

Income Tax rates as per IT Act vis a vis Tax Treaties

Country	Dividend (not being covered under Section 115-O)		Interest		Royalty		Fee for Technical Services	
	Tax Treaty	I-T Act (Note 6)	Tax Treaty	I-T Act (Note 7)	Tax Treaty	I-T Act (Note 4)	Tax Treaty	I-T Act (Note 4)
Albania	10%	20%/10%	10%[Note1]	20%/10%/5%	10%	10%	10%	10%
Armenia	10%	20%/10%	10%[Note1]	20%/10%/5%	10%	10%	10%	10%
Australia	15%	20%/10%	15%	20%/10%/5%	10%/15% [Note 2]	10%	10%/15% [Note 2]	10%
Austria	10%	20%/10%	10%[Note1]	20%/10%/5%	10%	10%	10%	10%
Bangladesh	a) 10% (if at least 10% of the capital of the company paying the dividend is held by the recipient company); b) 15% in all other cases	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	No separate provision	10%
Belarus	a) 10%, if paid to a company holding 25% shares; b) 15%, in all other cases	20%/10%	10% [Note1]	20%/10%/5%	15%	10%	15%	10%
Belgium	15%	20%/10%	15% (10% if loan is if granted by a bank)	20%/10%/5%	10%	10%	10%	10%
Bhutan	10%	20%/10%	10%[Note1]	20%/10%/5%	10%	10%	10%	10%
Botswana	a) 7.5%, if shareholder is a company and holds at least 25% shares in the investee-company;	20%/10%	10%[Note1]	20%/10%/5%	10%	10%	10%	10%

	b) 10%, in all other cases							
Brazil	15%	20%/10%	15% [Note1]	20%/10%/5%	25% for use of trademark; 15% for others	10%	No separate provision	10%
Bulgaria	15%	20%/10%	15% [Note1]	20%/10%/5%	15% of royalty relating to literary, artistic, scientific works other than films or tapes used for radio or television broadcasting; 20% in other cases	10%	20%	10%
Canada	a) 15%, if at least 10% of the voting powers in the company, paying the dividends, is controlled by the recipient company; b) 25%, in other cases	20%/10%	15% [Note1]	20%/10%/5%	15%-20%	10%	15%-20%	10%
China	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Columbia	5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Croatia	a) 5% (if at least 10% of the capital of the company paying the dividend is held by the recipient company); b) 15% in all other cases	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Cyprus	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Czech Republic [Note8]	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Denmark	a) 15%, if at least 25% of the shares of the company paying the dividend is held by the recipient company;	20%/10%	a) 10% if loan is granted by bank; b) 15% for others [Note1]	20%/10%/5%	20%	10%	20%	10%

	b) 25%, in other cases							
Estonia	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Ethiopia	7.5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Finland	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Fiji	5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
France	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Georgia	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Germany	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Hongkong	5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Hungary	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Indonesia	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Iceland	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Ireland	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Israel	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Italy	a) 15% if at least 10% of the shares of the company paying dividend is beneficially owned by the recipient company; b) 25% in other cases	20%/10%	15% [Note1]	20%/10%/5%	20%	10%	20%	10%
Japan	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Jordan	10%	20%/10%	10% [Note1]	20%/10%/5%	20%	10%	20%	10%
Kazakhstan	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Kenya	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Korea	15%	20%/10%	10%	20%/10%/5%	10%	10%	10%	10%
Kuwait	10% [Note 1]	20%/10%	10%	20%/10%/5%	10%	10%	10%	10%
Kyrgyz Republic	10%	20%/10%	10% [Note1]	20%/10%/5%	15%	10%	15%	10%
Latvia	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Lithuania	5%*, 15%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%

Luxembourg	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Malaysia	5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Malta	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Mongolia	15%	20%/10%	15% [Note1]	20%/10%/5%	15%	10%	15%	10%
Mauritius	a) 5%, if at least 10% of the capital of the company paying the dividend is held by the recipient company; b) 15%, in other cases	20%/10%	7.5%	20%/10%/5%	15%	10%	10%	10%
Montenegro	5% (in some cases 15%)	20%/10%	10%[Note1]	20%/10%/5%	10%	10%	10%	10%
Myanmar	5%	20%/10%	10%[Note1]	20%/10%/5%	10%	10%	No separate provision	10%
Morocco	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Mozambique	7.5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	No separate provision	10%
Macedonia	10%	20%/10%	10% [Note 1]	20%/10%/5%	10%	10%	10%	10%
Namibia	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Nepal	5%**, 10%	20%/10%	10% [Note1]	20%/10%/5%	15%	10%	No separate provision	10%
Netherlands	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
New Zealand	15%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Norway	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Oman	a) 10%, if at least 10% of shares are held by the recipient company; b) 12.5%, in other cases	20%/10%	10% [Note1]	20%/10%/5%	15%	10%	15%	10%
Philippines	a) 15%, if at least 10% of the shares of the company paying the dividend is held by the recipient company; b) 15% in other cases	20%/10%	a) 10%, if interest is received by a financial institution or insurance company; b) 15% in other cases [Note1]	20%/10%/5%	15% if it is payable in pursuance of any collaboration agreement approved by the Government of India	10%	No separate provision	10%

