

DOUBLE TAXATION AVOIDANCE AGREEMENT (DTAA):

Double Taxation Avoidance Agreement (DTAA) is an agreement between two countries/territories with an objective to avoid double taxation on the same declared asset in two different countries/territories. DTAA is defined under Section 90 & 90A of the Income Tax Act, 1961. Under the current DTAA provisions an NRI customer can enjoy reduced rate of Tax Deducted at Source (TDS) on interest paid/credit in NRO rupee deposits in India.

DOCUMENTS REQUIRED:

The following documents are to be submitted by the NRI depositor to avail benefit of lower rate of TDS under DTAA:

- Form 10F ([Click to download format](#))
- Tax Residency Certificate (TRC) in original ([Click to download application format](#))
- Self Declaration from NRI ([Click to download format](#))
- Self attested copy of PAN Card
- Self attested copy of Passport and VISA/PIO Card

All the above documents are mandatory to avail benefit of reduced rate of TDS under DTAA.

HOW TO OBTAIN TRC:

NRI customer should approach the Tax / Government Authorities of the country/territory where he/she is resident to obtain the TRC ([download application format of TRC](#)). They may also check with their Tax Consultant in their country / territory of residence on the procedure to obtain the same. Format for applying for TRC in your country/territory of residence is being provided to you by the Bank for your convenience so that you do not miss out any of the mandatory details required to be mentioned in the TRC. You should check in your country/territory of residence if there is any format prescribed for applying for a TRC and use the same instead of the above letter format.

IMPORTANT :

Kindly note that **no other document is acceptable in lieu of Tax Residency Certificate (TRC) to avail benefit of reduced rate of TDS under DTAA.** A fresh tax declaration (i.e. DTAA Annexure and Form 10F) and TRC has to be submitted to the bank upon the expiry of the period for which DTAA rate is being applied for the NRO deposits. The DTAA rate will be applicable for the period mentioned on the Tax Residency Certificate (TRC).



Withholding tax rates 2016 as per Finance Act 2016

Sr No	Country	Dividend (not being covered under Section 115-O)	Interest	Royalty	Fee for Technical Services
1	Albania	10%	10%[Note1]	10%	10%
2	Armenia	10%	10% [Note1]	10%	10%
3	Australia	15%	15%	10%/15%	10%/15%
				[Note 2]	[Note 2]
4	Austria	10%	10% [Note1]	10%	10%
5	Bangladesh	a) 10% (if at least 10% of the capital of the company paying the dividend is held by the recipient company);	10% [Note1]	10%	No separate provision
		b) 15% in all other cases			
6	Belarus	a) 10%, if paid to a company holding 25% shares;	10% [Note1]	15%	15%
		b) 15%, in all other cases			
7	Belgium	15%	15% (10% if loan is granted by a bank)	10%	10%
8	Bhutan	10%	10% [Note 1]	10%	10%
9	Botswana	a) 7.5%, if shareholder is a company and holds at least 25% shares in the investee-company;	10% [Note1]	10%	10%
		b) 10%, in all other cases			
10	Brazil	15%	15% [Note1]	a) 25% for use of trademark;	15%
				b) 15% for others	
11	Bulgaria	15%	15% [Note1]	a) 15% of royalty relating to literary, artistic, scientific works other than films or tapes used for radio or television broadcasting;	20%
				b) 20%, in other cases	
12	Canada	a) 15%, if at least 10% of the voting powers in the company, paying the dividends, is controlled by the recipient company;	15% [Note1]	10%-15%	10%-15%
		b) 25%, in other cases			
13	China	10%	10% [Note1]	10%	10%
14	Columbia	5%	10% [Note1]	10%	10%
15	Croatia	a) 5% (if at least 10% of the capital of the company paying the dividend is held by the recipient company);	10% [Note1]	10%	10%
		b) 15% in all other cases			
16	Cyprus	a) 10%, if at least 10% of the capital of the company paying dividend is held by the recipient company;	10% [Note1]	15%	15%/10%
		b) 15%, in all other cases			
17	Czech republic [Note5]	10%	10% [Note1]	10%	10%
18	Denmark	a) 15%, if at least 25% of the shares of the company paying the dividend is held by the recipient company;	a) 10% if loan is granted by bank;	20%	20%
		b) 25%, in other cases	b) 15% for others [Note1]		
19	Estonia	10%	10% [Note1]	10%	10%
20	Ethiopia	7.50%	10% [Note1]	10%	10%
21	Finland	10%	10% [Note1]	10%	10%
22	Fiji	5%	10% [Note 1]	10%	10%

