

Relaxation in electronic submission of Form 10F by non-residents

Under section 90 and 90A of the Income-tax Act, 1961 ('the Act'), the government of India may enter into agreements with foreign countries to grant relief to non-resident assesseees in respect of:

1. Income chargeable under the Act as well as the law prevailing in such foreign country
2. Income-tax paid in India as well as the foreign country.

The objective of such agreements is to avoid double taxation under the Indian tax law and the foreign tax law and also for exchange of information (for prevention, investigation for tax avoidance/evasion) and recovery of taxes.

For availing such relief of taxation, the non-resident have to furnish Form 10F along with Tax Residency Certificate ('TRC') issued by non resident's tax authority. Form 10F provides certain information which is not provided in TRC.

W.e.f. 16 July 2022, Form 10F was required to be filed electronically on Income Tax Portal ('IT Portal'). To file form 10F on IT Portal, it is necessary to have permanent account number ('PAN'). However, due to practical difficulties in compliance, non-residents not having PAN and those who were not required to have PAN were exempted from mandatory electronic filing of Form 10F till 31 March 2023.

Due to continued practical challenges in such electronic filing, the above-said relaxation is extended to such non-residents till 30 September 2023, by which date they will *manually file form 10F*.

Weblink <https://incometaxindia.gov.in/communications/notification/partial-relaxation-extension-form-10f.pdf>

Therefore

The Income-tax department has been taking rational decisions to ease the assesseees and mitigate the genuine hardships in compliance processes, particularly after the pandemic and after the launch of new IT portal. Like many other relaxations, the present relaxation to non-residents will ease them from electronic filing of information till 30 September 2023.