	b) 20%, in other cases							
Poland	10%	20%/10%	10% [Note1]	20%/10%/5%	15%	10%	15%	10%
Portuguese Republic	10% ^{***} /15%	20%/10%	10%	20%/10%/5%	10%	10%	10%	10%
Qatar	a) 5%, if at least 10% of the shares of the company paying the dividend is held by the recipient company; b) 10%, in other cases	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Romania	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Russian Federation	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Saudi Arabia	5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	No separate provision	10%
Serbia	a) 5%, if recipient is company and holds 25% shares; b) 15%, in any other case	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Singapore	a) 10%, if at least 25% of the shares of the company paying the dividend is held by the recipient company; b) 15%, in other cases	20%/10%	a) 10%, if loan is granted by a bank or similar institute including an insurance company; b) 15%, in all other cases	20%/10%/5%	10%	10%	10%	10%
Slovenia	a) 5%, if at least 10% of the shares of the company paying the dividend is held by the recipient company; b) 15%, in other cases	20%/10%	10%	20%/10%/5%	10%	10%	10%	10%
South Africa	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%

Spain	15%	20%/10%	15% [Note1]	20%/10%/5%	10%/20% [Note 3]	10%	20% [Note 3]	10%
Sri Lanka	7.5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Sudan	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Sweden	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Swiss	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Syrian Arab Republic	a) 5%, if at least 10% of the shares of the company paying the dividend is held by the recipient company; b) 10%, in other cases	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	No separate provision	10%
Tajikistan	a) 5%, if at least 25% of the shares of the company paying the dividend is held by the recipient company; b) 10%, in other cases	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	No separate provision	10%
Tanzania	5%****, 10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	No separate provision	10%
Thailand	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	No separate provision	10%
Trinidad and Tobago	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Turkey	15%	20%/10%	a) 10% if loan is granted by a bank, etc.; b) 15% in other cases [Note1]	20%/10%/5%	15%	10%	15%	10%
Turkmenistan	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Uganda	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Ukraine	a) 10%, if at least 25% of the shares of the company paying the dividend is held	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%

	by the recipient company; b) 15%, in other cases							
United Arab Emirates	10%	20%/10%	a) 5% if loan is granted by a bank/similar financial institute; b) 12.5%, in other cases	20%/10%/5%	10%	10%	No separate provision	10%
United Mexican States	10%		10% [Note1]	20%/10%/5%	10%	10%	10%	10%
United Kingdom	15%/10% (Note 5)	20%/10%	a) 10%, if interest is paid to a bank; b) 15%, in other cases [Note1]	20%/10%/5%	10%/15% [Note 2]	10%	10%/15% [Note 2]	10%
United States	a) 15%, if at least 10% of the voting stock of the company paying the dividend is held by the recipient company; b) 25% in other cases	20%/10%	a) 10% if loan is granted by a bank/similar institute including insurance company; b) 15% for others	20%/10%/5%	10%/15%[Note 2]	10%	10%/15% [Note 2]	10%
Uruguay	5%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Uzbekistan	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
Vietnam	10%	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%
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; b) 15% in other cases	20%/10%	10% [Note1]	20%/10%/5%	10%	10%	10%	10%

*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, inter-alia, Reserve Bank of India is exempt from taxation in the country of source.

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. From Assessment Year 2016-17, Royalty and fees for technical service received by a foreign company or a non-resident non-corporate assessee from government or an Indian concern shall be taxed at the rate of 10% if agreement is made at any time after 31 March 1976.

From Assessment Year 2017-18, any income of a person resident in India by way of royalty in respect of a patent developed and registered in India shall be taxable at the rate of 10% as per section 115BBF,

5. (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

6. Dividend:

- a) Rate of tax shall be 10% on income from Global Depository Receipts under Section 115AC(1)(b) of Income-tax Act, 1961 (other than dividends referred to in section 115-O).
- b) Rate of tax shall be 20% under Section 115A on dividend (other than dividends referred to in section 115-O) received by a foreign company or a non-resident non-corporate assessee
- c) Rate of tax shall be 20% under Section 115AD on dividend (other than dividends referred to in section 115-O) received by a Foreign institutional investor.
- d) From Assessment Year 2017-18, dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of 10% as per section 115BBDA.
- e) From Assessment Year 2018-19, dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of person who is resident in India other than:
 - i) a domestic company; or
 - ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in section 10(23C)(iv)/(v)/(vi)/(via); or
 - iii) a trust or institution registered under section 12AA.

at the rate of 10% as per section 115BBDA.

7. Interest

- a) Rate of tax shall be 20% under Section 115A on interest received by a foreign company or a non-resident non-corporate assessee from Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency.
- b) Rate of tax shall be 10% under Section 115AC on income from bonds of an Indian company issued in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf, or on bonds of a public sector company sold by the Government, and purchased by non-resident in foreign currency
- c) Rate of tax shall be 5% in following cases:
 - (i) Interest received from an infrastructure debt fund as referred to in section 10(47)
 - (ii) Interest received from an Indian company specified in section 194LC.
 - (iii) Interest of the nature and extent referred to in section 194LD (applicable from the assessment year 2014-15).



(iv) Distributed income being interest referred to in section 194LBA(2) (section 194LBA is inserted by the Finance (No. 2) Act, 2014 w.e.f. 01-10-2014)

8. 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]

Still Have queries? Cool, connect with me through any of below



To join WhatsApp Broadcast Click here: [WhatsApp subscription](#)



To E-mail click here- taxherbs@gmail.com

This information is solely for educational purpose and does not intend to be professional advice. Please do not attempt to copy/reproduce/sell any content without author permission to avoid legal consequences. Before taking any decision take a professional advice from your own advisors or TaxHerbs team.