

What's New

News Flash



May 2019

CBDT specifies procedure, formats and standards for the issuance of Form 16, makes it mandatory to download Part B of Form 16 from TRACES Portal

In a recent notification¹ the Principal Director General of the Income-tax (Systems) has specified the procedure, formats and standards for the generation and downloading of certificate of tax withheld (Form 16). This is applicable from financial year (FY) 2018-19, and all employers need to download Part B of Form 16 from the TRACES Portal. In addition, they need to authenticate the correctness of the contents mentioned therein before issuing it to its employees, and verify the same using either a manual or digital signature.

Other guidelines in the notification are as follows -

- All employers shall be able to issue Part B of Form 16 (as downloaded from the TRACES Portal) provided that the tax deducted at source (TDS) statement for quarter four (Form 24Q) is furnished with duly filled-in Annexure II (i.e. details of salary paid/ credited and net tax payable) as substituted *vide* notification no. 36/2019.
- TRACES generated Form 16 shall have a unique TDS certificate number.
- Details of exemptions under section 10 of the Income-tax Act, 1961 (Act) and deductions under chapter VI-A of the Act, which are not specifically provided in Annexure II of Form 24Q are to be filled in by the employer manually, before the issuance of Form 16.
- If the deductor opts to authenticate Part B manually, TRACES downloaded Part B will contain fields at the bottom for the exemptions/ deductions as mentioned above, which the deductor shall duly fill in, where applicable.
- In case of digital authentication, the Form will contain no such fields and deductors may prepare the details of other exemptions/ deductions as annexure and issue it to the employees, where applicable, before furnishing the Form 16 to its employees.

The takeaways

All employers should take note of the above procedures, as the TDS statements for the fourth quarter of FY 2018-19 are due by 31 May 2019, and all employers need to issue Form 16 to their employees within the due date, i.e., 15 June 2019. Employers should also ensure correct and accurate disclosure at the time of filing TDS statement to avoid any questioning by the tax authorities in relation to the difference in the amounts reported in Part A and Part B of Form 16 issued to employees.

¹ Notification No. 09/ 2019 dated 06 May, 2019

If your interest lies in a specific area or subject, do advise us so we can send you only the relevant alerts. For any additional information, please reach out to your PwC relationship manager or write in to [***pwctrs.knowledgemanagement@in.pwc.com***](mailto:pwctrs.knowledgemanagement@in.pwc.com)

With Best Regards
PwC TRS Team

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 250,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

In India, PwC has offices in these cities: Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, visit www.pwc.com/in

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

©2019 PwC. All rights reserved

Follow us on [Facebook](#), [LinkedIn](#), [Twitter](#) and [YouTube](#).

© 2019 PricewaterhouseCoopers Private Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity

Our Tax & Regulatory Services **Direct Tax** **Indirect Tax** **Transfer Pricing** **Regulatory** **M & A**
Tax Controversy and Dispute Resolution **Financial Services**

NOTE : If you wish to unsubscribe receiving communications, please send in a blank email as reply to this mail with subject line "Unsubscribe".
