

FORM 159- Clearance Certificate under section 420(5) of the Act

Name of form as per I.T. Rules, 1962	Form 33	Name of form as per I.T. Rules, 2026	33
Corresponding section of I.T. Act, 1961	Proviso to 230(1A)	Corresponding section of I.T. Act, 2025	420(5)
Corresponding Rule of I.T. Rules, 1962	43	Corresponding Rule of I.T. Rules, 2026	228

A. PURPOSE

This form is Tax Clearance Certificate issued by the AO in response to application made in Form 158. It is a requirement under Section 420(5) of the Income-tax Act, 2025 and prescribed in Rule 228 of Income-tax Rules, 2026.

B. WHO SHOULD FILE

This is a form issued by the AO in response to Form 158 filed by the person leaving India.

C. FREQUENCY & DUE DATES

It is issued when Form 158 is filed. There is no statutory timeline for issue of the same and it is , as per the travel requirement of the taxpayer.

D. STRUCTURE OF FORM 159

- Details of the person leaving India including Name, PAN, Aadhar and Passport/Emergency Certificate Number details
- Validity of Certificate with respect to specified dates of travel

E. WHAT ARE THE DOCUMENTS REQUIRED TO FILE THE FORM 159

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Form 158 is required to be filed for issue of Form 159.

F. FILING COUNT

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

G. WHAT IS THE PROCESS FLOW OF FILING FORM 159?

The certificate is issued by Assing Officer through ITBA functionality.

H. OUTCOME OF PROCESSED FORM 159

This is a Tax Clearance Certificate which is specified as to be taken compulsorily for specific taxpayers, by the Assessing Officer. Thus, upon processing of Form 158, the certificate is issues in Form 159.

Consequences of Non-compliance: Without the requisite Tax Clearance Certificate as mandated by the department, the taxpayer cannot leave the country

I. BRIEF NOTE ON BROAD OR QUALITATIVE CHANGES PROPOSED

Key updates include the following

- For arrangements with regard to tax payment, along with Income Tax, Black Money Act is also specified as this is a direct tax administered by the department
- DIN Number inserted in the Form template to depict that it is issued on the ITBA by the Assessing Officer.

J. CHALLENGES AND SOLUTIONS

Earlier Form 158 which is the application for Tax Clearance Certificate was manual. Now, that is proposed to be e-Form and therefore, the same can be tagged with the Form 159 for data compilation

K. COMMON CHANGES MADE ACROSS FORMS

1. To make Forms system-friendly, certain anomalies found due to grouping of Name, Designation, Address, PAN have been separated into different boxes.
2. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form/Annexure.
3. Sections, Clauses and Schedules changes as per the Income-tax Act, 2025.