

# Withholding Tax Obligations on Foreign Payments

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**Ernakulam, India**


**One Day Seminar on International Taxation**

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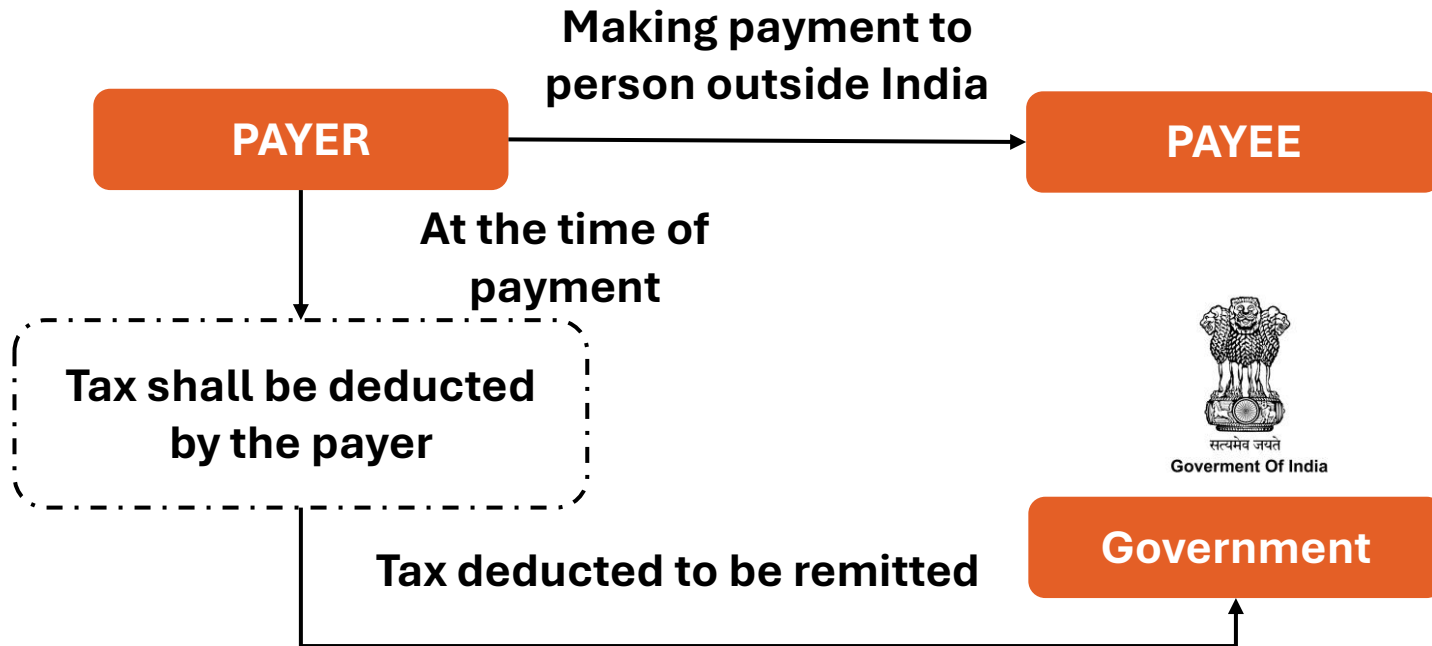
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# Understanding the WHT on Cross-Border Payments

# Withholding Tax on Cross-Border Payments



## Legal Framework: Section 195 of the Income Tax Act, 1961 (primarily)

Section 195 governs the withholding tax provisions for payments made to NRs (NR or NRs).

- **Applicability**
- **Nature of Payments Covered**
- **Rate of WHT**
- **DTAA Considerations**
- **Certificate for Nil or Lower Deduction**
- **Compliance Requirements**

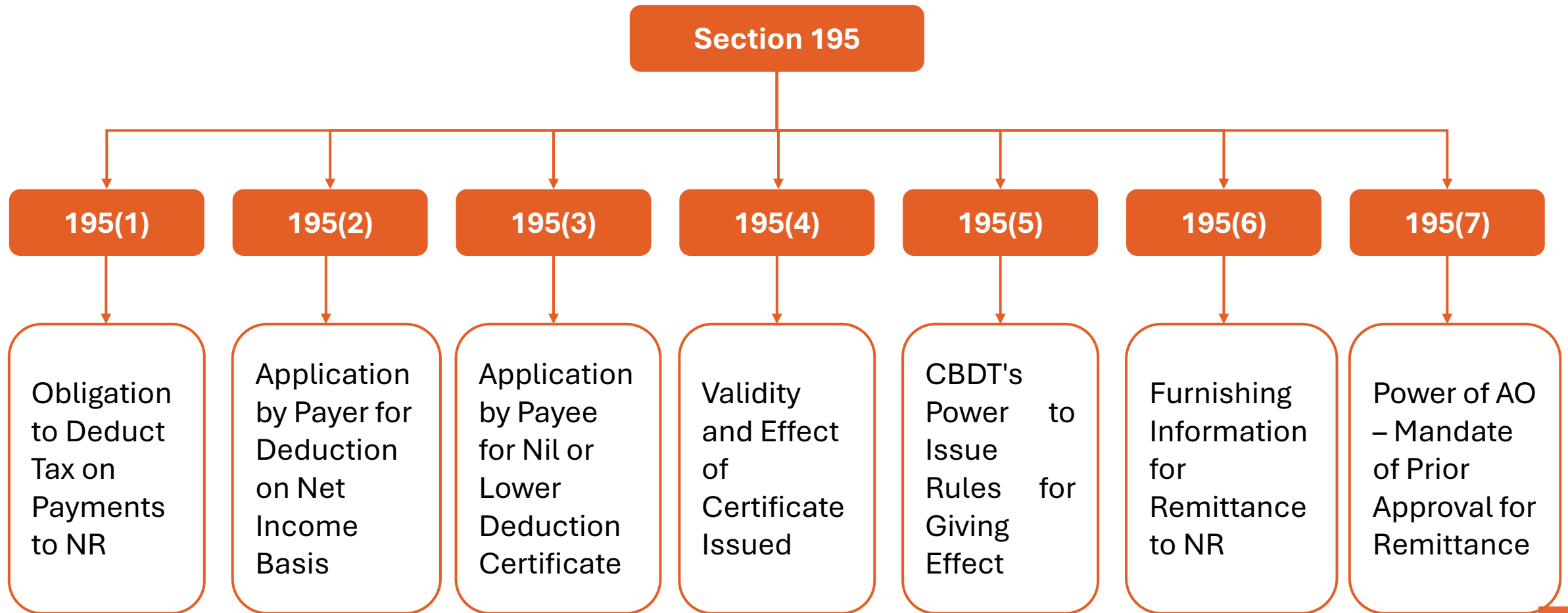
**Non-compliance with Section 195** may lead to interest, penalties, disallowance of expenses under Section 40(a)(i), and potential prosecution in cases of willful default.

