

Frequently Asked Questions (FAQs)

Form No. 49 (Merged form of erstwhile Forms 3CEFA, 3CEFB and 3CEFC)

Application for opting for Safe Harbour under section 167 of the Income-tax Act, 2025

Name of form as per I.T. Rules, 1962	Forms 3CEFA, 3CEFB and 3CEFC	Name of form as per I.T. Rules, 2026	Form No. 49
Corresponding section of I.T. Act, 1961	92CB	Corresponding section of I.T. Act, 2025	167
Corresponding Rule of I.T. Rules, 1962	10TA to 10TIC	Corresponding Rule of I.T. Rules, 2026	86 to 102

1. What is Form No. 49?

Ans: Form No. 49 is a prescribed e-form to opt for Safe Harbour under section 167 of the Income-tax Act, 2025 read with rules 86 to 102 of the Income-tax Rules, 2026. The form is a merged and simplified version of the erstwhile Forms 3CEFA, 3CEFB and 3CEFC.

2. Why have Forms 3CEFA, 3CEFB and 3CEFC been merged into a single form?

Ans: The three forms have been merged to simplify compliance, reduce duplication, and enable a unified, system-driven (smart) e-form. The merged form allows an assessee to opt for Safe Harbour for eligible international transaction (EIT), eligible specified domestic transaction (ESDT) and/or eligible business (EB) through a single application.

3. Who is required to file Form No. 49?

Ans: All eligible assessee as per Rule 87/95/99(c), intending to opt for Safe Harbour shall file the Form No. 49 for the relevant tax year with respect to:

- i. EIT as per Rule 88, and/or
- ii. ESDT as per Rule 96, and/or
- iii. EB as per Rule 99(d).

4. Is filing of Form No. 49 mandatory?

Ans: No. Filing of Form No. 49 is required only if an eligible assessee intends to opt for the Safe Harbour provisions.

5. What is the due date for filing Form No. 49?

Ans: While Form No. 49 is generally filed for a relevant tax year, for EIT of provision of information technology services, it can be filed for the relevant tax years up to 30th June of the financial year immediately succeeding the first tax year out of a period of five consecutive tax

years. For other eligible transactions, the due date remains on or before the due date specified in section 263(1)(b). However, the return of income for the relevant tax year is to be furnished on or before the date of furnishing the form.

6. How can Form No. 49 be filed?

Ans: Form No. 49 can be filed electronically through the Income-tax e-filing portal using the assessee's user ID and password.

7. Can Form No. 49 be filed offline?

Ans: No. Form No. 49 is an electronic form and can be filed only in online mode through the e-filing portal.

8. What are the main parts of Form No. 49?

Ans: Form No. 49 consists of the two main parts:

- **PART A:** Particulars of the person (basic information).
- **PART B:** Other Information consisting of five sub-items: Option for Safe Harbour, Tax Year(s), Eligible International Transaction (EIT), Eligible Specified Domestic Transaction (ESDT), and Eligible Business (EB).

9. Can an assessee fill more than one part of the form?

Ans: Depending upon eligibility, an assessee can opt for Safe Harbour for one or more of the following:

- i. Eligible International Transaction (EIT),
- ii. Eligible Specified Domestic Transaction (ESDT), and/or
- iii. Eligible Business (EB).

The form is a smart form and only the relevant part(s) of the form will be displayed electronically, depending upon the option(s) selected by the applicant.

10. What are the eligible international transactions?

Ans: Eligible international transactions specified under rule 88 includes:

- (a) provision of information technology services consisting of any one or more of the following:—
 - (i) provision of software development services;
 - (ii) provision of information technology enabled services;
 - (iii) provision of knowledge process outsourcing services;
 - (iv) provision of contract research and development services wholly or partly relating to software development with insignificant risk, to a non-resident associated enterprise;
- (b) advance of intra-group loan;
- (c) provision of corporate guarantee, where the amount guaranteed, —
 - (i) does not exceed one hundred crore rupees; or

- (ii) exceeds one hundred crore rupees, and the credit rating of the associated enterprise, done by an agency registered with the Securities and Exchange Board of India, is of the adequate to highest safety;
- (d) provision of contract research and development services wholly or partly relating to generic pharmaceutical drugs with insignificant risk, to a non-resident associated enterprise;
- (e) manufacture and export of core auto components;
- (f) manufacture and export of non-core auto components; or
- (g) receipt of low value-adding intra-group services from one or more members of its group; or
- (h) provision of the data centre services.

11. Can details of multiple associated enterprises (AEs) be reported in the form?

Ans: Yes. For each eligible transaction, details of one or more associated enterprises can be furnished by adding multiple rows in the relevant tables.

12. Is it mandatory to provide Taxpayer Identification Number (TIN) of the associated enterprise?

Ans: Yes. TIN of the associated enterprise (AE) in the country or territory of residence is a mandatory field. PAN of AE may be provided where available.

