**15CA-CB: Overview**

**Governing Section: Section 195 (6) of the Income Tax Act, 1961 read will Rule 37BB of the Income Tax Rules**

**Section 195 (6)** requires 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, to furnish the information relating to payment of such sum, in such form and manner, as may be prescribed.

**Rule 37BB** states that any person responsible for paying to a non-resident, not being a company, or to a foreign company, any interest or salary or any other sum chargeable to tax under the provisions of the Act, shall furnish the following, namely:—

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| (i) |  | the information in **Part A** of **Form No.15CA**, if the amount of payment does not exceed **INR 50,000 (fifty thousand rupees)** and the aggregate of such payments made during the financial year does not exceed **INR 2,50,000 (two lakh fifty thousand rupees)**; | | | |
| (ii) |  | the information in **Part B** of **Form No.15CA** for payments **other than the payments referred in clause (i)** after obtaining— | | | |
| (a) |  | a certificate in **Form No. 15CB** from an accountant as defined in the Explanation below sub-section (2) of section 288; or |
| (b) |  | a certificate from the Assessing Officer under section 197; or |
| (c) |  | an order from the Assessing Officer under sub-section (2) or sub-section (3) of section 195. |

The information in Form No. 15CA shall be furnished by the person electronically to the website designated by the Income-tax Department and thereafter signed printout of the said form shall be submitted to the authorised dealer, prior to remitting the payment.

Rule 37BB further specifies a list of 28 categories of payments for which no information is required to be furnished. The list is as follows:

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. Payment for operating expenses of Indian shipping companies operating abroad.
8. Operating expenses of Indian Airlines companies operating abroad
9. Booking of passages abroad - Airlines companies
10. Remittance towards business travel.
11. Travel under basic travel quota (BTQ)
12. Travel for pilgrimage
13. Travel for medical treatment
14. Travel for education (including fees, hostel expenses etc.)
15. Postal services
16. Construction of projects abroad by Indian companies including import of goods at project site
17. Freight insurance - relating to import and export of goods
18. Payments for maintenance of offices abroad
19. Maintenance of Indian embassies abroad
20. Remittances by foreign embassies in India
21. Remittance by non-residents towards family maintenance and savings
22. Remittance towards personal gifts and donations
23. Remittance towards donations to religious and charitable institutions abroad
24. Remittance towards grants and donations to other Governments and charitable institutions established by the Governments
25. Contributions or donations by the Government to international institutions
26. Remittance towards payment or refund of taxes
27. Refunds or rebates or reduction in invoice value on account of exports
28. Payments by residents for international bidding.

Any payment apart from those mentioned above shall require the remitter of payment to submit Form 15CA and 15CB.

Any contravention of Section 195 (6) read with Rule 37BB shall attract the penal provisions of **Section 271-I** whereby the person who fails to furnish the details required or furnishes inaccurate information, may be directed by the Assessing Officer to pay by way of penalty a sum of one lakh rupees.

A flowchart given below explains the entire procedure:

Remitter

A copy of the e-filed Form 15CA, duly signed, is submitted to the Authorized Dealer (Bank)

Electronically uploads the remittance details in Form 15CA on www.incometaxindiaefiling.gov.in

Obtains Certificate from CA in Form 15CB

**Whether payments to non- residents for imports requires 15CA and 15CB?**

After the amendment consequent to Finance Act, 2015 [i.e. replacing “The person referred to in sub-section (1)” with “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”], it can be concluded that one must furnish details for all remittances, including that of import payments.

However, Rule 37BB requires the furnishing of information in relation to those remittances which are chargeable to tax.

Hence, it can be said that nothing concrete has yet been prescribed by the Income Tax Department to clarify the issue. However, it would depend on the authorized dealer. If the banker insists for Form 15CA and Form 15CB, the remitter has no choice but to comply with the provisions of the Act.

**Details required for filling in Form 15CA and 15CB**

* Details of Remitter:
  + Name
  + Address
  + PAN
  + Status
  + E-mail ID & Phone No.
  + Principal Place of Business
* Details of Remittee:
  + Name
  + Address
  + Status
  + Country
  + Principal Place of Business
* Details of Remittance:
  + Country to which remittance is being made
  + Currency in which remittance is being made
  + Amount of remittance in designated foreign currency and INR
  + Proposed date of remittance
  + Nature of remittance as per agreement
  + Details of TDS deducted
* Bank Details of Remitter
  + Name and Address of the Bank
  + BSR Code
* Signatory Details
  + Name of the Signatory
  + Father’s Name of the Signatory
  + Designation of the Signatory

You can get in touch with us for all your queries and concerns in relation to above at [info@dcstax.in](http://www.dcstax.in) or visit us at [www.dcstax.in](http://www.dcstax.in)



**Dudhoria Consultancy Services Pvt. Ltd.**

56, Netaji Subhas Road, 4th Floor, Kolkata – 700001

E-mail us @ [info@dcstax.in](mailto:info@dcstax.in) / [taxdcs@gmail.com](mailto:taxdcs@gmail.com)