23	France	10%	10% [Note1]	10%	10%
24	Georgia	10%	10% [Note1]	10%	10%
25	Germany	10%	10% [Note1]	10%	10%
26	Hungary	10%	10% [Note1]	10%	10%
27	Indonesia	10%	10% [Note1]	10%	10%
28	Iceland	10%	10% [Note1]	10%	10%
29	Ireland	10%	10% [Note1]	10%	10%
30	Israel	10%	10% [Note1]	10%	10%
31	Italy	a) 15% if at least 10% of the shares of the company paying dividend is beneficially owned by the recipient company;	15% [Note1]	20%	20%
		b) 25% in other cases			
32	Japan	10%	10% [Note1]	10%	10%
33	Jordan	10%	10% [Note1]	20%	20%
34	Kazakhstan	10%	10% [Note1]	10%	10%
35	Kenya	15%	15% [Note1]	20%	17.50%
36	Korea	a) 15%, if at least 20% of the capital of the company paying dividend is held by the recipient company;	a) 10%, if interest is paid to a bank;	15%	15%
		b) 20%, in other cases	b) 15%, for others		
			[Note1]		
37	Kuwait	10% [Note 1]	10%	10%	10%
38	Kyrgyz Republic	10%	10% [Note1]	15%	15%
39	Latvia	10%	10% [Note1]	10%	10%
40	Lithuania	5%*, 15%	10% [Note1]	10%	10%
41	Luxembourg	10%	10% [Note1]	10%	10%
42	Malaysia	5%	10% [Note1]	10%	10%
43	Malta	10%	10% [Note1]	10%	10%
44	Mongolia	15%	15% [Note1]	15%	15%
45	Mauritius	a) 5%, if at least 10% of the capital of the company paying the dividend is held by the recipient company;	No Rates Specified	15%	No separate provision
		b) 15%, in other cases			
46	Montenegro	5% (in some cases 15%)	10% [Note1]	10%	10%
47	Myanmar	5%	10% [Note1]	10%	No separate provision
48	Morocco	10%	10% [Note1]	10%	10%
49	Mozambique	7.50%	10% [Note1]	10%	No separate provision
50	Macedonia	10%	10% [Note 1]	10%	10%
51	Namibia	10%	10% [Note1]	10%	10%
52	Nepal	5%** , 10%	10% [Note1]	15%	No separate provision
53	Netherlands	10%	10% [Note1]	10%	10%
54	New Zealand	15%	10% [Note1]	10%	10%
55	Norway	10%	10% [Note1]	10%	10%
56	Oman	a) 10%, if at least 10% of shares are held by the recipient company;	10% [Note1]	15%	15%
		b) 12.5%, in other cases			
57	Philippines	a) 15%, if at least 10% of the shares of the company paying the dividend is held by the recipient company;	a) 10%, if interest is received by a financial institution or insurance company;	15% if it is payable in pursuance of any collaboration agreement approved by the Government of India	No separate provision
		b) 20%, in other cases	b) 15% in other cases		
			[Note1]		
58	Poland	10%	10% [Note1]	15%	15%
59	Portuguese	10%***/15%	10%	10%	10%

