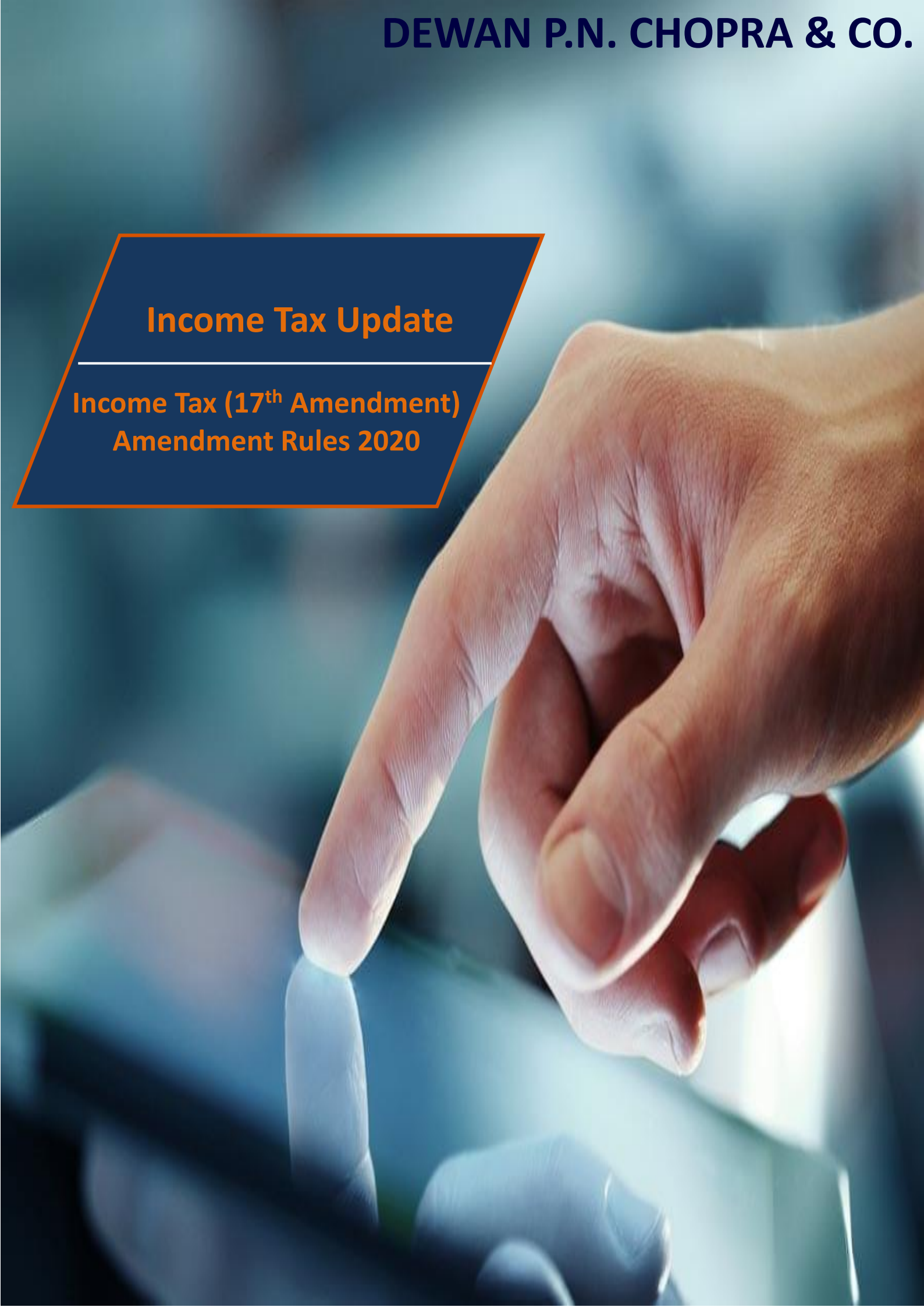


Income Tax Update

**Income Tax (17th Amendment)
Amendment Rules 2020**



Income tax (17th Amendment) Rules 2020 dated 24th July,2020.

The Income tax (17th Amendment) Rules 2020 have brought in certain procedural amendments in the following rules:

Effective from 1st October 2020

1. Rule 37CA (Time for TCS payment);
2. Rule 37-I (TCS Credit);
3. Rule 31AA (TCS Return); and
4. Form No. 27 EQ (TCS Return to give effect to amendments in TCS Section i.e. 206C as introduced in the Finance, Act, 2020 whereby TCS applicability was extended to the following transactions effective from 1st October,2020:
 - Collection at source on remittance under LRS for purchase of overseas tour program package;
 - Collection at source on remittance under LRS for educational loan taken from financial institution mentioned in section 80E;
 - Collection at source on remittance under LRS for purpose other than for purchase of overseas tour package or for educational loan taken from financial institution; and
 - Collection at source on sale of goods.

Effective from 24th July 2020

5. Apart from the above, amendment is also made in Rule 37BC which provides for “Relaxation from deduction of tax at higher rate under section 206AA.” and which is applicable from 24th July,2020 i.e. the date of publication of notification in official gazette.

Currently, the Rule provides relaxation from deduction of tax at higher rate under section 206AA in case of payment of interest, royalty, fees for technical services and payments on transfer of any capital asset made to Deductee who is a Non-Resident or a foreign company not having PAN number. This relaxation is provided if the deductee furnishes certain details and documents specified in this rule.

For details please refer Notification dated 24th July 2020:

https://www.incometaxindia.gov.in/news/notification_54_2020.pdf

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