

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 6th January, 2025

(INCOME-TAX)

S.O. 99(E).— In exercise of the powers conferred by clause (a) of the *Explanation* to sub-section (1H) of section 206C of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the said Act), the Central Government hereby specifies that a Unit of International Financial Services Centre shall not be considered as buyer for the purposes of the said sub-section in respect of purchase of goods from a seller, subject to the following conditions, namely: -

- (a) the buyer shall –
 - (i) furnish a statement-cum-declaration in Form No. 1A annexed to this notification (hereinafter referred to as the said Form) to the seller giving details of previous years relevant to the ten consecutive assessment years for which the buyer opts for claiming deduction under sub-sections (1A) and (2) of section 80LA of the said Act; and
 - (ii) such statement-cum-declaration so furnished shall be verified in the manner specified in the said Form, for each previous year relevant to the ten consecutive assessment years for which the buyer opts for claiming deduction under sub-sections (1A) and (2) of section 80LA of the said Act;
- (b) the seller shall –
 - (i) not collect tax on payment received from the buyer after the date of receipt of copy of statement-cum-declaration in the said Form from the buyer; and

- (ii) furnish the particulars of all the payments received from the buyer on which tax has not been collected in pursuance of this notification in the statement of collection of tax referred to in sub-section (3) of section 206C of the said Act read with rule 31AA of the Income-tax Rules, 1962.

2. The relaxation under this notification shall be available to the buyer only during the said previous years relevant to the ten consecutive assessment years as declared by the buyer in the said Form for which deduction under section 80LA of the said Act is being opted and the seller shall be liable to collect tax on payments received for any other year.

3. For the purposes of this notification, –

- (a) the “buyer” under all circumstances shall remain an International Financial Services Centre Unit within the meaning of sub-clauses (a) and (d) of the *Explanation* to section 80LA of the said Act; and
- (b) the expressions-
 - (i) “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);
 - (ii) “seller” shall have the same meaning as assigned to it in clause (b) of the *Explanation* to sub-section (1H) of section 206C of the said Act; and
 - (iii) “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).

4. 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.

5. This notification shall come into force on 1st day of January, 2025.

FORM NO. 1A

To be furnished by a Unit of International Financial Services Centre (‘buyer’) to a Unit of International Financial Services Centre (‘seller’)

- (1) Name of the assessee:
- (2) Permanent Account Number:
- (3) Name and address of the Unit of International Financial Services Centre:
- (4) Date of permission obtained under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 (10 of 1949) or permission or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or permission or registration under the International Financial Services Centres Authority Act, 2019 (50 of 2019) or any other relevant law for the time being in force, as mentioned in sub-section (1A) of section 80LA of the Income-tax Act, 1961 (43 of 1961).

STATEMENT-CUM-DECLARATION

I son/daughter of..... in capacity, do hereby declare that the above-mentioned Unit is engaged in the business of and is eligible for deduction under sub-sections (1A) and (2) of section 80LA of the Income-tax Act, 1961 (43 of 1961). I further declare that the above mentioned International Financial Services Centre Unit has opted to claim the said deduction for the period from the previous year..... relevant to assessment year.... to the previous year.... relevant to assessment year..... I further declare that

the above mentioned Unit continues to be a unit working in International Financial Services Centre and continues to be engaged in the business of during the year (relevant to Assessment Year) in which this statement-cum- declaration is being submitted.

Verification

I.....son/daughter ofin 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 sign the return of income as provided in section 140 of the said Act)

[No. 6/2025/F. No. 275/108/2024-IT(B)]

RUBAL SINGH, Dy. Secy. (IT-Budget)