Government of India
Ministry of Finance
Central Board of Direct Taxes
Directorate of Income-tax(Systems)
New Delhi

Notification No. 01/2023   New Delhi, 29ᵗʰ March, 2023

Subject:-   Procedure, format and standards for filling an application in Form No. 15C or Form No. 15D for grant of certificate for no-deduction of income-tax under sub-section (3) of section 195 of the Income Tax Act, 1961 through TRACES-.

1. Section 195(3) of the Income-tax Act, 1961 provides for grant of certificate to a person entitled to receive interest or other sum on which income tax is to be deducted under section 195(1) of the Income-tax Act, 1961 without deduction of tax at source. For the purpose, an application has to be made by the person to the Assessing Officer (hereinafter referred to as "AO") in the prescribed form.

2. Rule 29B of the Income-tax Rules, 1962 prescribes the rules for making application for certificate authorising receipt of interest and other sums without deduction of tax in such cases. Rule 29B(3) of the Income-tax Rules, 1962 provides that the application shall be made by a banking company or insurer in Form No. 15C and by any other person who carries on business or profession in India through a branch in Form 15D.

3. In exercise of the powers delegated by the Central Board of Direct Taxes under sub-rule (1) of Rule 131 of the Income-tax Rules, 1962, the Director General of Income-tax (Systems) hereby specifies-

    a. Form No. 15C and Form No. 15D prescribed under Rule 29B(3) of the Income-tax Rules, 1962 for electronic furnishing at TRACES website under digital signature or through electronic verification code; and

    b. the procedure, format and standards for the purpose of electronic filing of Form No. 15C and Form No. 15D and generation of certificate under sub-section (3) of section 195 of Income-tax Act, 1961, through TRACES in the succeeding paragraphs which will be applicable from 01.04.2023.

4. **Procedure for filling of application in Form No. 15C or Form No. 15D shall be as follows:**

4.1 For making an application in Form No. 15C or in Form 15D, the banking company or insurer or, as the case may be, any other person who carries on business or profession in India through a branch the taxpayer shall login into the TRACES website (www.tdscpc.gov.in) for making the application electronically for grant of certificate under section 195(3) of the Income-tax Act, 1961 for authorising receipt of interest and other sums without deduction of tax.

4.2 The applicant who is not registered at TRACES website shall have to first register with its Permanent Account Number ('PAN") at TRACES (www.tdscpc.gov.in) for login and filling application in Form No. 15C or Form No. 15D. Detailed procedure for registration can be accessed through the link https://contents.tdscpc.gov.in/en/e-tutorial-taxpayer.html

4.3 The applicant shall login at TRACES website (www.tdscpc.gov.in) and submit Form No. 15C or Form No. 15D along with supporting documents using any of the following:

    (i)   Digital Signature,

    (ii)   Electronic Verification Code,

    (iii)   AADHAR based Authentication,

    (iv)   Mobile OTP.

4.4 Applicants accessing TRACES website from outside of India shall login at TRACES website (www.nriservices.tdscpc.gov.in) and submit application in Form No. 15C or Form No. 15D along with supporting documents using Digital Signature only.

4.5 The applicant can track the status of the application through option 'Track Request for Form 13/15C/15D' under the tab 'Statements/Forms'.

5. **Procedure for assignment of application to the TDS AOs in the International Taxation charges:**

5.1 The application will be assigned to the TDS AO in the International Taxation charges on the basis of details furnished by the applicant in Form No. 15C or Form No. 15D. Such applications can be accessed by the AO through the path 'Lower/No Deduction Certificate> Generate Certificate>Certificate u/s 195(3) and select 'Open Request (s)'.

5.2 Once the application in Form No. 15C or Form No. 15D has been successfully submitted, the following data will be obtained by CPC(TDS):

    (i)   Processed data of Income Tax Returns of previous 6 financial years (if available).

    (ii)   PAN Demand.

    (iii)   E-filed Income-Tax Returns of previous 6 financial years.

    (iv)   Audit Report / Form 3CD (if applicable) of previous 6 financial years.

    (v)   Assessment Orders of previous 6 financial years (if available).

5.3 The applications shall be assigned by default to the DCIT/ACIT (Intl. Taxn.) exercising jurisdiction over TDS matters. However, if the jurisdiction orders are otherwise, the assigned AO can transfer the applications to the AO concerned on AO Portal.

6. **Processing of the Taxpayer's/ Deductee's request by the AO, Range Heads and Commissioners of Income-tax:**

6.1 **Role of AOs:**

The AO shall process the application through TRACES - AO Portal after login using their credentials.

6.1.1 By navigating through the path *'Lower/No Deduction Certificate>Generate Certificate> Certificate us/195(3) and select* 'Open Request (s)', the AO will be able to access the following information:

(i)   Information furnished by the tax-payer/Deductee.

(ii)   Documents submitted by the tax-payer/Deductee.

(iii)   Information essential for processing the request in respect of the tax-payer/Deductee received from other modules.

(iv)   Information essential for processing the request in respect of the tax-payer/Deductee, as available at CPC(TDS).

6.1.2 If the AO requires any further information or documents or clarification from the applicant for arriving at a decision, the same shall be obtained online using the option "Seek Clarification" available within the functionality through the path *(TDS AO login->Lower/No Deduction Certificate->Certificate u/s 195(3)->Open Request->Request Number->Seek Clarification).*

6.1.3 The query raised by the AO shall be forwarded to the applicant through systems for furnishing a suitable response. The query will be available to the applicant in the inbox at TRACES Portal through the applicant's login through the path *(Tax Payer login -> Statement/Forms->Track Request Form 13/15C/15D->Status>Clarification required by AO).*

6.1.4 The response submitted by the applicant shall be visible to the AO within the functionality for taking a decision on the application through the path *(TDS AO login->Lower/No Deduction Certificate->Certificate u/s 195(3)-> Open Request-> Request Number->Communication History->Comments)*

6.1.5 The AO shall approve/reject the application based on the parameters defined in rule 29B of the Income-tax Rules, 1962 as well as any other instructions/guidelines in this regard.

