

F.No. 275/25/2020-IT(B)
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Revenue/ (राजस्व विभाग)
Central Board of Direct Taxes/ (केन्द्रीय प्रत्यक्ष कर बोर्ड)

North Block, New Delhi
31st March, 2020

Subject: Order u/s 119 of The Income Tax Act, 1961 on issue of certificates for lower rate/nil deduction/collection of TDS or TCS u/s 195, 197 and 206C (9) – reg-

Due to outbreak of the pandemic Covid-19 virus, there is severe disruption in the normal working of almost all sectors, including functioning of the Income - tax Department. In such a scenario, the applications filed by the payees u/s 195 and 197 of the Act for lower or nil rate of deduction of TDS and applications by buyers/licensees/lessees u/s 206C (9) of the Act for lower or nil rate of collection of TCS for F.Y. 2020-21, have not been attended in a timely manner by the TDS/TCS-Assessing Officers, causing hardship to tax payers.

2. Considering the constraints of the Field Officers in disposing of the applications for lower or nil rate of TDS/TCS and to mitigate hardships of payees and buyers/licensees/lessees, the CBDT issues following directions/clarifications by exercise of its powers u/s 119 of the Act:

- a) All the assesseees who have filed application for lower or nil deduction of TDS/TCS on the Traces Portal for F.Y.2020-21 and whose applications are pending for disposal as on date and they have been issued such certificates for FY 2019-20, then such certificates would be applicable till 30.06.2020 of F.Y. 2020-21 or disposal of their applications by the Assessing Officers, whichever is earlier, in respect of the transaction and the deductor or collector if any, for whom the certificate was issued for F.Y. 2019-20.
- b) In cases where the assesseees could not apply for issue of lower or nil deduction of TDS/TCS in the Traces Portal for the FY 2020-21, but were having the certificates for F.Y. 2019-20, such certificate will be applicable till 30.06.2020 of F.Y. 2020-21. However, they need to apply at the earliest giving details of the transactions and the Deductor/Collector to the TDS/TCS Assessing Officer as per procedure laid down in sub-para c) below, as soon as normalcy is restored or 30.06.2020, whichever is earlier.
- c) In cases where the assessee has not applied for issue of lower or nil deduction of TDS/TCS in the Traces Portal, and he is also not having any such certificate for F.Y.2019-20, a modified procedure for application and

consequent handling by the TDS/TCS Assessing Officer is laid down which is enclosed as Annexure.

- d) On payments to Non-residents (including foreign companies) having Permanent Establishment in India and not covered by (a) and (b) above, tax on payments made will be deducted at the rate of 10% including surcharge and cess, on such payments till 30.06.2020 of F.Y. 2020-21, or disposal of their applications, whichever is earlier.



(Mahesh Kumar)

Director (IT-Budget), CBDT

Copy to:

1. PS to FM
2. PS to MoS (F)
3. OSD to Finance Secretary
4. Chairman, CBDT and all Members of CBDT
5. All Pr.CCsIT / Pr.DGsIT
6. All CCsIT /DGsIT
7. CIT(CPC-TDS) to compile and publish email Ids of all Assessing Officers concerned on CPC(TDS) portal or website www.incometaxindia.gov.in and to carry out necessary changes in software
8. Database Cell for uploading on the website www.irsofficersonline.gov.in
9. Web Manager www.incometaxindia.gov.in for uploading on website

ANNEXURE

Application for Lower/Nil Deduction Certificate: The applicant shall apply for the Lower/Nil deduction/collection certificate under sections 197/206C(9) of the Income Tax Act vide an e-mail addressed to the Assessing Officer concerned. The e-mail shall contain data/documents as under:

1. Duly filled in Form 13 (Annexure I and/or Annexure III)
2. The documents/information as required to be uploaded on TDS-CPC website while filling up of Form 13
3. Projected Balance Sheet and P&L account of FY 2020-21
4. Provisional Balance Sheet and P&L account of FY 2019-20
5. Balance Sheet and P&L account of FY 2018-19
6. Form 26AS for FY 2019-20 & 2018-19
7. ITR pertaining to FY 2018-19

For issue of certificates for lower/ nil deduction of tax under sections 195(2) and 195(3), the process of furnishing of applications will continue to be same with the modification that the applications will be filed via email and certificates will also be issued via email.

Issuance of the Certificate: The certificate(s) shall be issued up to 30.06.2020 or any other date (earlier than 30.06.2020) as specified by the AO. The Assessing Officer shall communicate the issuance of certificate vide mail containing following information:

S. No	TAN of the deductor	PAN of the Deductee	Financial Year	Section under which Tax at source is to be deducted/collected	Estimated amount of income/sum to be received/paid	Applicable rate of deduction/collection	Valid From Date	Valid to Date

The issuance of certificate shall be communicated to the applicant who in turn shall share the same with the deductor/collector.