	Republic				
60	Qatar	a) 5%, if at least 10% of the shares of the company paying the dividend is held by the recipient company;	10% [Note1]	10%	10%
		b) 10%, in other cases			
61	Romania	10%	10% [Note1]	10%	10%
62	Russian Federation	10%	10% [Note1]	10%	10%
63	Saudi Arabia	5%	10% [Note1]	10%	No separate provision
64	Serbia	a) 5%, if recipient is company and holds 25% shares;	10% [Note1]	10%	10%
		b) 15%, in any other case			
65	Singapore	a) 10%, if at least 25% of the shares of the company paying the dividend is held by the recipient company;	a) 10%, if loan is granted by a bank or similar institute including an insurance company;	10%	10%
		b) 15%, in other cases			
66	Slovenia	a) 5%, if at least 10% of the shares of the company paying the dividend is held by the recipient company;	10%	10%	10%
		b) 15%, in other cases			
67	South Africa	10%	10% [Note1]	10%	10%
68	Spain	15%	15% [Note1]	10%/20%	20%
				[Note 3]	[Note 3]
69	Sri Lanka	7.50%	10% [Note1]	10%	10%
70	Sudan	10%	10% [Note1]	10%	10%
71	Sweden	10%	10% [Note1]	10%	10%
72	Swiss Confederation	10%	10% [Note1]	10%	10%
73	Syrian Arab Republic	a) 5%, if at least 10% of the shares of the company paying the dividend is held by the recipient company;	10% [Note1]	10%	No separate provision
		b) 10%, in other cases			
74	Tajikistan	a) 5%, if at least 25% of the shares of the company paying the dividend is held by the recipient company;	10% [Note1]	10%	No separate provision
		b) 10%, in other cases			
75	Tanzania	5%****, 10%	10%	10%	No separate provision
76	Thailand	10%	10% [Note1]	10%	No separate provision
77	Trinidad and Tobago	10%	10% [Note1]	10%	10%
78	Turkey	15%	a) 10% if loan is granted by a bank, etc.;	15%	15%
			b) 15% in other cases		
			[Note1]		
79	Turkmenistan	10%	10% [Note1]	10%	10%
80	Uganda	10%	10% [Note1]	10%	10%
81	Ukraine	a) 10%, if at least 25% of the shares of the company paying the dividend is held by the recipient company;	10% [Note1]	10%	10%
		b) 15%, in other cases			
82	United Arab Emirates	10%	a) 5% if loan is granted by a bank/similar financial institute;	10%	No separate provision
			b) 12.5%, in other cases		

83	United Mexican States	10%	10% [Note1]	10%	10%
84	United Kingdom	15%/10%	a) 10%, if interest is paid to a bank;	10%/15%[Note 2]	10%/15% [Note 2]
		(Note 4)	b) 15%, in other cases		
			[Note1]		
85	United States	a) 15%, if at least 10% of the voting stock of the company paying the dividend is held by the recipient company;	a) 10% if loan is granted by a bank/similar institute including insurance company;	10%/15%[Note 2]	10%/15%[Note 2]
		b) 25% in other cases	b) 15% for others		
86	Uruguay	5%	10% [Note1]	10%	10%
87	Uzbekistan	10%	10% [Note1]	10%	10%
88	Vietnam	10%	10% [Note1]	10%	10%
89	Zambia	a) 5%, if at least 25% of the shares of the company paying the dividend is held by a recipient company for a period of at least 6 months prior to the date of payment of the dividend;	10% [Note1]	10%	10%
		b) 15% in other cases			

Notes

*If the beneficial owner is a company (other than a partnership) which holds directly at least 10 per cent of the capital of the company paying the dividends.
**5% if beneficial owner of shares is a company and it holds at least 10% of shares of the company paying the dividends.
*** if the beneficial owner is a company that, for an uninterrupted period of two fiscal years prior to the payment of the dividend, owns directly at least 25 per cent of the capital stock of the company paying the dividends.
****5% if recipient company owns at least 25% share in the company paying the dividend.
1. Dividend/interest earned by the Government and certain specified institutions, <i>inter-alia</i> , Reserve Bank of India is exempt from taxation in the country of source (subject to certain condition).
2. Royalties and fees for technical services would be taxable in the country of source at the rates prescribed for different categories of royalties and fees for technical services. These rates shall be subject to various conditions and nature of services/royalty for which payment is made. For detailed conditions refer to relevant Double Taxation Avoidance Agreements.
3. Royalties and fees for technical services would be taxable in the country of source at the following rates:
a. 10 per cent in case of royalties relating to the payments for the use of, or the right to use, industrial, commercial or scientific equipment;
b. 20 per cent in case of fees for technical services and other royalties.
4. (a)15 per cent of the gross amount of the dividends where those dividends are paid out of income (including gains) derived directly or indirectly from immovable property within the meaning of Article 6 by an investment vehicle which distributes most of this income annually and whose income from such immovable property is exempted from tax;
(b) 10 per cent of the gross amount of the dividends, in all other cases
5. The CBDT has clarified that DTAA signed with Government of the Czech Republic on the 27th January 1986 continues to be applicable to the residents of the Slovak Republic. [Notification No. 25, dated 23-03-2015]

[As amended by Finance Act, 2016]

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