

- 87.** In section 196A of the Income-tax Act, in sub-section (1),—
- Amendment
of section
196A.
- (a) for the words “of the Unit Trust of India”, the words, brackets and figures “from the specified company referred to in the *Explanation* to clause (35) of section 10” shall be substituted;
- (b) for the words “in cash or by the issue of a cheque or draft or by any other mode”, the words “by any mode” shall be substituted;
- (c) the proviso shall be omitted.
- 88.** In section 196C of the Income-tax Act,—
- Amendment
of section
196C.
- (a) for the words “in cash or by the issue of a cheque or draft or by any other mode”, the words “by any mode” shall be substituted;
- (b) the proviso shall be omitted.
- 89.** In section 196D of the Income-tax Act, in sub-section (1),—
- Amendment
of section
196D.
- (a) for the words “in cash or by the issue of a cheque or draft or by any other mode”, the words “by any mode” shall be substituted;
- (b) the proviso shall be omitted.
- 90.** In section 197 of the Income-tax Act, in sub-section (1), for the figures and letter “194M”, the figures and letters “194M, 194-O” shall be substituted.
- Amendment
of section
197.
- 91.** In section 197A of the Income-tax Act, for sub-section (1F), the following sub-section shall be substituted, namely:—
- Amendment
of section
197A.
- “(1F) Notwithstanding anything contained in this Chapter, no deduction of tax shall be made, or deduction of tax shall be made at such lower rate, from such payment to such person or class of persons, including institution, association or body or class of institutions, associations or bodies, as may be notified by the Central Government in the Official Gazette, in this behalf.”.
- 92.** Section 203AA of the Income-tax Act shall be omitted with effect from the 1st day of June, 2020.
- Omission of
section
203AA.
- 93.** In section 204 of the Income-tax Act, after clause (iv) and before the *Explanation*, the following clause shall be inserted, namely:—
- Amendment
of section
204.
- “(v) in the case of a person not resident in India, the person himself or any person authorised by such person or the agent of such person in India including any person treated as an agent under section 163.”.
- 94.** In section 206AA of the Income-tax Act, in sub-section (1), the following proviso shall be inserted, namely:—
- Amendment
of section
206AA.
- ‘Provided that where the tax is required to be deducted under section 194-O, the provisions of clause (iii) shall apply as if for the words “twenty per cent.”, the words “five per cent.” had been substituted.’.
- 95.** In section 206C of the Income-tax Act with effect from the 1st day of October, 2020,—
- Amendment
of section
206C.
- (1) after sub-section (1F), the following sub-sections shall be inserted, namely:—
- ‘(1G) Every person,—
- (a) being an authorised dealer, who receives an amount, for remittance out of India from a buyer, being a person remitting such amount out of India under the Liberalised Remittance Scheme of the Reserve Bank of India;

(b) being a seller of an overseas tour programme package, who receives any amount from a buyer, being the person who purchases such package,

shall, at the time of debiting the amount payable by the buyer or at the time of receipt of such amount from the said buyer, by any mode, whichever is earlier, collect from the buyer, a sum equal to five per cent. of such amount as income-tax:

Provided that the authorised dealer shall not collect the sum, if the amount or aggregate of the amounts being remitted by a buyer is less than seven lakh rupees in a financial year and is for a purpose other than purchase of overseas tour programme package:

Provided further that the sum to be collected by an authorised dealer from the buyer shall be equal to five per cent. of the amount or aggregate of the amounts in excess of seven lakh rupees remitted by the buyer in a financial year, where the amount being remitted is for a purpose other than purchase of overseas tour programme package:

Provided also that the authorised dealer shall collect a sum equal to one half per cent. of the amount or aggregate of the amounts in excess of seven lakh rupees remitted by the buyer in a financial year, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E, for the purpose of pursuing any education:

Provided also that the authorised dealer shall not collect the sum on an amount in respect of which the sum has been collected by the seller:

Provided also that the provisions of this sub-section shall not apply, if the buyer is,—

(i) liable to deduct tax at source under any other provision of this Act and has deducted such amount;

(ii) the Central Government, a State Government, an embassy, a High Commission, a legation, a commission, a consulate, the trade representation of a foreign State, a local authority as defined in the *Explanation* to clause (20) of section 10 or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

Explanation.—For the purposes of this sub-section,—

(i) “authorised dealer” means a person authorised by the Reserve Bank of India under sub-section (1) of section 10 of the Foreign Exchange Management Act, 1999 to deal in foreign exchange or foreign security;

42 of 1999.

(ii) “overseas tour program package” means any tour package which offers visit to a country or countries or territory or territories outside India and includes expenses for travel or hotel stay or boarding or lodging or any other expenditure of similar nature or in relation thereto.

(1H) Every person, being a seller, who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, other than the goods being exported out of India or goods covered in sub-section (1) or sub-section (1F) or sub-section (1G) shall, at the time of receipt of such amount, collect from the buyer, a sum equal to 0.1 per cent. of the sale consideration exceeding fifty lakh rupees as income-tax:

Provided that if the buyer has not provided the Permanent Account Number or the Aadhaar number to the seller, then the provisions of clause (ii) of sub-section (I) of section 206CC shall be read as if for the words “five per cent.”, the words “one per cent.” had been substituted:

Provided further that the provisions of this sub-section shall not apply, if the buyer is liable to deduct tax at source under any other provision of this Act on the goods purchased by him from the seller and has deducted such amount.

Explanation.—For the purposes of this sub-section,—

(a) “buyer” means a person who purchases any goods, but does not include,—

(A) the Central Government, a State Government, an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State; or

(B) a local authority as defined in the *Explanation* to clause (20) of section 10; or

(C) a person importing goods into India or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein;

(b) “seller” means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the sale of goods is carried out, not being a person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.’;

(I-I) If any difficulty arises in giving effect to the provisions of sub-section (IG) or sub-section (IH), the Board may, with the approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

(I-J) Every guideline issued by the Board under sub-section (I-I) shall be laid before each House of Parliament, and shall be binding on the Income-tax authorities and on the person liable to collect the sum.

(II) in sub-section (2), for the words, brackets, figures and letter “sub-section (I) or sub-section (IC)”, the words “this section” shall be substituted;

(III) in sub-section (3), for the words, brackets, figures and letter “sub-section (I) or sub-section (IC)”, the words “this section” shall be substituted;

(IV) in sub-section (6A), in the first proviso, for the words “in accordance with the provisions of this section”, the words, brackets, figures and letter “in accordance with the provisions of sub-section (I) and sub-section (IC)” shall be substituted;

(V) in the *Explanation*, in clause (c),—

(i) for the word “means”, the words, brackets, figures and letter “with respect to sub-section (I) and sub-section (IF) means” shall be substituted;

(ii) for the words, brackets, letters and figures “the monetary limits specified under clause (a) or clause (b) of section 44AB”, the words “one crore rupees in case of business or fifty lakh rupees in case of profession” shall be substituted.