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# Overview of Section 195

# An Overview of Section 195

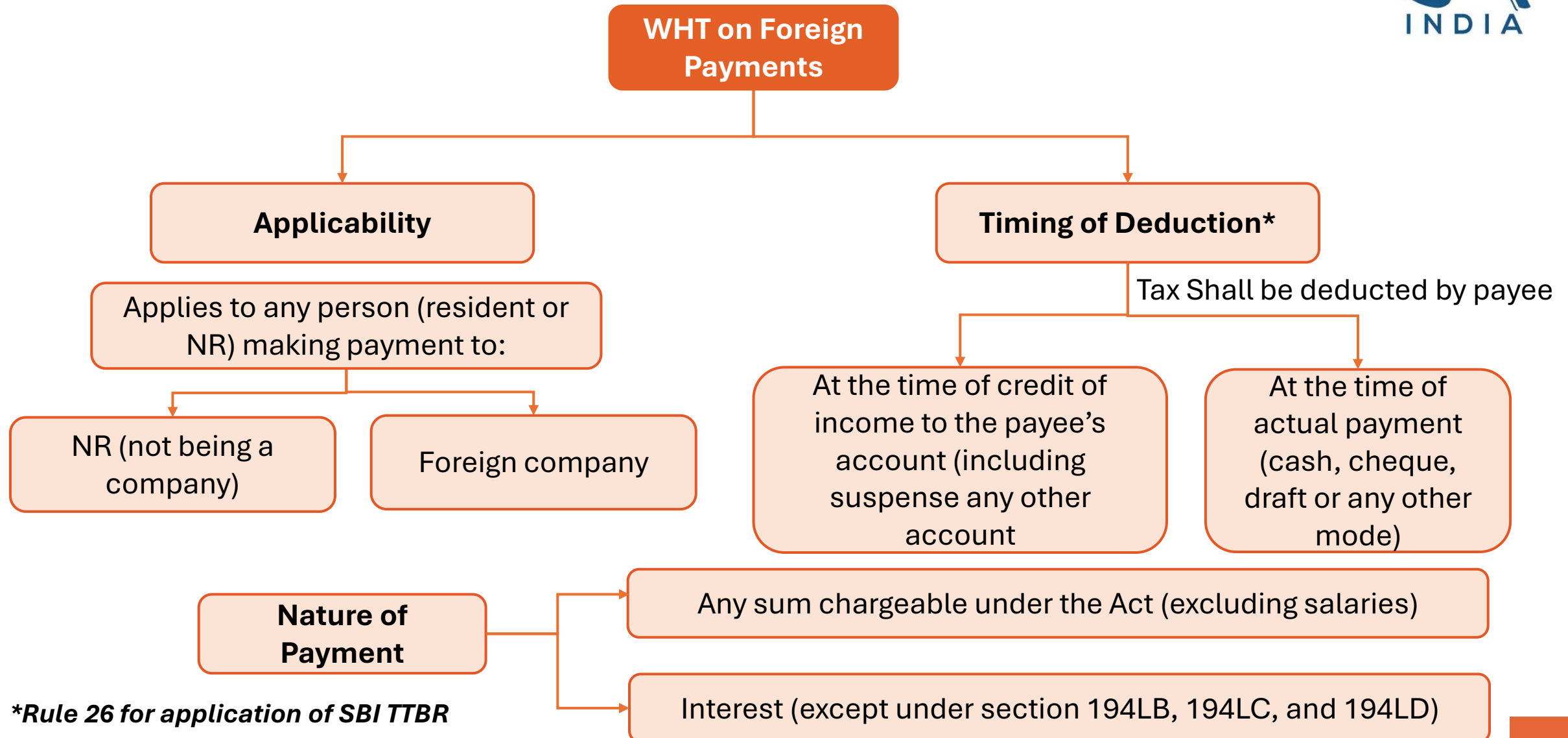
Below is the detailed breakup of the provisions under Section 195 of the Income Tax Act relating to Withholding Tax (“WHT”) on payments to NRs.



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# Withholding Tax Obligation [195(1)]

# Withholding Tax Obligation under Section 195(1)



**\*Rule 26 for application of SBI TTBR**

# Withholding Tax Obligation under Section 195(1)



## Explanation 1 – Treatment of Suspense Account:

If interest or other sum is credited to any **intermediary account** (e.g., “Interest Payable” or “Suspense Account”), it shall be deemed as a credit to the **payee's account** for the purpose of TDS applicability.

