it is on account of royalty, fees for technical services or on account of business income or for any other purpose and at the end of this section also enter amount of TDS as per DTAA, rate of TDS, actual amount of remittance after TDS (in foreign currency) and date of deduction of TDS.

**6. Accountant Detail** – In this section we need to enter our (C.A.) details like name of firm/proprietorship, firm registration number (not compulsory) and Place.

- After entering detail in above sections we can preview and download our Form 15CB.
- Then, Proceed to e-verify and enter UDIN and if we want to enter UDIN later then there is also option for updating UDIN later. But it is important to remember generating and updating UDIN is mandatory.
- Then, we can e-verify and it is to be noted that we must have DSC because this is only way to e-verify.
- After e-verification we can submit Form 15CB and download the 15CB Form filed and its acknowledgment for future reference.

### Revision /Withdrawal of Form 15CA and 15CB

Presently there is a limited scope for withdrawal of Form No. 15CB viz., within 7 days of submission of the form. However, no option is provided for the revision of either Form 15CA or 15CB.

Where a revision is undertaken, a fresh UDIN may be generated for Form 15CB and the earlier UDIN may be revoked. Whereas, IT portal now allows using same UDIN, if original form is revoked and new form is generated in same day.

### Conclusion

**In conclusion**, Form 15CA and 15CB are like guardians for sending money abroad. They make sure that when we send money to someone in another country, we follow all the rules and pay any taxes that are required. These forms are important because they ensure that our international transactions are legal and transparent. By filling out these forms correctly, we can send money abroad with confidence, knowing that we're doing it the right way. So, whether it's for business or personal reasons, understanding and using Form 15CA and 15CB properly is essential for hassle-free international money transfers



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