13. Are transactions with AEs located in no-tax or low-tax jurisdictions eligible for Safe Harbour?

Ans: No. If the associated enterprise is located in a country or territory notified as no-tax or low-tax jurisdiction or notified under section 176 of the Income-tax Act, 2025, Safe Harbour is not available for such transaction(s).

14. What additional details are required for EIT being ‘advance of intra-group loans’?

Ans: Additional details such as denomination of loan, amount, currency, interest rate, credit rating are required to be furnished. Also, if the loan is in foreign currency, whether the loan advanced to the AE including all loans to all AEs exceed Rs. 250 crore as on 31st March of the tax year to be indicated through ‘Yes’ or ‘No’.

15. What additional details are required for EIT being ‘provision of corporate guarantee’?

Ans: Additional details such rate of commission or fee charged and amount of corporate guarantee to be provided. Also, whether the amount guaranteed exceeds Rs. 100 crore to be indicated through ‘Yes’ or ‘No’.

16. When is credit rating mandatory for intra-group loans and corporate guarantees?

Ans: Credit rating is required in accordance with the circumstances specified under Rule 89(2). In case of corporate guarantees exceeding INR 100 crore, credit rating by a SEBI-registered agency is mandatory.

17. What additional details are required for EIT being ‘receipt of low value-adding intra-group services’?

Ans: Additional details such amount of EIT excluding mark-up, mark-up, amount of EIT including mark-up and details of certificate of accountant to be provided. Also, certificate of the accountant to be uploaded as Annexure.

18. Who is eligible assessee for Eligible Specified Domestic Transaction (ESDT)?

Ans: The “eligible assessee” means a person who has exercised a valid option for application of safe harbour rules in accordance with the provisions of Rule 97, and:

- i. is a government companies engaged in generation, supply, transmission or distribution of electricity, or
- ii. is a co-operative society engaged in procuring and marketing milk and milk products.

19. Who is eligible assessee for Eligible Business (EB)?

Ans: Eligible assessee for Eligible Business (EB) means:—

- (i) a foreign company engaged in the business of diamond mining which has exercised an option for application of safe harbour rules in accordance with Rule 100; or
- (ii) a foreign company who stores components in a warehouse in a custom bonded area for providing them to a contract manufacturer to be used for manufacturing of specified electronic goods.

20. What is eligible business for safe harbour rules?

Ans: Eligible Business (EB) means:—

- (i) a business of selling raw diamonds in any notified special zone as referred under section 9(8)(c)(ii)(C); or
- (ii) the business activity of storage of components in a warehouse in a custom bonded area for sale to a contract manufacturer to be used for manufacturing of specified electronic goods.

21. What are raw diamonds?

Ans: Raw diamonds mean diamonds that are, –

- (i) uncut or unpolished;
- (ii) unassorted;
- (iii) unworked or simply sawn, cleaved or bruted;
- (iv) not conflict diamonds as defined by the Kimberley Process;
- (v) accompanied by Kimberley Process Certificate issued by the Kimberley Process
- (vi) authority in the exporting country; and falling under Tariff Heading 7102 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

22. What are specified electronic goods?

Ans: Specified electronic goods mean:—

- (i) mobile phones;
- (ii) laptops, all-in-one personal computers and tablets;
- (iii) servers and ultra small form factor (USSF);
- (iv) sub-assemblies to the finished goods mentioned above; or
- (v) hearables and wearables and accessories related to the finished goods mentioned above.

23. What happens if profits of the eligible business are less than the prescribed threshold?

Ans: If the profits and gains of the eligible business are less than the threshold mentioned in Rule 100, the assessee is not eligible for Safe Harbour.

24. What information/document is required for filing Form No. 49?

Ans: The following information/document is required for filing Form No. 49:

- i. Documentation prescribed under section 171 of the Income-tax Act, 2025 and Rule 89 of the Income-tax Rules, 2026.
- ii. Report from an accountant under section 172 of the Income-tax Act, 2025 and Rule 90 of the Income-tax Rules, 2026.
- iii. Chartered Accountant's certificate – If the eligible assessee has entered into any international transaction in respect of receipt of low value-adding intra-group services, the method of cost pooling, the exclusion of shareholder costs and duplicate costs from the cost pool and the reasonableness of the allocation keys used for allocation of costs to the assessee by the overseas associated enterprise is to be certified by an accountant.
- iv. Credit rating of AE if an eligible assessee has advanced intra-group loans or provided corporate guarantee, wherever applicable.

25. How is Form No. 49 verified?

Ans: Form No. 49 is required to be e-verified using the prescribed modes such as Digital Signature Certificate (DSC) or Electronic Verification Code (EVC), as applicable.