## Explanation 2 - Wide Scope of Responsibility:

Clarifies that the obligation to deduct TDS under sub-section (1):


- **Always existed and continues to apply**, and
- Applies to **all persons**, resident or NR, **regardless of** whether the NR recipient has:
  - ✓ A **residence or place of business** in India;
  - ✓ A **business connection** in India; or
  - ✓ **Any presence in India whatsoever.**

## Proviso – Exception for Government, Public Sector Banks, and PFIs:

- In cases where interest is payable by:
  - ✓ The **Government**,
  - ✓ A **Public Sector Bank** (as defined in Section 10(23D)), or
  - ✓ A **Public Financial Institution (PFI)** under the same clause,
- TDS is to be **deducted only at the time of actual payment**, not at the time of credit.

## Applicable Rate:

Deduction is to be made **at the rates in force** (as per the Finance Act or DTAA, whichever is beneficial to the Assessee).

A futuristic digital interface with a central glowing globe, surrounded by data visualizations, maps, and text. The text 'MONEY COMPUTING' is visible on the left, and 'F6 1WIP' and 'IES' are visible on the right. The interface is set against a dark blue background with glowing lines and a circular pattern at the bottom.

**Section 195(2) &  
195(3) with Rule 29B  
vis-à-vis Section 197**

# Section Comparative



Particulars	Section 195(2)	Section 195(3)	Section 197
<b>Who applies</b>	<b>Payer</b> (resident or NR making payment to a NR)	<b>Payee</b> (NR receiving income)	<b>Payee</b> (resident or NR)
<b>Use-case</b>	Payer believes <b>only part</b> of the payment is chargeable to tax in India	Payee (NR) wants a <b>certificate of NIL deduction</b> for specified income streams	Payee seeks <b>lower or NIL deduction</b> rate on income chargeable to tax
<b>Example</b>	₹1 crore paid to NR; only ₹40 lakh relates to services rendered in India	NR exporter seeks nil TDS on sale proceeds receivable from India	NR earns recurring royalty/interest and seeks TDS at DTAA rate (e.g. 10% or 5%)
<b>Form used</b>	<b>Form 15E</b> (online via e-filing portal)	<b>Form 15C</b> (by a banking company or insurer)*, <b>Form 15D</b> (for other than banking company)	<b>Form 13</b> (filed online via TRACES)
<b>Relevant Rule</b>	<b>Rule 29BA</b>	<b>Rule 29B</b>	<b>Rule 28 / 28AA / 28AB</b>

*\*Branch i.e., Neither an Indian Co nor a Company with arrangements to declare and pay dividends*

# Section Comparative



Particulars	Section 195(2)	Section 195(3)	Section 197
<b>Relief sought</b>	Limit deduction only on <b>portion</b> chargeable	<b>No TDS at all</b> for specified categories of income	Lower/NIL deduction on entire income
<b>Binding on</b>	The <b>payer</b> who makes the application	The <b>payer(s)</b> to whom certificate is presented	<b>All payers</b> to whom the certificate is given
<b>Validity</b>	For <b>that specific transaction/payment and for period as mentioned therein</b>	For a <b>financial year</b> , subject to renewal	For the <b>specified period/income class and specified category of Payers</b>
<b>Common users</b>	Indian companies remitting to NR vendors	Exporters, NRs receiving commission or sale proceeds	NRs earning rent, fees, interest, royalty, or capital gains
<b>Additional requirement</b>	Payer must submit full working of taxable portion	AO considers income history and filing status	Payee must have PAN and would ideally be required to file return

# Application for Certificate – Rule 29B

## Conditions for Eligibility [Rule 29B(2)]

For persons **other than banking companies or insurers:**

Regularly assessed in India, has filed **all due returns** up to the date of application.

**Not in default** for any tax, interest, penalty, fine, or other dues under the Act.

Must have carried on business/ profession in India **continuously for at least 5 years**

The **value of fixed assets in India** must exceed **INR 50 lakhs**, as per latest books of account.

