



Filing Form 15CA & Form 15CB – Foreign Remittances Compliance



The Indian government has introduced Forms 15CA and 15CB to regulate foreign remittance reporting and ensure tax compliance under the **Income-tax Act, 1961**. These forms are crucial for individuals and businesses making cross-border payments. Filing these forms ensures tax liability determination and adherence to **NRI taxation in India** and **Reserve Bank of India (RBI) guidelines**.

Form 15CA

Form 15CA is a declaration that must be filed by an individual or entity making a payment to a non-resident. This form ensures that applicable taxes are deducted and paid before remitting funds abroad.

Purpose

- Ensures compliance with Lower or NIL TDS Certificates for NRI under Section 195 of the Income-tax Act.
- Helps in monitoring foreign remittances for tax purposes.
- Acts as a self-declaration of tax deduction.

Applicability

Form 15CA must be filed when:

- The payment to a non-resident is taxable under Indian laws.
- The payment exceeds specified thresholds for TDS applicability.



Filing Categories

Form 15CA has four parts:

- **Part A:** For remittances not exceeding **₹5,00,000** in a financial year.
- **Part B:** For remittances exceeding **₹5,00,000**, where a **TDS Certificate** under **Section 195(2), 195(3), or 197** has been obtained.
- **Part C:** For remittances exceeding **₹5,00,000**, where a certificate in **Form 15CB** is required.
- **Part D:** For payments not taxable under Indian laws.

Form 15CB

Form 15CB is a certificate issued by a Chartered Accountant (CA) to verify the taxability of foreign remittances. It serves as a supporting document for Form 15CA and ensures tax compliance.

Purpose

- Certifies payment details and taxability under NRI taxation in India.
- Ensures compliance with [DTAA \(Double Taxation Avoidance Agreement\)](#) provisions.
- Validates TDS deduction and remittance details.

When is Form 15CB Required?

- When the **remittance exceeds ₹5,00,000** in a financial year.
- When the payment is taxable under Indian laws.
- Not required for payments exempt from tax or covered under RBI's Liberalized Remittance Scheme (LRS).



Process for Filing Forms 15CA and 15CB

1. Obtain TAN and PAN Details

- **Tax Deduction and Collection Account Number (TAN)** of the remitter.
- **Permanent Account Number (PAN)** of both the remitter and the non-resident beneficiary.

2. Determine Taxability

- Analyze the nature of remittance, tax liability, and DTAA applicability.

3. Engage a Chartered Accountant

For transactions exceeding ₹5,00,000, obtain **Form 15CB** from a [qualified CA](#).

4. File Form 15CA Online

- Log in to the **Income Tax e-filing portal**.
- Select the appropriate section based on remittance details.

5. Submit Forms to the Bank

- Provide the acknowledgment of Form 15CA and CA-certified Form 15CB to the bank processing the remittance.

Common Scenarios Requiring Forms 15CA and 15CB

- **Interest remittances** to foreign lenders.
- **Payments for professional services** from non-resident consultants.
- **Royalty and technical fees** paid to foreign companies.
- **Import of services** requiring compliance with NRI taxation in India.

Exceptions

- Transactions under RBI's Liberalized Remittance Scheme (LRS).
- Payments not subject to Indian tax laws.
- Specific categories exempted under the Income-tax Act.

Penalties for Non-Compliance

Failure to comply with foreign remittance regulations can result in penalties under the Income-tax Act:

- **Penalty under Section 271-I:** ₹1,00,000 for failure to furnish the required forms.
- **Interest penalties for non-deduction or late payment of TDS.**

Why Choose JD Shah Associates?

Navigating [NRI taxation in India](#), obtaining [Lower or NIL TDS Certificates for NRI](#), and ensuring compliance with Form 15CA and 15CB filing require expert guidance. At JD Shah Associates, our [team of best Chartered Accountants in Mumbai](#) offers professional assistance for:

- TDS compliance and tax planning for NRIs.
- Ensuring accurate Form 15CB certification.
- Helping clients with foreign remittance tax regulations.

Contact us today to consult the [best CA firm in Borivali](#) and ensure hassle-free compliance. Looking for expert tax advice? [Contact CA in Mumbai](#) today!