MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 10th July, 2026

S.O. 3743(E).— In exercise of the powers conferred by section 400(1) read with section 147 of the Income-tax Act, 2025(30 of 2025) (hereinafter referred to as the said Act), the Central Government hereby notifies that no deduction of tax shall be made under the provisions of the said Act as specified in column (4) of the Table below in respect of the payments, as specified in column (3) of the said Table, made by any payer to a person being a Unit of International Financial Services Centre, (hereinafter referred as the payee), as specified in column (2) of the said Table:-

List of payments receivable by a Unit of International Financial Services Centre (IFSC)

TABLE

Sl. No.	**International Financial Services Centre (IFSC Unit) (Payee)**	**Nature of receipt**	**Relevant TDS provisions as per Income- tax Act, 2025**
(1)	(2)	(3)	(4)
1.	Banking Unit	Interest income on External Commercial Borrowings /Loans	Section 393(2) [Table: S.No. 17]
		Professional fees	Section 393 (1) [Table: S. No. 6(iii)]
		Referral fees	Section 393 (1) [Table: S.No. 1(ii)]
		Brokerage income	Section 393 (1) [Table: S.No. 1(ii)]

		Commission income on factoring and forfaiting services	Section 393 (1) [Table: S.No. 1(ii)]
2.	IFSC Insurance Intermediary office	Insurance commission	Section 393(1)[Table: S.No. 1(i)]
3.	Finance Company	Interest income on External Commercial Borrowings /Loans	Section 393(1)[Table: S.No. 5(ii)&5(iii)]/Section 393(2) [Table: S.No. 17]
		Dividend income	Section 393 (1) [Table: S. No. 7]
		Commission income on factoring and forfaiting services	Section 393 (1) [Table: S.No. 1(ii)]
4.	Finance Unit	Interest income on External Commercial Borrowings /Loans	Section 393(1)[Table: S.No. 5(ii) &5(iii)] / Section 393(2) [Table: S.No. 17]
		Dividend income	Section 393 (1) [Table: S. No. 7]
		Commission income on factoring and forfaiting services	Section 393 (1) [Table: S.No. 1(ii)]
5.	Fund Management entity	Professional fee	Section 393 (1) [Table: S. No. 6(iii)]
6.	Broker Dealer	Dividend	Section 393 (1) [Table: S. No. 7]
7.	Investment advisor	Investment advisory fee	Section 393 (1) [Table: S. No. 6(iii)]
8.	Registered Distributor	Distribution fee and Commission fee	Section 393 (1) [Table: S.No. 1(ii)]
9.	Custodian	Professional fee	Section 393 (1) [Table: S. No. 6(iii)]
		Commission fee	Section 393 (1) [Table: S.No. 1(ii)]
10.	Credit rating agency	Credit rating fee	Section 393 (1) [Table: S. No. 6(iii)]
11.	Investment banker	Investment banker fee	Section 393 (1) [Table: S. No. 6(iii)]
12.	Debenture trustee	Trusteeship fee	Section 393 (1) [Table: S. No. 6(iii)]
13.	International Trade Finance Service or "ITFS"	Commission income	Section 393 (1) [Table: S.No. 1(ii)]
14.	FinTech Entity	Technical fee/Professional fee	Section 393 (1) [Table: S. No. 6(iii)]
		Commission income	Section 393 (1) [Table: S.No. 1(ii)]

2. (1) For the purposes of this notification,–

(a) "Banking Unit" shall have the same meaning as assigned to it in clause (c) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Banking) Regulations, 2020;

(b) "broker dealer" shall have the same meaning as assigned to it in clause (g) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 and the provisions of regulations 3, 5, 6 and 7 of the said regulations shall apply to the International Financial Services Centre Unit specified against serial number 6 under column (2) of the said table;

(c) "credit rating agency" shall have the same meaning as assigned to it in clause (j) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 and the provisions of regulations 3, 5, 6 and 7 of the said regulations shall apply to the International Financial Services Centre Unit specified against serial number 10 under column (2) of the above table subject to registration of such credit rating agencies by the International Financial Services Centres Authority;