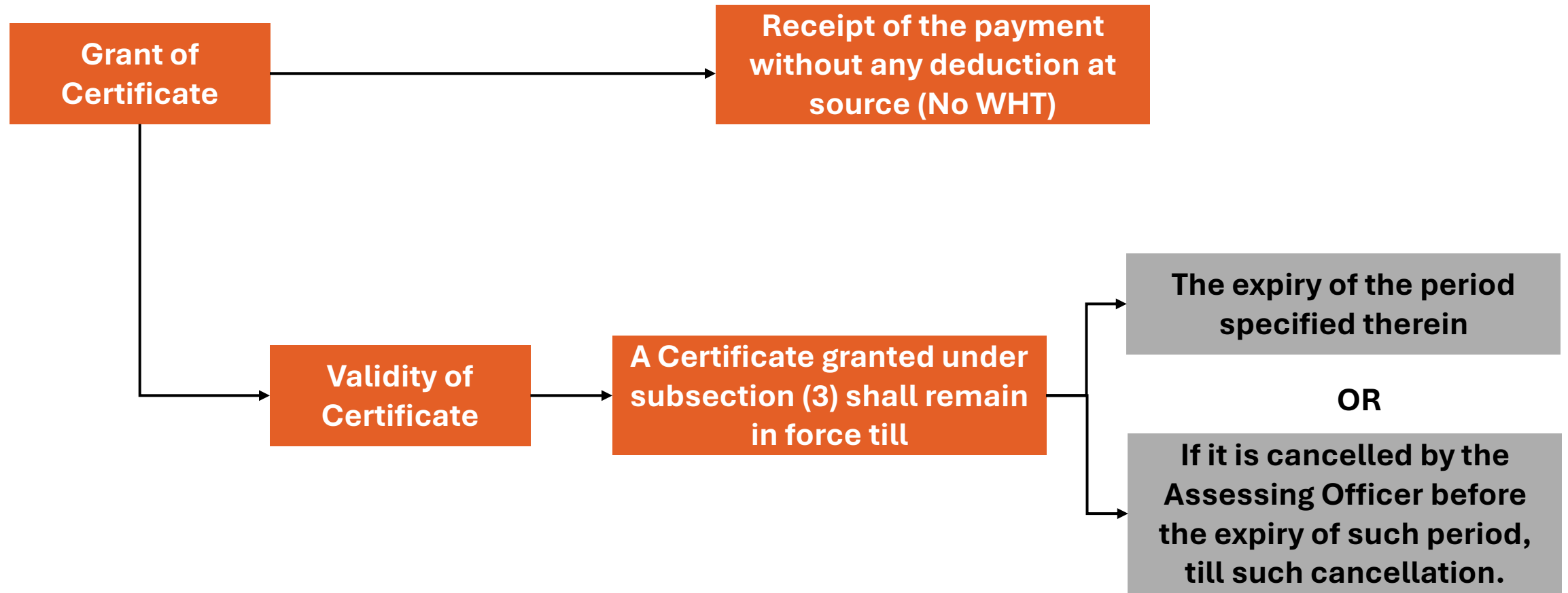
### **Note:**

*The term “insurer” shall have the meaning assigned under Section 2(9)(d) of the Insurance Act, 1938.*

A futuristic digital interface with a central glowing globe, surrounded by various data visualizations, maps, and text elements. The interface is set against a dark blue background with glowing lines and patterns. The text 'MONEY COMPUTING' is visible on the left side, and 'F6 1W1P' and 'IES' are visible on the right side. The overall aesthetic is high-tech and data-driven.

# Sections 195(4) to 195(7) – Regulatory Oversight and Reporting

# Section 195(4) – Validity Period of the Certificate



# Power of the CBDT – Section 195(5)

The **CBDT** may, by **notification in the Official Gazette**, make rules for the following purposes: This power is exercised to balance **assessee convenience** and the **interests of revenue**.

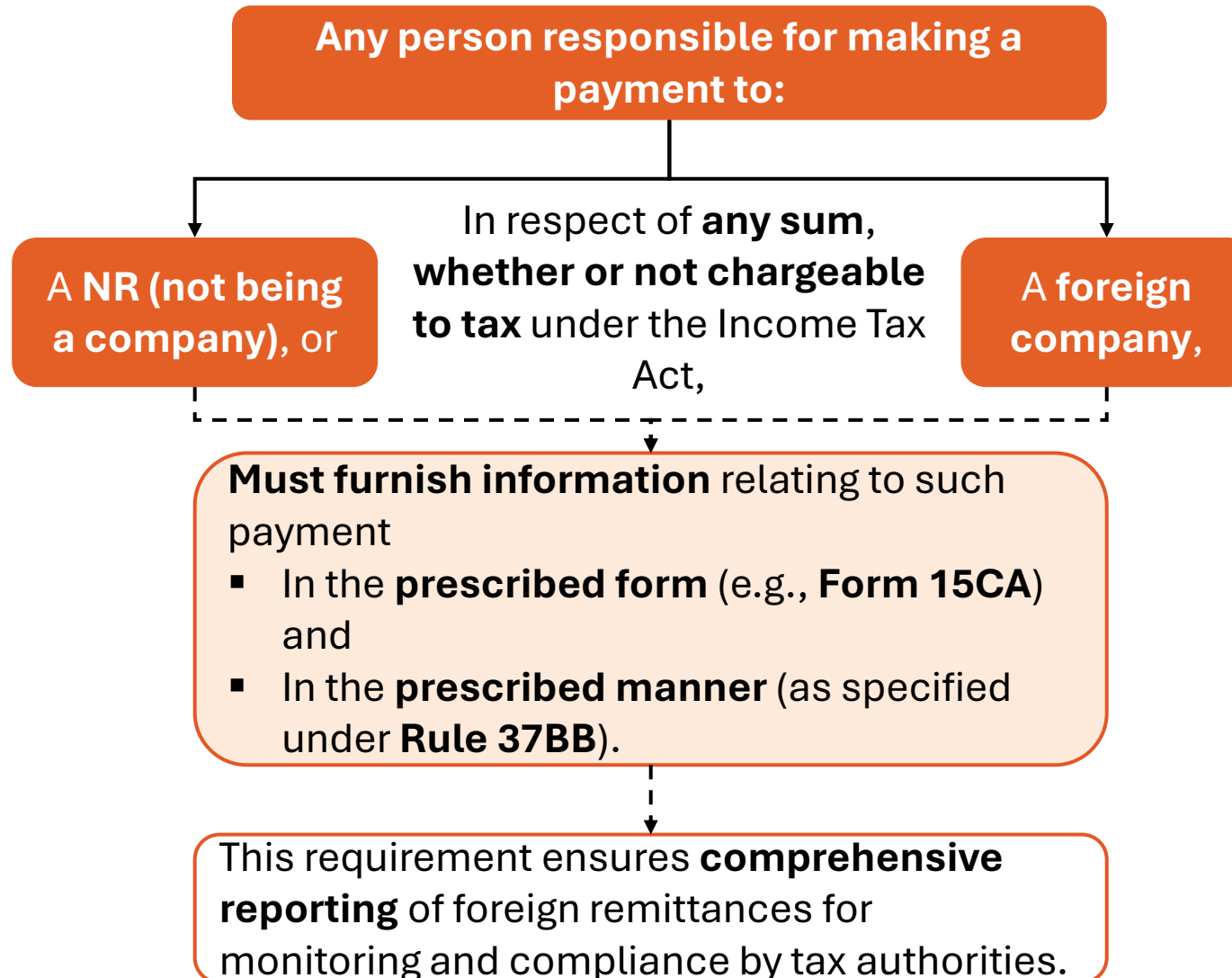
Specify the **cases and circumstances** in which an application under **Section 195(3)** may be made;

**Prescribe conditions** subject to which such certificates may be granted;

Provide for **all other procedural and administrative matters** related to the issuance of such certificates.