6.1.6 After approval/ rejection of the application, as the case may be, it will be forwarded to the supervisory authority, i.e., the Range Head & the CIT for according administrative approval.

6.2 Role of Range head:

6.2.1 The Range head shall process the application through TRACES - AO Portal after login using their credentials for granting administrative approval to the recommendation of the AO or otherwise.

6.2.2 The Range Head can view the application details, received for administrative approval, through the path *'Lower/No Deduction Certificate > Generate Certificate > Certificate u/s 195(3) and select 'Open Request(s)'.* The following information will be available for viewing by the Range Head:

(i)   Information furnished by the tax-payer/Deductee.

(ii)   Documents submitted by the tax-payer/Deductee.

(iii)   Information essential for processing the request in respect of the tax-payer/Deductee received from other modules.

(iv)   Information essential for processing the request in respect of the tax-payer/Deductee, as available at CPC(TDS).

(v)   Recommendation of the TDS AO.

6.2.3   If any clarification is required by the Range Head, the application may be sent back to the AO through TRACES - AO Portal. After submission of clarification by the AO through the AO Portal, the Range Head shall take a decision on the application.

6.2.4   Once the Range Head has taken a decision on the application, it will be forwarded to the CIT concerned for according administrative approval.

6.3 Role of the CIT:

6.3.1 The CIT shall process the application through TRACES - AO Portal after login using their credentials for granting administrative approval to the recommendation of the AO/Range Head or otherwise.

6.3.2   The CIT can view the application details, received for administrative approval, through the path *'Lower/No Deduction Certificate > Generate Certificate> Certificate u/s 195(3) and select 'Open Request(s)'.* The following information will be available for viewing to the CIT:

(i)   Information furnished by the tax-payer/Deductee.

(ii)   Documents submitted by the tax-payer/Deductee.

(iii)   Information essential for processing the request in respect of the tax-payer / Deductee received from other modules.

(iv)   Information essential for processing the request in respect of the tax-payer / Deductee as available at CPC (TDS).

(v)   Recommendation of the TDS AO.

(vi)   Recommendation of the Range Head.

6.3.3   If any clarification is required by the CIT, the application may be sent back to the Range Head through TRACES - AO Portal.

6.3.4   The Range Head may either send back the application to the AO for obtaining the clarification or submit the case to CIT along with the clarifications as required by the CIT through TRACES - AO Portal.

6.3.5   Based on the information available and the report of the Range Head and the AO, the CIT shall take a decision in the case.

6.3.6   After a final decision in the application has been taken by the CIT, the application will be marked back electronically on AO Portal to the AO for issuance of the certificate or rejection of the application.

7. Issuance of Certificate:

7.1   On receipt of approval of the jurisdictional CIT, the AO shall generate a certificate on TRACES - AO Portal through the path *(TDS AO login->Lower/No Deduction Certificate->Certificate u/s 195(3)->Received from Range Head/CIT->Request Number->Generate Certificate/Close Request).*

7.2 The issued certificates shall be available to the AO for view through the path 'Lower / No Deduction Certificate > History > Certificate issued'.

7.3 The status of request/application shall be available to the Range Head through the path *(Range Head login->Lower/No Deduction Certificate->History-> Certificate Requests)*

7.4 The generated certificates shall be available for download to the applicant on their TRACES login. The certificate will be system generated and hence will not require a signature.

8. Where application was made in Form No. 15C or Form No. 15D, the onus of sharing the certificate to the respective deductor(s) will be on the applicant.

9. This issues with prior approval of the Director General of Income-tax (Systems).

-sd-
(DEEPTI CHANDOLA)
Addl. Commissioner of Income Tax (CPC-TDS)
O/o The Director General of Income -tax (Systems)-1, New Delhi

Copy for kind information to:

1. PPS to the Chairman and all Members, CBDT, North Block, New Delhi.
2. All Pr. Chief Commissioners/ Pr. Director Generals of income-tax/ Chief Commissioners of Income-tax / Director Generals of income-tax/ Pr. Commissioners of Income-tax / Commissioners of Income-tax / Commissioners of Income-tax(TDS) – with a request to circulate amongst all officers in their regions/charges.
3. JS (TPL)-I&II / Media coordinator and Official spokesperson of CBDT.
4. ADG (IT)/ADG(Audit)/ ADG (Vig.)/ ADG (Systems)-1,2,3,4,5 /ADG(TPS)-1,2/CIT(CPC-ITR)/Bangalore.
5. ADG (PR,PP &OL) with a request for advertisement campaign for the notification.
6. TPL and ITA Divisions of CBDT
7. The Institute of Chartered Accountants of India, IP Estate, New Delhi.
8. The Web Manager, 'incometaxindia.gov.in' for hosting on the website.
9. Database cell for uploading on www.irsofficersonline.gov.in and in Pr. DGIT (Systems) corner.
10. ITBA publisher for uploading on ITBA Portal.
11. ITO TRACES (Website) for uploading on TRACES Website.
12. ITO (AO Portal) for uploading on TRACES AO Portal

Addl. Commissioner of Income-Tax (CPC-TDS)
O/o The Director General of Income-tax (Systems)-1, New Delhi