



**"What's
New?"**

January 3, 2020

"A new Form 15E introduced for payers to make an application for lower/ Nil withholding tax certification"

CBDT has proposed to introduce a new Form 15E for application by payers to tax authorities to determine the appropriate proportion of sum on which tax should be withheld or tax should not be withheld at all on payments to non-residents. This will be different from Form 13, which is currently filed by recipients for NIL or lower withholding tax certification.

Source: CBDT Office Memorandum No. 370142/24/2019-TPL dated December 31, 2019

 www.gsapadvisors.com  info@gsapadvisors.com

CBDT proposal with respect to Form 15E

- When a person pays any sum chargeable to tax to a non-resident or to a foreign company he is required to withhold tax thereon at applicable rates. Where the payer considers that the tax should not be withheld on whole of the sum payable, he may make an application to the tax authorities to determine the appropriate proportion on which tax should be withheld or tax should not be withheld at all.
- For payers no format was prescribed for making such application. The payers used to write an application on plain paper and physically submit it with the tax authorities. Also, there was no process prescribed for the authorities to process such application. This increased uncertainty and caused inconvenience to taxpayers.
- In order to streamline the process and to reduce the human interface, the new Form 15E is proposed to be introduced as an application by payers to tax authorities. This will be different from Form 13, which is filed by recipient for NIL or lower withholding tax certification.
- Government has kept the Form 15E simple which requires basic details of the payer and payee besides details of the payment and withholding thereon.

Government has sought suggestions from the public on this new form. This form will be applicable once notified by the Government.

Contact us

GSAP



H-59AB, Lower Ground Floor
Kalkaji, New Delhi 110019
India



info@gsapadvisors.com



+91 (11) 4056 0819
+91 (11) 4154 4443

Disclaimer: The content herein are solely meant for commercial purposes and shall not be considered as professional advice and/or used as base for any technical decision. GSAP Advisors India Pvt. Ltd., its employees, contractors, associates are not responsible for loss whatsoever sustained by any person who relies on the information contained herein.