

**MINISTRY OF FINANCE**  
**(Department of Revenue)**  
(CENTRAL BOARD OF DIRECT TAXES)

**NOTIFICATION**

New Delhi, the 20th July, 2023

**INCOME TAX**

**S.O. 3254(E).**— In exercise of the powers conferred by sub-section (1F) of section 197A read with clause (34B) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter the Income-tax Act), the Central Government hereby specifies that no deduction of income tax shall be made under section 194 of the Income-tax Act from any income in the nature of dividend paid by any unit of an International Financial Services Centre, primarily engaged in the business of leasing of an aircraft (hereinafter referred as payer) to a company, being a Unit of an International Financial Services Centre primarily engaged in the business of leasing of an aircraft (hereinafter referred as payee) subject to the following-

- (a) The payee shall, -
  - (i) furnish a statement-cum-declaration in Form No. 1 to the payer giving details of previous year relevant to the assessment year in which the dividend income eligible for exemption under clause (34B) of section 10 of Income-tax Act is payable.
  - (ii) such statement-cum-declaration shall be furnished and verified in the manner prescribed in Form No. 1 for the previous year relevant to the assessment year in which the dividend income eligible for exemption under clause (34B) of section 10 of Income-tax Act is payable.
- (b) The payer shall, -
  - (i) not deduct tax on payment made or credited to the recipient of such dividend (payee) after the date of receipt of copy of statement-cum-declaration in Form No. 1 from payee; and
  - (ii) furnish the particulars of all the payments made to the recipient of such dividend on which tax has not been deducted in view of this Notification in the statement of deduction of tax referred to in sub-section (3) of section 200 of the Income-tax Act, read with the rule 31A of the Income-tax Rules, 1962.
- 2. The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall lay down procedures, formats and standards for ensuring secure capture and transmission of data and uploading of documents and the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies.

**Explanation.-** For the purpose of this notification,-

- (a) “aircraft” shall have the same meaning assigned to it in the *Explanation* to clause (4F) of section 10 of the Income-tax Act;

- (b) “International Financial Services Centre” shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005); and
- (c) “Unit” shall have the same meaning as assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).
3. This notification shall come into force from 1<sup>st</sup> September, 2023.

**Form No. 1**

**To be furnished by a Unit engaged in the business of leasing of aircraft (deductee/payee) located in International Financial Services Centre to a Unit of International Financial Services Centre (deductor/payer)**

1. Name of the assessee:
2. PAN:
3. Name and address of the unit located in International Financial Services Centre:

**Statement-cum-Declaration**

I.....son/daughter of.....in capacity....., do hereby declare that the above-mentioned Unit is primarily engaged in the business of leasing of aircraft and its dividend income is eligible for exemption under clause (34B) of section 10 of the Income-tax Act, 1961. I further declare that the abovementioned Unit continues to be a unit working in International Financial Services Centre and continues to be primarily engaged in the business of leasing of aircraft during the year..... (relevant to Assessment Year ..... ) in which this statement-cum-declaration is being submitted.

**Verification**

I.....son/daughter of .....in capacity.....do hereby certify that all the particulars furnished above are correct and complete.

Signature of the declarant

(to be signed by a person competent to verify the return of income as provided in section 140 of the Income-tax Act)

[Notification No. 52/2023/F.No. 275/17/2023-IT(B)]

SHYAM SHARMA, Under Secy.