

Form 162 – Frequently Asked Questions

Annual Statement under section 505 of the Act

Name of form as per I.T. Rules, 1962	Form 49C	Name of form as per I.T. Rules, 2026	162
Corresponding section of I.T. Act, 1961	285	Corresponding section of I.T. Act, 2025	505
Corresponding Rule of I.T. Rules, 1962	114DA	Corresponding Rule of I.T. Rules, 2026	234

1. What is Form 162?

Ans: Form 162 serves as an annual statement mandated under Section 505 of the Income Tax Act, 2025, for non-resident entities maintaining a liaison office in India. It is to be filed under Rule 234. The form provides detailed information about the activities and operations of the liaison office during a specific financial year.

2: Who should file Form 162?

Ans: Non-resident entities that have established a liaison office in India in accordance with the guidelines issued by the Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 (FEMA).

3: Is Form 162 mandatory?

Ans: Yes, Form 162 is mandatory.

4: What is the time limit for filing Form 162?

Ans: Form 162 must be filed within 8 months from the end of the tax year.

5: How many times can Form 162 be filed in a year?

Ans: Form 162 must be filed once in a tax year.

6: What documents are required to file Form 162?

Ans: Following documents may be required for filing Form 162:

- Communication addresses, emails, phone nos.
- The certified Annual Activity Certificate (AAC) from a Chartered Accountant verifying that the Liaison Office's activities during the year were in line with RBI's approval.
- Details of agents, distributors, and others representing the non-resident in India.
- RBI approval documentation: registration number of LO, date of opening, etc.
- Details of employees in India, salary/outside India or payments for services in India.
- Audited financial statements of the Liaison Office (and possibly of the parent entity or group) with relevant India-specific receipts/income/expenses.
- Details of Indian parties (customers, suppliers) with whom transactions undertaken
- PAN of Indian parties, addresses of offices in India, registration numbers.

7: Can I edit Form 162 after submission?

Ans: No. Once Form 162 is submitted and acknowledgment is generated, it cannot be edited. Ensure all details are correct before submission.

8: Do I need to attach proof of tax payment?

Ans: No. Form 162 does not require any proof of tax payment.

9: While filling Part A, can I leave Aadhaar or mobile number blank?

Ans:

- Not relevant, as Aadhar is no longer part of Part A information.
- Contact details will help faster communication and it is recommended to provide it.

10: What if I do not have a PAN?

Ans: Form 162 cannot be submitted without a valid PAN.

11: Can Form 162 be filed offline?

Ans: No. Form 162 can only be submitted online through the Income Tax e-Filing portal.

12. What is the process flow of filing Form 162?

Ans: The process flow for filing Form 162 includes following steps

1. Preparation:

- Gather all necessary financial documents, including balance sheets, profit & loss accounts, and details of activities undertaken.
- Ensure compliance with RBI and FEMA guidelines.
- Digital signature for authorized signatory.

2. Filing:

- Form 162 must be filed electronically through the e-filing portal of the Income Tax Department.
- The statement should be digitally signed by the authorized signatory of the

13: Why is Form 162 important?

Ans: Filing Form 162 enables the non-resident entities maintaining a liaison office in India, to provide detailed information about the activities and operations of the liaison office during a specific tax year. This is mandatory for non-resident entities registered as liaison office in India, for the business activities not to be considered as business connection in India. Further, it is also supporting evidence for RBI's annual renewal or closure applications of the Liaison Office and is a record for the parent company's statutory filings or audits abroad (especially where India reporting is required)

Failure to file Form 162 or adhere to the prescribed timelines can lead to:

- Levy of Penalty under Section 460 of the Income-tax Act, 2025.
- Revocation of the liaison office's permission by the RBI.
- Other appropriate action related to assessment of income and other measures under the Income-tax Act, 2025