

FORM 42 – Application for Certificate of residence for the purposes of an agreement under section 159(1) and 159(2) of the Act

Name of form as per I.T. Rules, 1962	Form 10FA	Name of form as per I.T. Rules, 2026	42
Corresponding section of I.T. Act, 1961	90 and 90A	Corresponding section of I.T. Act, 2025	159(1) and(2)
Corresponding Rule of I.T. Rules, 1962	21AB(3)	Corresponding Rule of I.T. Rules, 2026	75(3)

A. PURPOSE

Form 42 is an application filed by the non-residents to obtain tax residency certificate in India from the income tax department for the purposes of section 159 of the Income-tax, Act, 2025. This tax residency certificate (TRC) thus, enables the taxpayers to fulfill requirements for tax claims in other countries under the Double Taxation Avoidance Agreements (DTAAs). It is prescribed under Rule 75(3) of the Income-tax Rules, 2026.

B. WHO SHOULD FILE

Any resident who claims tax residency in India and is required to file tax residency certificate to claim DTAA benefits or fulfill requirements in other countries

C. FREQUENCY & DUE DATES

There is no due date for filing of the form. It is to be filed as per the requirement of the taxpayer.

D. STRUCTURE OF FORM 42

- The first part requires details of the taxpayer such as name, PAN, communication address, email etc.
- The second part requires details of tax residency like period for which TRC is required, basis on which resident status is claimed, address during the period TRC is desired etc.
- The options are provided as to the documents to be uploaded with the Form
- The final part is the verification statement

E. WHAT ARE THE DOCUMENTS REQUIRED TO FILE FORM 42?

- 1) Personal documents such as PAN, Aadhar, TAN, Passport
- 2) For non-residents other than individuals, the document of registration/incorporation
- 3) Documents supporting any other details given in the Form that are to be uploaded

F. FILING COUNT

If average is taken for the past 5 years, the filing count is around 880 forms per year. However, there is an increasing trend seen with 3890 forms filed in the FY 2024-25 itself.

G. WHAT IS THE PROCESS FLOW OF FILING FORM 42?

1. Form 42 is to be filed through the e-filing portal of the income tax department by logging in through PAN based login id.
2. The form can be verified using an Electronic Verification Code generated through pre-validated bank account or demat account, through net banking or ATM (bank specific), Aadhaar based OTP or a Digital Signature Certificate (DSC), depending on the taxpayer's profile.

H. OUTCOME OF PROCESSED FORM 42

The processing of Form 42 results in issue of Form 43

Consequences of Non-compliance:

Taxpayer cannot obtain tax residency certificate in Form 43 in India without filing Form 42.

I. BRIEF NOTE ON BROAD OR QUALITATIVE CHANGES PROPOSED

- Part- A (particulars of the applicant) as a standard template and common verification statement are added.
- While the current electronic form allows documents to be uploaded to the Centralized Processing Center (CPC), specifying some of the common documents required by the Assessing Officer in the Annexure, provides clearer guidance to taxpayers regarding the kind of documents to enclose.

J. CHALLENGES AND SOLUTIONS

The time taken for receiving the tax residency certificate was a grievance that is sought to be addressed in the new form. List of some documents to be uploaded is given so that the taxpayer provides the basic documents that the Assessing Officers will require and generally called for later. This reduces time taken by the Assessing Officer to process the form. The revised Form 42 will be a smart one to enhance user experience and provide ease of filing through auto-population/pre-filing of relevant details using information available with the department wherever details are available

K. COMMON CHANGES MADE ACROSS FORMS

- 1) To make Forms system-friendly and enable e-filing and uploading, 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.
- 4) Common verification statement