(d) "custodian" shall have the same meaning as assigned to it in clause (l) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 and the provisions of regulations 3, 5, 6 and 7 of the said regulations shall apply to the International Financial Services Centre Unit specified against serial number 9 under column (2) of the said table;

(e) "debenture trustee" shall have the same meaning as assigned to it in clause (m) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 and the provisions of regulations 3, 5, 6 and 7 of the said regulations shall apply to the International Financial Services Centre Unit specified against serial number 12 under column (2) of the above table subject to registration of such debenture trustee by the International Financial Services Centres Authority;

(f) "Finance Company" shall have the same meaning as assigned to it in clause € of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Finance Company) Regulations, 2021;

(g) "Finance Unit" shall have the same meaning as assigned to it in clause (f) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Finance Company) Regulations, 2021;

(h) "FinTech Entity" shall have the same meaning as assigned to it in sub-paragraph (i) of paragraph 2 of the International Financial Services Centres Authority's Circular No. 521/IFSCA/FinTech/FE Framework/2022-23, dated the 27th April, 2022 and paragraph 12 of the said circular shall apply to the International Financial Services Centre Unit specified, against serial number 14 under column (2) of the said table;

(i) "fund management entity" shall have the same meaning as assigned to it in clause (p) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Fund Management) Regulations, 2022 and the provisions of regulations 3, 4 and 5 of the said regulations shall apply to the International Financial Services Centre Unit specified against serial number 5 under column (2) of the said table;

(j) "IFSC insurance intermediary office" shall have the same meaning as assigned to it in clause (s) of sub-regulation (1) of regulation 3 of the International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021;

(k) "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);

(l) "International Trade Finance Service" or "ITFS" shall have the same meaning as assigned to it in sub-paragraph (iii) of paragraph 2(B) of the International Financial Services Centres Authority's Circular No. 388/IFSCA/ITFS platform/2021-22, dated the 9th July, 2021 and paragraph 2€ of the said circular shall apply to the International Financial Services Centre Unit specified against serial number 13 under column (2) of the said table;

(m) "investment adviser" shall have the same meaning as assigned to it in clause (t) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 (except the persons covered under proviso to clause (f) of sub-regulation (1) of regulation 3), and the provisions of regulations 3, 5, 6 and 7 of the said regulations shall apply to the International Financial Services Centre Unit specified against serial number 7 under column (2) of the said table;

(n) "investment banker" shall have the same meaning as assigned to it in clause (u) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 and the provisions of regulations 3, 5, 6 and 7 of the said regulations shall apply to the International Financial Services Centre Unit specified against serial number 11 under column (2) of the said table;

(o) "registered distributor" shall have the same meaning as assigned to it in clause (dda) of sub-regulation (1) of regulation 2 of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 and the provisions of regulations 3, 5, 6 and 7 of the said regulations shall apply to the International Financial Services Centre Unit specified against serial number 8 under column (2) of the said table;

(p) "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);

(q) the "payee" under all circumstances shall remain an International Financial Services Centre Unit within the meaning under section 2(61) and section 147(5)(b) of the said Act;

(r) the services qualifying under this notification shall be the financial services under the International Financial Services Centres Authority (Banking) Regulations, 2020 or the International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021 or the International Financial Services Centres Authority (Finance Company) Regulations, 2021 or the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 or the International Financial Services Centres Authority (Fund Management) Regulations, 2022 or the International Financial Services Centres Authority's Circular, dated the 9th July, 2021 or the International Financial Services Centres Authority's Circular, dated the 27th April, 2022;

(s) the International Financial Services Centre Unit shall be registered under relevant regulation or circular of International Financial Services Centres Authority.

(2) The above provisions are subject to the following conditions, namely:-

(a) The payee shall –

- (i) furnish a statement-cum-declaration in Form No.1(N) annexed to this notification (hereinafter referred to as the said Form) to the payer giving details of the twenty consecutive tax years for which the payee opts for claiming deduction under section 147 of the said Act; and

(ii) such statement-cum-declaration shall be furnished and verified in the manner prescribed in the said Form, for each tax year out of twenty consecutive tax years for which the payee opts for claiming deduction under section 147 of the said Act.

