

**“What’s  
New?”**



April 16, 2020

## ***“Clarification issued by CBDT regarding lower/nil withholding tax certificate”***

In view of the COVID-19 outbreak, there is a severe disruption in the functioning of the Income-tax Department which is causing delay in issuing lower/nil withholding tax certificate for FY 2020-21. To mitigate hardship faced by taxpayers CBDT has issued several directions/clarifications and extended the validity of certificate issued for the FY 2019-20 up to June 30, 2020 subject to conditions.

*Source: CBDT Office Memorandum No. 275/25/2020-IT(B) dated March 31, 2020; April 3, 2020 and April 9, 2020.*

# CBDT directions

S.No.	Situation	CBDT directions
1.	Taxpayer was issued lower/nil withholding tax certificate for FY 2019-20 and has already applied online for FY 2020-21	Certificate for FY 2019-20 would be applicable for FY 2020-21 as well till June 30, 2020 or disposal of application by tax authorities, whichever is earlier
2.	Taxpayer was issued lower/nil withholding tax certificate for FY 2019-20 and is yet to apply online for FY 2020-21	Certificate for FY 2019-20 would be applicable for FY 2020-21 as well till June 30, 2020. However, taxpayer need to make an application for FY 2020-21 when normalcy is restored or by June 30, 2020, whichever is the earlier, in accordance with the modified procedure of filing application via email to concerned tax authorities
3.	Taxpayer who is yet to apply online for lower/nil withholding tax certificate for FY 2020-21 and also not having such a certificate for FY 2019-20	Taxpayer can make an application in accordance with the modified procedure vide an email to concerned tax authorities along with required documents
4.	Taxpayer is required to make payment to non-residents (including foreign companies) having permanent establishment in India and there is no lower/nil withholding tax certificate for FY 2019-20	Tax at 10% (including surcharge and cess) to be withheld on gross payments until June 30, 2020, or the issue of the relevant certificate for FY 2020-21, whichever is earlier
5.	Taxpayer has timely filed application online for lower/nil withholding tax certificate for FY 2019-20, but certificate is not yet issued	Taxpayer shall intimate, vide an email to the concerned tax authorities, for the pendency of such application along with required documents. Tax authorities to dispose of application by April 27, 2020
6.	Taxpayer had submitted Form 15G and Form 15H (withholding tax exemption form) to the Banks or other institutions for FY 2019-20	Form 15G/15H for FY 2019-20 will remain valid for FY 2020-21 till June 30, 2020

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