# Mandatory Reporting of Payments to – Section 195(6):



# CBDT's Power to Mandate TDS Determination



## **CBDT Notification Power – Section 195(7):**

**Notwithstanding** anything in Section 195(1) and 195(2), the **CBDT** may, by **notification in the Official Gazette**, specify:


- A **class of persons** or
- Specific **cases** where compliance is mandatory.

## **In such notified cases:**

- The payer making a payment to a NR (other than a company) or a foreign company—whether or not the sum is chargeable to tax under the Act—
- Shall make an application to the Assessing Officer, in the prescribed form and manner,
- To determine the appropriate proportion of the sum chargeable to tax.

## **Upon such determination:**

TDS shall be deducted under Section 195(1) only on the determined chargeable portion.

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# Understanding the WHT on Cross-Border Payments (Other Sections)

# WHT on Foreign Sportsmen and Entertainers -194E

## WHT on Payments to NR Sportsman, Entertainers, or Sports Associations

### Applicability

Applies to any participation in India, advertisement and article contribution (Section 115BBA)  
A NR sportsman, including an athlete,  
A NR entertainer (who is not a citizen of India), or  
A NR sports association or institution

### Nature of Income Covered (as per Section 115BBA):

Income from:

- Participation in any **game** (other than winnings taxable under Section 115BB),
- **Advertisement**,
- **Contributions** of articles relating to any game or sport in India,
- **Performance** as an entertainer in India.

### Timing of WHT:

Credit or payment, whichever is earlier

### No Threshold Exemption:

TDS is applicable **irrespective of the amount** of payment—there is **no minimum limit**.

### Rate of WHT

**Flat rate of 20%** (plus applicable surcharge and Cess, if any).

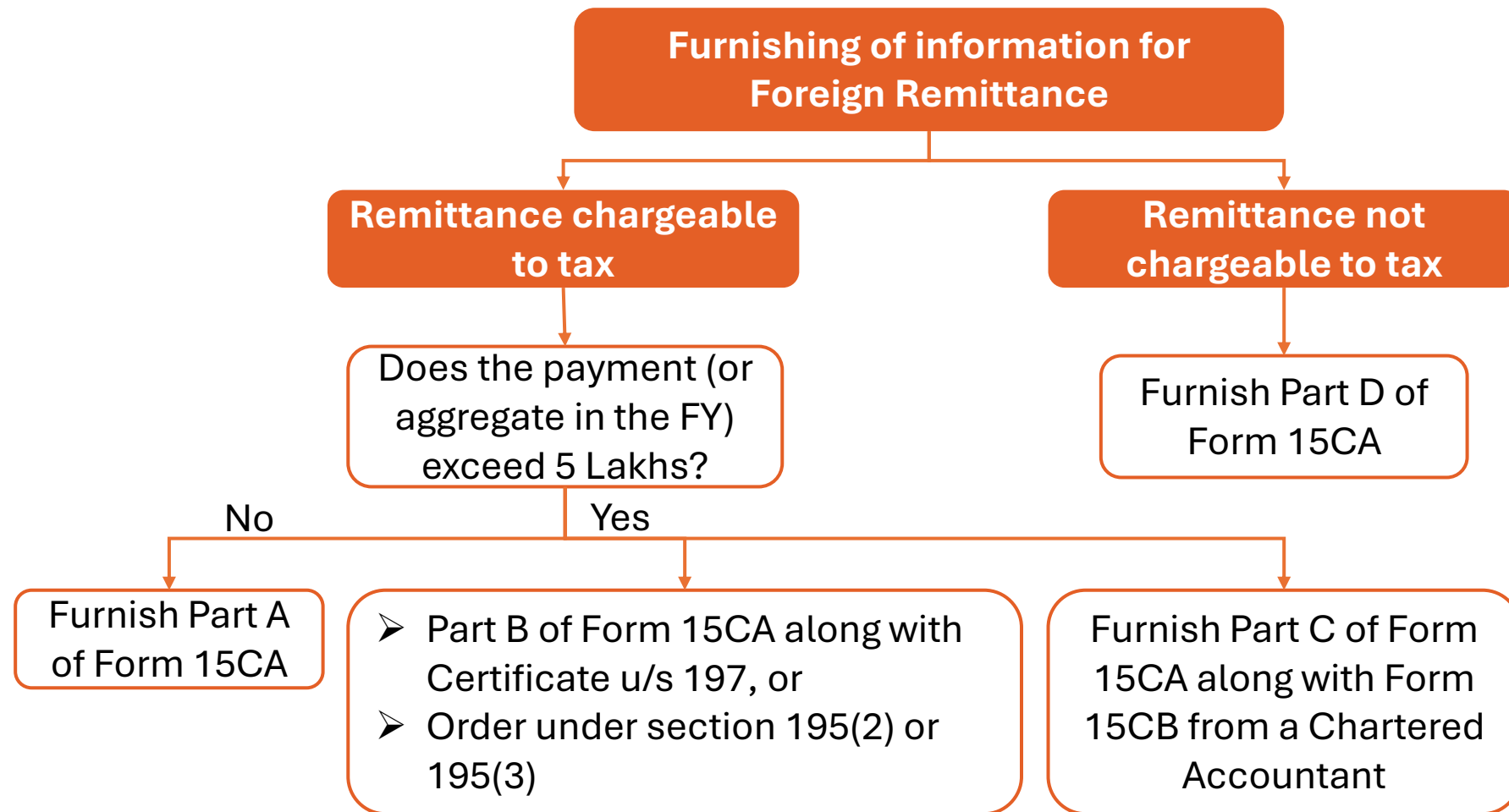
# WHT on Foreign Payments – Summary Table



Section	Applicable To	Nature of Payment	Payee	Rate
192	Employer	Salary	NR employee	Slab rates
194LB	Infrastructure Debt Fund	Interest	NR / Foreign company	5%
194LBA	Business Trust	Distributed Income	NR unit holder	5% / 10% depending on receiver
194LBB	Investment Fund	Income distributed (other than business income)	NR	10%
194LBC	Securitization Trust	Income in respect of investment	NR	Rates in force
194LC	Indian Company or Business Trust	Interest on foreign currency borrowings	NR	4% or 5% or 9%
194LD	Any person	Interest on rupee denominated bonds / Govt securities	FII or QFI	5%

# Furnishing Information – Form 15CA & 15CB

## Rule 37BB - Furnishing of information for payment to a NR:



# Form 15CA & 15CB - Grossing Up vs. Not Grossing Up



## Grossing Up Concept

**When applicable:** If the contract specifies that the recipient should receive the full amount (net of taxes) and the payer agrees to bear the tax liability.

