Form No. 129 – Frequently Asked Questions

Form of application under section 393 of the Income-tax Act, 2025

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. What is Form No. 129?

Ans. Form No. 129 is an application filed by a payer requesting the Assessing Officer (AO) to determine the amount of tax chargeable on a payment to non-resident (not being a company) or to a foreign company and to issue a certificate authorizing the payer/applicant to deduct such tax at a lower or nil rate.

2. Who can file Form No. 129?

Ans. 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),

3. Is Form No. 129 mandatory?

Ans. No, it is not mandatory. However, it is the required if the payer wishes to deduct tax at a rate lower than the rates prescribed by the Income-tax Act, 2025.

4. What is the time limit for filing Form No. 129?

Ans. There is no specific time limit prescribed; however, Form No. 129 must be filed before the remittance is made outside India.

5. How many times can Form No. 129 be filed in a year?

Ans. There is no limit for filing of Form No. 129 in a year. As Form No.129 is an event-based form, it is required to be filed before remittance, if the payer wishes to deduct tax at a rate lower than the rates prescribed by the Income-tax Act, 2025.

6. What documents are required to file Form No. 129?

Ans. Documents required are:

i. Contracts/agreements (e.g. sale purchase, service agreements)

ii. Details of income of payee/recipient of preceding four tax years (if available)
iii. Computation of estimated income chargeable to tax and tax liability of the tax year
iv. Tax Residency Certificate and Form No. 41 of the recipient.

7. How can I file Form No. 129?

Ans. Form No. 129 can be filed online on the TRACES website (www.tdscpc.gov.in).

8. Can Form No. 129 be filed offline?

Ans. No. Form No. 129 cannot be filed offline.

9. How do I e-Verify Form No. 129?

Ans: Form no. 129 can be verified e-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.

10. How do I know that the form has been successfully submitted?

Ans: Once successfully submitted and verified, an acknowledgement number and transaction ID is generated and the applicant receives a confirmation message via email and SMS.

11. How can I track the status of my Form No. 129 application?

Ans. Applicants can track their request using the "Track Request for Form 129 covered u/s-195(2)" tab under the Statements/Forms section of the TRACES portal.

12. Can the applicant withdraw Form No. 129 after filing?

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

13. What is the outcome of Form No. 129?

Ans. If the applicant meets the eligibility or compliance criteria, the Assessing Officer will electronically generate a certificate on the TRACES portal authorizing the payer to deduct tax at the determined lower or nil rate. But, if the applicant fails to meet eligibility or compliance criteria, the AO may reject the application, and then the payer is required to deduct tax as per section 395(2) of the Income-tax Act, 2025.

14. What is the validity of the certificate issued by the AO?

Ans. The certificate issued by the Assessing Officer remains valid for the specified tax year, unless cancelled earlier.

15. Why is Form No. 129 important?

Ans. It is important because it prevents excessive tax deduction (TDS) on payments to non-residents by allowing the AO to determine the actual taxable portion under the Income-tax Act, 2025, or applicable Double Taxation Avoidance Agreements (DTAA).