

Form No. 129: Application by a person for certificate for determination of tax deduction before payments to non-resident

Name of form as per I.T. Rules, 1962	Form No. 15E	Name of form as per I.T. Rules, 2026	Form No. 129
Corresponding section of I.T. Act, 1961	195(2), 195(7)	Corresponding section of I.T. Act, 2025	395(2), 400(3)
Corresponding Rule of I.T. Rules, 1962	29BA, 37BB	Corresponding Rule of I.T. Rules, 2026	214, 220

1. Purpose:

Form No.129 is an application filed by a person (the payer) responsible for making payment to a non-resident (not being a company) or to a foreign company (recipient) any sum (other than salary) requesting the Assessing Officer (AO) to issue a certificate under section 395(2), and 400(3) of the Income-tax Act, after determining the amount chargeable to tax in the case of the recipient and authorise the payer to deduct income-tax on such amount. Under section 395, TDS must be deducted at the prevailing rates on payments made to non-residents, however, the entire payment may not be taxable in India, or a lower tax rate might apply under a Double Taxation Avoidance Agreement (DTAA). Form No.129 allows the payer to apply to the AO to determine the taxable portion, thereby avoiding excessive TDS.

2. Who should file?

As per sections 395(2), and 400(3) read with Rule No. 220, Form No.129 can be filed by:

- i. Any person responsible for paying to a non-resident (not being a company) or to a foreign company, any sum/amount (other than salary) chargeable under the Act, who wishes to determine the amount of tax to be deducted on these payments before remittance.
- ii. Any person or class of persons notified by the CBDT under section 400(3), responsible for paying any sum (whether chargeable or not) to a non-resident (not being a company) or to a foreign company, for determination of tax liability before remittance.

3. Frequency & Due Dates:

Frequency	Due Date
Form No.129 is an event-based form and is required to be filed by the payer for tax determination on the remittance(s)	There is no time limit prescribed to submit Form No. 129. However, it should be filed before the remittance is done

The certificate issued remains valid for remittance specified.

The certificate issued under Form No. 129 is:

- i. Valid only for the specified non-resident recipient and
- ii. Valid for the period mentioned in the certificate.

4. Structure of Form:

Form No. No. 129 has following Parts:

Part A Particulars of the payer and payee:

Payer: Name, address, PAN, TAN, status, residential status, contact details.

Payee: Name, PAN, TIN, address in India and country of residence, contact details.

Part B Particulars of transaction:

Country to which remittance is made, details of remittance (nature, amount, proposed date), tax year, details of previous certificates u/s 395(2), tax payable, prepaid taxes of the recipient, existing liabilities of the recipient, DTAA applicable or not.

Part C Taxability under the provisions of the Income-tax Act, 2025 (if DTAA not applicable):

Nature of payment- business income, capital gains, royalty, FTS, interest income, dividend income or other payments under the Act, relevant section, taxable income, tax liability, TDS rate.

Part D Taxability under the Double Taxation Avoidance Agreement (DTAA)

DTAA applicable, TRC, Form No. 41, Nature of payment- business income, capital gains, royalty, FTS, interest income, dividend income or other payments under the DTAA, relevant article, taxable income, tax liability, TDS rate.

Part E Attachments:

- i. Relevant documents such as contract for sale of goods and/or provisions for services, computation of capital gains, share purchase agreement, bank payment, details of cost of acquisition, contract note, share certificate etc
- ii. Details of income of payee/recipient of preceding four tax years.
- iii. Computation of estimated income chargeable to tax and Tax Liability of the tax year
- iv. Copy of Tax Residency Certificate and
- v. Copy of Form No. 41
- vi. Documents in support of claim of applicability of sections 393(2) (Table: Sl. No.5)/393(2) (Table: Sl. No. 6 & 7) and 393(4) (Table: Sl. No. 5 & 13)/393(2) (Table: Sl. No. 2,3 & 4)
- vii. Note on business connection in India

- viii. Detailed note on reasons why the payment is not taxable in India as per the Act or as per the relevant DTAA, as the case may be
- ix. Detailed note on how the amount chargeable to tax (out of total amount of payment) has been determined along with its working and supporting documents, if any
- x. Any other documents in support of claim

Verification: Verification by the person filing the form.

5. Documents required:

- i. Relevant documents such as contract for sale of goods and/or provisions for services, computation of capital gains, share purchase agreement, bank payment, details of cost of acquisition, contract note, share certificate etc
- ii. Details of income of payee/recipient of preceding four tax years.
- iii. Computation of estimated income chargeable to tax and Tax Liability of the tax year
- iv. Copy of Tax Residency Certificate
- v. Copy of Form No. 41
- vi. Documents in support of claim of applicability of sections 393(2)/393(2) and 393(4)/393(2)
- vii. Note on business connection in India
- viii. Detailed note on reasons why the payment is not taxable in India as per the Act or as per the relevant DTAA, as the case may be
- ix. Detailed note on how the amount chargeable to tax (out of total amount of payment) has been determined along with its working and supporting documents, if any
- x. Any other documents in support of claim

6. Step-by-step process:

Step 1: Go to the TRACES website (www.tdscpc.gov.in) and login using your credentials

Step 2: After logging in, Go to 'Forms' tab and click on 'Request for Form No.129 covered u/s-195(2)' to initiate request.

Step 3: Fill in the details in Form No.129.

Step 4: Verify and submit the form using Digital Signature Certificate (DSC), Electronic Verification Code (EVC), Aadhaar-based authentication or Mobile OTP. DSC is mandatory for companies, LLPs, and other entities having a TAN-based login. Upon successful submission, a confirmation email & SMS shall be sent on your registered email & mobile number.

Step 5: Track status of the application via 'Track Request for Form No.129 covered u/s-195(2)' under the 'Statements/Forms' tab on TRACES portal.

Step 6: The application will be assigned to TDS AO in the International Taxation charges. The AO processes the application on the TRACES AO Portal. If the Assessing Officer (AO)

requires any clarifications or documents, the applicant is informed. Respond to the AO online through the TRACES portal and submit necessary details/clarification.

Step 7: After processing, the AO generates certificate electronically on the TRACES AO Portal. The generated certificates are available for download to the applicant. Onus of sharing the certificate to respective deductor(s) is on the applicant.

7. Withdrawal of Application in Form No. No.129:

An applicant can withdraw the Form No. 129 after filing at any time before the Assessing Officer (AO) passes an order on the application

8. Outcome of Form No. 129:

If the AO is satisfied with the application, a certificate is issued authorizing the applicant to pay the specified sums without TDS during the relevant tax year. But, if the applicant fails to meet eligibility or compliance criteria, the AO may reject the application, resulting in TDS under section 395(2) of the Income-tax Act

9. Common Changes made across Forms:

- i. To make forms system-friendly and enable e-filing and uploading, certain anomalies found due to grouping of name, address, PAN have been separated into different boxes.
- ii. Assessment/financial/previous year(s) have been replaced with tax year(s).
- iii. Sections and clauses have been changed as per the Income-tax Act, 2025.
- iv. Currency symbol "Rs." has been replaced with "₹".