(b) The payer shall –

(i) not deduct tax on payment made or credited to payee after the date of receipt of copy of statement- cum- declaration in the said Form from the payee; and

(ii) also furnish the particulars of all the payments made to payee on which tax has not been deducted in pursuance of this notification in the statement of deduction of tax referred to in section 397(3)(b) of the said Act read with rule 219 of the Income-tax Rules, 2026.

(3) The above relaxation shall be available to the payee only during the said twenty consecutive tax years as declared by the payee in the said Form for which deduction under section 147 is being opted and the payer shall be liable to deduct tax on payments as referred above for any other year.

3. 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 they shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies.

4. This notification shall be deemed to have come into force on the 1st day of April, 2026.

FORM No. 1(N)

Statement-cum-declaration to be furnished by a Unit of International Financial Services Centre (payee) to the payer

<table>
<tr><th colspan="5">PART-A</th></tr>
<tr><td>1.</td><td colspan="2">Name</td><td colspan="2">(refer Note 1)</td></tr>
<tr><td>2.</td><td colspan="2">PAN</td><td colspan="2"></td></tr>
<tr><td>3.</td><td colspan="2">Name of the unit located in IFSC</td><td colspan="2">(refer Note 1)</td></tr>
<tr><td>4.</td><td colspan="2">Address of the unit located in IFSC</td><td colspan="2">(refer Note 2)</td></tr>
<tr><td>5.</td><td colspan="2">Contact number</td><td>Country Code</td><td>Number</td></tr>
<tr><td>6.</td><td colspan="2">Email ID</td><td colspan="2"></td></tr>
<tr><td>7.</td><td colspan="2">Tax year</td><td colspan="2">YYYY-YY</td></tr>
<tr><th colspan="5">PART-B</th></tr>
<tr><td rowspan="3">8.</td><td colspan="4">For the purposes of determining “relevant tax year”, the details of permission or registration obtained</td></tr>
<tr><td>(i)</td><td>Permission or Registration Obtained under

(select one)</td><td colspan="2">(a) section 23(1)(a) of the Banking Regulation Act, 1949 (10 of 1949); or
(b) the Securities and Exchange Board of India Act, 1992 (15 of 1992); or
(c) the International Financial Services Centre Authority Act, 2019 (50 of 2019); or
(d) any other relevant law as mentioned in section 147 of the Income-tax Act, 2025 (30 of 2025).</td></tr>
<tr><td>(ii)</td><td>Authority</td><td colspan="2"></td></tr>
</table>

	(iii)	**Date**	*dd/mm/yyyy*
	(iv)	**Reference number**	
9.	**Period for which the deduction is opted to be claimed:**		
	(i)	**From tax year :**	
	(ii)	**To Tax year :**	
10.	**Initial tax year for which deduction was claimed**		*YYYY-YY*

Statement-cum-Declaration

I ....(name of the declarant) having Permanent Account Number ....in capacity as .... of ....(name of the payee), do hereby declare that the above-mentioned Unit is engaged in the business of ………………. and is eligible for deduction under section 147 of the Income-tax Act, 2025 (30 of 2025).

I further declare that the above-mentioned International Financial Services Centre Unit has opted to claim the said deduction for the period from the tax year………..to the tax 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 tax year .... in which this statement-cum- declaration is being submitted.

Verification

I..................... in capacity as.......... of.................... (name of the payee) do hereby certify that all the particulars furnished above are correct and complete.

Place: Signature of the declarant
Date: Name:
Designation:

[To be signed by a person competent to sign the return of income as provided in section 265 of the Income-tax Act, 2025 (30 of 2025)].

Note:-1. The name shall be provided in full.
Note:-2. The address shall contain (i) Country/Region, (ii) Flat/Door/Building, (iii) Road/Street/ Block/Sector, (iv) PIN/ZIP Code, (v) Post Office, (vi) Area/locality, (vii) District, (viii) State
Note:-3. Some of the information in the form would be pre-filled to the extent possible.

[Notification No. 80/2026/F.No. 275/19/2026-IT(B)]

RAJENDRA KUMAR MEENA, Under Secy.

Explanatory Memorandum: It is hereby certified that no person is being adversely affected by giving retrospective effect to this notification.

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