

## **Form 35 – Guidance Note**

### **Form of report of accountant to be furnished under section 147(4)(a)**

|                                                |                   |                                                |                  |
|------------------------------------------------|-------------------|------------------------------------------------|------------------|
| <b>Name of form as per I.T. Rules, 1962</b>    | <b>Form 10CCF</b> | <b>Name of form as per I.T. Rules, 2026</b>    | <b>35</b>        |
| <b>Corresponding section of I.T. Act, 1961</b> | <b>80LA(3)</b>    | <b>Corresponding section of I.T. Act, 2025</b> | <b>147(4)(a)</b> |
| <b>Corresponding Rule of I.T. Rules, 1962</b>  | <b>19AE</b>       | <b>Corresponding Rule of I.T. Rules, 2026</b>  | <b>69</b>        |

#### **Purpose :**

Form 35 is required to be filed along with the Return of Income by assessee availing deduction u/s 147 on income from Offshore Banking Units located in SEZs or from unit of an International Financial Services Centre. Form 35 is to be filed under Rule 69 of the Income tax Rules. The form should be verified by a chartered accountant.

#### **Who should file:**

An assessee being a scheduled or foreign bank and having an Offshore Banking Unit in a Special Economic Zone, or a Unit of an International Financial Services Centre availing deduction on its income should file this form.

#### **Due Date:**

Form 35 is required to be filed along with the Return of Income. Hence, the due date for filing return of income for the said assessee will be the due date to file this form.

#### **Structure of Form 35:**

- **Basic details** – Name, PAN, Tax Year
- **Details of the unit claiming deduction**– Name, address, Copy of permission obtained
- **Details of the deduction** – First year of deduction claim, gross income, income not received in convertible foreign exchange, expenses and net income

**What are the documents/information required to file Form 35?**

The following documents/information are required to file form 35:

1. Details of the unit claiming deduction
2. Copy of the permission(s) obtained under section 23(1)(a) of the Banking Regulation Act, 1949 or the International Financial Services Centres Authority Act, 2019 (50 of 2019).
3. Details of previous claims of deduction
4. Income (net of income not received in convertible foreign exchange) and expenses of the unit for the tax year of deduction claim

**What is the process flow of filing Form 35?**

The process flow includes the following steps:

1. Enter details of the unit claiming deduction.
2. Upload the copy of the permission(s) obtained under section 23(1)(a) of the Banking Regulation Act, 1949 or the International Financial Services Centres Authority Act, 2019 (50 of 2019).
3. Enter income, expense and deduction details.
4. Enter verification details
5. E-verify the Form 35 using DSC of chartered accountant

**Outcome of processed Form 35:**

The deduction on income from Offshore Banking Units is allowed based on details filed in Form 35.

**Common changes made across forms:**

1. Pre-filling of basic details such as Name, PAN and Tax Year etc. with option for the assessee to edit the same.
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 changed as per the Income-tax Act, 2025.
4. Currency symbol “Rs.” has been replaced with “₹”.