

Form 38 – Frequently Asked Questions

Certificate of foreign inward remittance

Name of form as per I.T. Rules, 1962	Form 10H	Name of form as per I.T. Rules, 2026	38
Corresponding section of I.T. Act, 1961	80QQB(4)	Corresponding section of I.T. Act, 2025	152(6)
Corresponding Rule of I.T. Rules, 1962	29A	Corresponding Rule of I.T. Rules, 2026	72

1. What is Form 38?

Form 38 is required to be filed along with the Return of Income by an assessee for foreign inward remittance to claim deduction under sections 151 or 152 of the Income-tax Act, 2025. The maximum deduction that can be availed under this section is Rs. 3 lakhs. The form is to be certified by the Bank manager of the bank which received foreign income in the nature of royalty.

2. Who should file Form 38?

An individual, resident in India, being an author or a patentee, who derives royalty income from authoring certain books or in respect of a patent registered under the Patent Act, 1970 claiming deduction u/s 151 or 152 of the Income-tax Act, 2025 should file Form 38.

3. What is the Due Date to file Form 38?

Form 38 is required to be filed along with the Return of Income. Hence, the due date for filing return of income for individuals will be the due date to file this form.

4. Why is Form 38 important?

The deduction on royalty income, subject to maximum of Rs. 3 lakhs in a financial year, is allowed based on details filed in Form 38 along with Form 36 or Form 37. The Form proves that foreign royalty income was brought into India within 6 months from the end of the tax year or such time as allowed, as mandated by the provisions of Section 151 and 152 for claim of deduction.