

# TAX ALERT

## FURTHER CLARIFICATIONS ISSUED BY CBDT FOR VALIDITY OF LOWER / NIL WITHOLDING CERTIFICATES

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In continuation of our last update dated 01.04.2020 regarding CBDT notification easing the process of issue of certificates for lower rate/nil deduction/collection of TDS or TCS with respect to FY 2020-21, we have further added necessary clarifications issued by CBDT on this on 9<sup>th</sup> April, 2020.

### Directions /clarifications covered in notification are tabulated for ready reference:

Case	Taxpayer to whom directions/clarifications are applicable	Directions/clarifications as per F. No 275/25/2020-IT(B) dtd 31.03.2020	Further clarifications issued on 09.04.2020
1	a. Taxpayer who have filed application for lower/nil deduction of certificate for F.Y.2020-21 and whose applications are pending for disposal <b>and</b>	<ul style="list-style-type: none"><li>✓ Certificate issued for F.Y.2019-20 shall continue to apply till 30.06.2020.</li><li>✓ If application is disposed by Assessing officer before 30.06.2020 then the new</li></ul>	<ul style="list-style-type: none"><li>✓ <b>The certificate so issued will be valid for:</b></li><li>✓ <b>the particular period of F.Y.2019-20</b></li></ul>

Case	Taxpayer to whom directions/clarifications are applicable	Directions/clarifications as per F. No 275/25/2020-IT(B) dtd 31.03.2020	Further clarifications issued on 09.04.2020
	b. Taxpayer has been issued such certificate for F.Y.2019-20.	<p>certificate shall be applicable from the date determined in the certificate.</p> <p>✓ Transactions and deductors/collectors to whom the lower rate of deduction will be applicable shall be the same as determined in the certificate issued for F.Y.2019-20.</p>	<p>✓ period from 01-04-2020 to 30-06-2020.</p> <p>✓ <i>This is subject to other conditions of previous order.</i></p> <p><b>For e.g.: If a certificate was issued for a period from 1.10.2019 to 15.12.2019, it shall be applicable for the same period for F.Y.2019-20 but for F.Y.2020-21, it shall be valid from 01.04.2020 to 30.06.2020.</b></p>
2	<p>a. Taxpayer who could not file application for lower/nil deduction of certificate for F.Y.2020-21 <b>but</b></p> <p>b. Taxpayer has been issued such certificate for F.Y.2019-20.</p>	<p>✓ Certificate issued for F.Y.2019-20 shall continue to apply till 30.06.2020.</p> <p>✓ However, Taxpayer needs to apply for certificate as soon as the normalcy is restored or 30.06.2020 whichever is earlier.</p>	<p>✓ <b>Threshold/ transaction limit for lower/Nil deduction /collection as was assigned in certificate for F.Y.2019-20 will remain same for from 01-04-2020 to 30-06-2020. <i>This is subject to other conditions of previous order.</i></b></p> <p>✓ <b>Fresh application would be required to be made, if application in F.Y.2020-21 for lower/Nil deduction certificate is required to be made for:</b></p> <ul style="list-style-type: none"> <li>• <b>New/ different TAN other than mentioned in the certificate for F.Y.2019-20</b></li> <li>• <b>Applicant requires reduced rate as compared to rate mentioned in the certificate F.Y.2019-20</b></li> </ul>
3	a. Taxpayer has not applied for issue of lower/nil deduction of certificate for F.Y.2020-21 and	✓ Taxpayer to send an e-mail to the concerned Tax Officer containing filled up	No clarification for this.

Case	Taxpayer to whom directions/clarifications are applicable	Directions/clarifications as per F. No 275/25/2020-IT(B) dtd 31.03.2020	Further clarifications issued on 09.04.2020
	b. Taxpayer has not been issued such certificate for F.Y.2019-20	Form 13 along with all documents / information  (The procedure shall remain same as before with the modification that the application shall be filed via email and certificate will also be issued via email.)	

**Issue of approval and communication of Lower/NIL deduction/collection certificates:**

Field authorities of Income Tax Department to use official emails or other economic communication for internal approval for issue of lower/nil deduction/collection certificates and for communication for the same.

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