

**FORM 154- Form of undertaking to be furnished under section 420(1)
of the Act**

Name of form as per I.T. Rules, 1962	Form 30A	Name of form as per I.T. Rules, 2026	154
Corresponding section of I.T. Act, 1961	230(1)	Corresponding section of I.T. Act, 2025	420(1)
Corresponding Rule of I.T. Rules, 1962	43	Corresponding Rule of I.T. Rules, 2026	228

A. PURPOSE

It is a form filed by a person not domiciled in India when leaving India. The form is an undertaking by employer/other person that they will pay any taxes arising on behalf of the person leaving India in respect of transactions with them. It is a requirement under Section 420(1) of the Income-tax Act, 2025 and prescribed in Rule 228 of Income-tax Rules, 2026.

B. WHO SHOULD FILE

The Form 154 is to be filed by taxpayer when leaving India, but is to be signed by

- (a) employer for his employee leaving India or
- (b) any other person transacting with or representing the person leaving India

The tax payer is the person not domiciled in India, who came in connection with business, profession or employment and who has income derived from any source in India.

C. FREQUENCY & DUE DATES

Filed when the assessee/person who is temporarily residing in India is leaving India. It is event-based and must be filed whenever the said taxpayer is leaving India.

D. STRUCTURE OF FORM -154

- o Details of employer/other person such as name, communication address, email, phone number etc.
- o Undertaking from the said employer/other person that they will pay any taxes arising on behalf of the person leaving India in respect of transactions with them
- o Information of the person leaving India such as name, PAN, Passport details

E. WHAT ARE THE DOCUMENTS REQUIRED TO FILE THE FORM 154?

- 1) Passport of the person leaving India
- 2) In absence of Passport, Emergency Certificate of the country issuing the same

F. FILING COUNT:

N.A. Being manual, centralised data is not available.

G. WHAT IS THE PROCESS FLOW OF FILING FORM 154?

The form is submitted manually by the person leaving India before the prescribed authority. This is generally attached to letter/mail requesting Tax Clearance Certificate

H. OUTCOME OF PROCESSED FORM 154

On processing of Form 154, Assessing Officer will issue Form 155 which is the Tax Clearance Certificate.

Outcome of Non-compliance: The Tax Clearance is to be submitted to the Immigration Officers if asked to do so. They will decide action as per their regulations, in case of non-compliance

I. BRIEF NOTE ON BROAD OR QUALITATIVE CHANGES PROPOSED

Key updates include the following

- The Form is bifurcated into Part A & Part B. Part A corporates the template containing the information of the employer/other person undertaking to pay the tax
- Part B contains the information of the person leaving India including Passport/Emergency Certificate details.

J. CHALLENGES AND SOLUTIONS

Since the undertaking is to be obtained from another party, it is going to be manual and thus, the form remains manual to enable easier filing

K. COMMON CHANGES MADE ACROSS FORMS

1. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form/Annexure.
2. Sections, Clauses and Schedules changes as per the Income-tax Act, 2025.