Suppose you are paying USD100 to a NR and the applicable WHT is 10%, and the contract says recipient gets USD100 net.

You must **gross up** the amount:

Grossed-up amount =  $100 / (1 - 0.10) = \text{USD } 111.11$

TDS =  $\text{USD } 111.11 \times 10\% = \text{USD } 11.11$

Net to recipient = USD 100

**Implication:** You pay **USD 111.11** to ensure the recipient receives **USD 100**, and you bear the tax burden. In 15CB, such cases are clearly reported under the “Whether tax liability is borne by payer or payee” field.

## Without Grossing Up

**When applicable:** If the **recipient agrees to bear the tax liability**, or the payment is on a **gross basis** by default.

### Example:

If you pay \$100 and tax is 10%, the TDS is:

TDS =  $\$100 \times 10\% = \$10$

Net to recipient = \$90

In this case, the **tax is deducted from the payment** amount itself.

# Purpose of Form 15CB



Form 15CB is required **when no lower/NIL deduction certificate** from the Assessing Officer is available and the **payment exceeds ₹5 lakh** in a financial year (as per **Rule 37BB**). It is uploaded **before filing Form 15CA (Part C)**.

Certification Area	Description
<b>Identity &amp; nature of remittance</b>	Name, address, and PAN of payer and payee; country of remittance; nature of the payment (e.g., royalty, professional fees, interest)
<b>Amount &amp; currency details</b>	Amount of remittance in foreign currency and Indian Rupees
<b>Relevant Section of the Act</b>	The section under which the payment is chargeable (usually Section 9 r/w Section 195)
<b>Taxability in India</b>	Whether the sum is <b>chargeable to tax</b> in India based on the <b>source rule</b> and <b>treaty (DTAA)</b> if applicable
<b>DTAA application</b>	Whether <b>tax treaty</b> benefit is being claimed, and under which <b>article</b> (e.g., FTS, Royalty, etc.)
<b>Rate of deduction</b>	Whether tax is to be deducted at as per Act or Tax Treaty

# Key Attachments/References Used by CA



- Agreement and/or invoice for payment
- Tax Residency Certificate (**TRC**)
- Form 10F
- PAN of NR
- Computation of income chargeable to tax
- Copy of any AO certificate, if applicable
- Bank details and remittance instructions

## CA's Responsibility & Risk:

By signing Form 15CB, a CA is certifying on:

- **Legal interpretation** (of taxability, DTAA application),
- **TDS rate determination**, and
- **Accurate computation of chargeable income**

Wrong or inappropriate certification may lead to **professional misconduct, summons, punishable under other Sections.**

# Consequences of WHT Non-Compliance

Section	Provision	Nature of Default	Consequence/Penalty
<b>Section 201</b>	Failure to deduct or deposit TDS	Not deducting or depositing TDS	- Treated as Assessee-in-default - <b>Interest:</b> • 1% p.m. for non-deduction • 1.5% p.m. for non-deposit - Pay principal TDS amount
<b>Section 40(a)(i)</b>	Disallowance of expenditure	Non-deduction or non-payment of TDS on NR payments	Related <b>expenditure is disallowed</b> while computing business income
<b>Section 234E</b>	Late filing of TDS statements	Delay in filing TDS returns (e.g., Form 27Q)	<b>Fee of ₹200 per day</b> of delay (subject to maximum TDS amount)
<b>Section 271C</b>	Penalty for failure to deduct TDS	Failure to deduct TDS	<b>Penalty equal to TDS amount</b> , imposed by Joint Commissioner
<b>Section 276B</b>	Prosecution for failure to deposit TDS	Willful non-payment of deducted TDS	<b>Imprisonment:</b> 3 months to 7 years + <b>fine</b>

# Present Act vs. New Bill (2025)



Provisions	Income-Tax Act, 1961	Income-Tax Bill, 2025
Certificate under Section 195 / 197	Allows <b>nil TDS certificate</b> (100%) through AO under Sec 195(3) / Sec 197.	<b>Eliminates nil-rated certificate; only lower-rate certificates</b> permitted under proposed Sec 395
Thresholds for withholding	No specific threshold; TDS applicable on any foreign payment chargeable to tax.	No change – Section 393(2) and Section 393(3)
Reporting under Rule 37BB (Form 15CA/CB)	Mandatory for <i>all remittances</i> to non-residents, whether taxable or not .	Continued requirement; no explicit change introduced.
Elimination of redundant provisions	Act contains numerous legacy rules causing legal ambiguity.	Replaces the Act with a <b>simplified, consolidated framework</b> ; most definitions and rates retained .
CBDT notification powers	Board may notify cases where TDS application / certificate mandatory (Sec 195(7)).	Retains such powers; no reduction in CBDT’s regulatory discretion.

A futuristic digital interface featuring a central glowing globe with a grid overlay. The globe is surrounded by various data visualizations, including world maps, charts, and text elements like 'MONEY COMPUTING' and 'F6 1WIP'. The background is dark blue with glowing lines and circular patterns, suggesting a high-tech or data center environment.

