



Ensure Compliance Before Departure

Understanding the Income Tax Clearance Certificate (ITCC)



As per Section 230 of the Income Tax Act, 1961, an Income Tax Clearance Certificate (ITCC) is mandatory for non-residents who have earned income in India and are planning to leave the country. This certificate confirms that all tax liabilities have been settled.






Who Needs an ITCC?

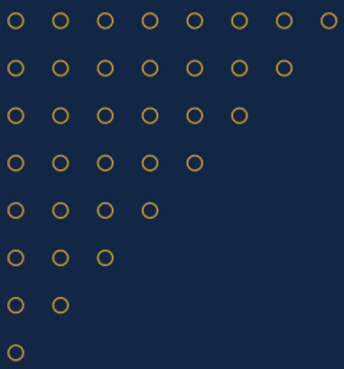
- **Non-Residents:** Individuals not domiciled in India who have visited for employment, business, or professional purposes and have derived income from Indian sources.

Application Process

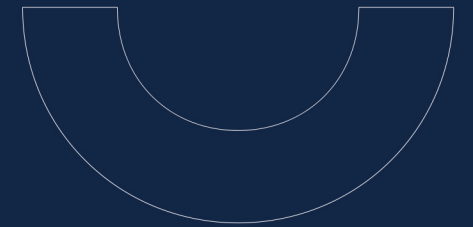
- **Submission of Form 30A:** The non-resident's employer or income provider must submit Form 30A, an undertaking to pay any taxes due by the non-resident.
- **Issuance of Form 30B:** Upon satisfactory review, the Income Tax Department issues the ITCC in Form 30B.

Required Documents

-  Passport
-  Visa
-  Form 30A
-  Proof of tax payment
-  Affidavit confirming no pending tax dues



Exceptions:



- **Tourists:** Individuals visiting India without any income from Indian sources are exempt.

- **Residents:** Generally not required to obtain an ITCC unless involved in serious financial irregularities or having outstanding tax arrears exceeding **₹10 lakhs** without any stay from authorities.

Recent Amendment:

Effective from October 1, 2024, the Finance (No. 2) Act, 2024, amended Section 230(1A) of the Income Tax Act to include liabilities under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. This means that individuals with obligations under the Black Money Act are now required to obtain an ITCC before leaving India.

Clarification:

The Ministry of Finance has clarified that the requirement for an ITCC remains unchanged since 2003. Only individuals involved in significant financial misconduct or with substantial unpaid tax liabilities are mandated to obtain this certificate before leaving India.

If you need assistance in obtaining an ITCC, **ASC Group** can help. Visit ascgroup.in for more information.

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