# Application & Case Studies

## **Example -1: - Payment to Foreign Engineer for Offshore Design Work**

An Indian company engages a foreign engineering Company based in Germany to prepare design blueprints for a construction project in India. The entire work is executed outside India, and the engineering company has no place of business, agent, or presence in India. The Indian company remits Euro 100,000 without deducting TDS, claiming that the payment is not chargeable to tax in India.

Was the Indian company right in not deducting tax under Section 195?

### **Interpretation:**

- **Section 195(1)** requires TDS on “any sum chargeable under the Act.”
- **Section 9(1)(vii)** deems fees for technical services (FTS) as income accruing in India if used in India. The **construction exception under Explanation 2 to Section 9(1)(vii) does not apply** in this case.
- Even though the engineer performed services **outside India**, the **end-use of services was within India**, making it **chargeable under Indian tax law**.
- Even under the **India-Germany DTAA**, the **payment may qualify as taxable FTS**.
- In such cases, the company should have:
  - ✓ Filed an application under **Section 195(2)** where in case of further factual or interpretation **challenges** or
  - ✓ Obtained a **Form 15CB** opinion and filed **Form 15CA**, to avoid being held as an assessee-in-default.

## **Example -2: - Payment to Foreign Sports Body for Match Appearance**

An Indian broadcaster pays \$200,000 to a UK-based sports association for allowing their team to participate in a televised match in India. The association does not have a permanent establishment (PE) in India. The payer claims that the income is not taxable in India and remits the amount without TDS. Is this legally correct under Indian law?

### **Interpretation:**

- Section 194E applies to NR sports associations and entertainers, and mandates TDS at 20%, irrespective of:
  - Whether the recipient has a **PE in India**, or
  - Whether the income is taxable under the **DTAA**.
- **Section 115BBA** treats such income (from participation, advertisement, broadcasting) as **deemed to accrue in India**.
- DTAA protection is **not applicable** here because **Section 194E overrides** general rules by treating such payments as taxable per se. [Supreme Court in *PILCOM v. CIT* [2020] 116 taxmann.com 394/271 Taxman 200/425 ITR 312 (SC)]. Provisions of DTAA are not applicable *qua* the payer in deducting tax at source and would be relevant only *qua* the payee
- Non-deduction will:
  - Trigger **interest under Section 201(1A)**, attract **penalty under Section 271C**, and possibly disallow expenditure under **Section 40(a)(i)**.

# Case Study - 1



## Lufthansa Cargo – Offshore Aircraft Maintenance & FTS Exclusion

Lufthansa Cargo, operating international cargo flights, paid a **foreign vendor (NR)** for **engine overhaul and maintenance** of aircraft. The work was executed entirely **outside India**, and the vendor had **no PE or business connection in India**. Lufthansa did **not deduct TDS** under Section 195.

### Question:

Was the payment for technical services rendered outside India **exempt from TDS** under the **exception clause of Section 9(1)(vii)(b)**?

### Interpretation:

- As per **Section 9(1)(vii)**, Fees for Technical Services (FTS) are deemed to accrue in India if **used in India**, even if rendered abroad.
- However, **Section 9(1)(vii)(b)** provides an exemption if services are:
  - ✓ Rendered outside India, **and**
  - ✓ Utilized for business carried on **outside India** or to earn income from **a source outside India**.
- Since Lufthansa’s maintenance was for **aircraft used only on international routes**, the ITAT accepted that income was **foreign-sourced**.
- Held **not taxable in India**; hence, **no TDS required** under Section 195.

[Lufthansa Cargo India Pvt. Ltd. v. DCIT [2005] 92 TTJ 837 (Delhi ITAT)]

# Case Study - 2



## WHT on Offshore Software Payments – Royalty vs. Business Income

An Indian IT company licenses a **cloud-based software** platform from a **US-based vendor**. The agreement includes: Access to the platform via internet (no download), API integration support and periodic bug fixes, No right to modify, sublicense, or distribute the software. The Indian payer **did not deduct TDS**, treating it as **business income** under the India–USA DTAA (and not “royalty”).

### Question:

Is TDS under Section 195 required even if the payment is characterized as business income and the foreign company has **no PE in India**?

### Interpretation:

- As per **Explanation 2 to Section 9(1)(vi)**, royalty includes payments for use of or right to use software.
- However, **SC in Engineering Analysis Centre of Excellence (2021) 432 ITR 472** held that **mere access/use without transfer of rights** does not constitute royalty.
- Under **India–USA DTAA**, software access is **not royalty** unless there's a **transfer of copyright**.
- Held **not taxable**; hence **no TDS under Section 195**. However, the payer must **document usage terms and legal rights** very carefully.

# Case Study - 3



## TDS on Reimbursement to Foreign Head Office by Indian Branch – Deemed Income?

A foreign bank has a **branch in India**. The Indian branch reimburses its **head office (HO)** for Software license used group-wide, Global risk compliance tools, Management and HR system costs (allocated based on branch headcount). The Indian branch **did not deduct TDS**, claiming that these are **pure reimbursements and no income element exists**.

### Question:

Are intra-entity payments between HO and Indian branch **liable to WHT**, especially if there's **no income element**?

### Interpretation:

As per **CBDT Circular No. 740 (1996)**, Indian branches must deduct TDS on payments to foreign HOs if it qualifies as interest/FTS/royalty.

In **ABN Amro Bank NV v. DDIT (2011) 133 ITD 377**, ITAT held that **group cost allocations involving software/tools** may be classified as **royalty or FTS**, even if booked as reimbursements.

If **cost is allocated** based on benefit received, and there is **intellectual property involved**, TDS may apply under **Section 9(1)(vi)/(vii)**.

Tribunal held that such reimbursements were **not mere pass-throughs**, but **taxable payments** attracting TDS under Section 195. The payer was held to be in **default under Section 201**.

# Case Study - 4



## NRI Rental Income

### Facts:

- Landlord: Mr Arun (NRI resident in USA)
- Property: Apartment in Mumbai; rent INR 1,20,000/month
- Tenant: Indian LLP
- Issues: Applicable TDS section, rate, DTAA relief, compliance steps

### Analysis:

- Section 195 applies (non-resident payee); rate 31.2% unless Section 197 certificate is obtained.
- DTAA Application: India-USA DTAA allows credit in USA return.
- Tenant deposits TDS via ITNS-281; Form 27Q quarterly.
- Form 15CA/CB or Part D if credit to NRO  $\leq$  INR 5 lakh.

# Case Study - 5



## NRI Capital Gain on Property Sale

### Facts:

- Seller: Ms Priya (resident in UAE)
- Asset: Flat in Bengaluru bought Apr-2012 INR 60L, sold 01-Jul-2025 INR 1.5Cr
- Buyer: Resident individual

### Analysis:

- Indexed cost (CII 363/200)  $\approx$  INR 1.09Cr  $\Rightarrow$  LTCG  $\approx$  INR 41L
- Buyer deducts 20.8% on full consideration unless S197 certificate;
- Section 197 may authorise TDS on net gains ( $\approx$  INR 8.53L).
- Deposit via ITNS-281, Form 27Q; Form 15CA/CB on remittance abroad.
- India-UAE DTAA Art 13(1): India retains taxing right; no UAE tax.

# WHT Case Laws



S.No	Case	Key Takeaway
1	GE India Technology Centre (P.) Ltd. v. CIT, 327 ITR 156 (SC, 2010)	Section 195 obligation arises only when the remittance is chargeable to tax in India; tax must be withheld only on the income portion.
2	Transmission Corporation of AP Ltd. v. CIT, 239 ITR 587 (SC, 1999)	Unless a lower deduction order is obtained, tax must be withheld on the gross amount; AO can later determine the income element.
3	CIT v. Chennai Metropolitan Water tax Cases Appeal, 348 ITR 530 (Mad HC, 2012)	Withholding is confined to the portion of remittance that is chargeable to tax; reinforces GE/Transmission ratio.
4	Bhupendra Prasad Ray v. ITO, 129 ITR 295 (SC)	Professional connection is a kind of business connection under section 9 (1)(i); fees taxable only if India presence crosses treaty thresholds.
5	Kanchanganga Sea Foods Ltd. v. CIT, 265 ITR 664 (AP HC, 2003)	TDS under section 195 applies even when consideration is settled in kind (fish catch charter hire).

# WHT Case Laws

S.No	Case	Key Takeaway
6	United Breweries Ltd. v. CIT, 211 ITR 256 (Kar HC, 1995)	TDS liability arises on credit to payee s account; FEMA approval timing is irrelevant.
7	Raymond Ltd. v. DCIT, 80 TTJ 120 (ITAT Mum)	Book adjustment of dues is any other mode of payment , attracting section 195 withholding.
8	Tata Chemicals Ltd. v. CIT, 43 taxmann.com 240 (SC, 2014)	Refund of excess TDS to deductor must carry interest under section 244A from date of payment.
9	Visakhapatnam Port Trust v. CIT, 144 ITR 146 (AP HC)	Where DTAA provisions are more beneficial, they override the Income tax Act.
10	Azadi Bachao Andolan v. Union of India, 263 ITR 706 (SC, 2003)	Treaty benefits cannot be denied when conditions are satisfied; treaty override upheld.

# 10 Common Mis-steps in Cross-Border WHT



1. Applying resident rates (1% / 5%) instead of Section 195 to NR or NRIs.
2. Ignoring surcharge & cess while computing effective rate.
3. Missing Form 15CA/CB filing when crediting NRO accounts.
4. Depositing TDS using Form 26QB or 26QD for NR transactions.
5. Treating services as 'Royalty/FTS' without checking DTAA definition.
6. Using SBI Selling Rate or RBI Reference Rate instead of TT Buying Rate for forex conversion.
7. Failing to obtain Lower-Rate certificate under Section 197 where margin is thin or capital gain is computed by Assessee himself.
8. Not grossing-up when payer bears tax under contractual terms.
9. Skipping quarterly Form 27Q filing for one-off property deals.
10. Overlooking equalisation levy interplay with Section 195 on digital payments (till last year).

# Importance of DTAA, Section 90, TRC & Form 10F



- **Double Taxation Avoidance Agreement (DTAA):** Prevents the same income from being taxed in both India and the recipient's country.
- **Section 90 of the ITA:** Authorizes India to enter into DTAA; allows taxpayers to claim treaty benefits over domestic law if more beneficial.
- **Tax Residency Certificate (TRC):** Mandatory documentary proof to claim DTAA benefit; must contain key details like residency, address, and tax ID.
- **Form 10F:** Supplementary self-declaration by NR if TRC does not contain all prescribed particulars (like nationality, tax ID, etc.).
- **Submission of TRC + Form 10F + PAN** (in most cases) is required for lower withholding under DTAA (e.g., 10% royalty instead of 20%).

**Without proper documentation, treaty rates cannot be applied, and full TDS under domestic law will apply (as per Section 206AA & CBDT Circulars).**

## Word of caution for all of us:



- Always refer **Guidance Note on Withholding Taxes under Section 195 and Form No. 15CA/CB**
- While **Section 195 text itself has remained untouched**, the **regulatory and procedural framework** around it (Form 15E, 15CA/CB, DTAA claims, etc.) has evolved significantly.
- **Automated systems (TDS CPC, TRACES, Form 15E portal)** now flag non-compliance early → risk of **disallowance under 40(a)(i)** and **interest under 201(1A)** is high.
- With **foreign payments** becoming increasingly scrutinized (especially under GAAR, BEPS, POEM), **195 compliance is now a boardroom concern.**

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*Thank You*

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