



Bombay Chartered Accountants' Society

Quiz 64 Topic - Basic concepts in International Taxation by CA Naman Shrimal

- Q1. Income received and accrued outside India from business controlled in India, tax incidence in case of Non-Resident is _____
- a. Non-Taxable
 - b. Taxable

Ans: a

- Q2. Mr A, citizen of India visits India on 25.11.2019 and returned back on 15.04.2020, earned total Income of Rs. 16lakh during the year (excluding income from foreign source). Determine the Residential Status for FY 2019-20
- a. Resident
 - b. Resident & Ordinary Resident
 - c. Resident but not ordinary resident
 - d. Non-Resident

Ans: d

- Q3. The provision of DTAA or Income tax shall apply to assesee whichever is more beneficial to the department.
Statement is _____
- a. True
 - b. False

Ans: b

- Q4. In order to claim foreign tax credit, which of the following rate is considered?
- i. Indian tax rate
 - ii. Foreign tax rate
- a. Only (i)
 - b. Only (ii)
 - c. (i) or (ii) whichever is lower
 - d. (i) or (ii) whichever is higher

Ans: c

- Q5. To take tax credit, which of the following documents is required to be submitted?
- Tax Residency Certificate
 - Statement of Income from country outside India to which income is offered to tax
 - Certificate specifying the nature of income along with tax deduction / payment proof
 - All of the above

Ans: d

- Q6. Double Tax Avoidance Agreements (DTAA's) generally based on which of the following models?
- OECD Model Tax Convention
 - UN Model Double Tax Convention
 - US Model Income Tax Convention
 - Andean Community Income and Capital Tax Convention
- i & ii
 - i, ii & iii
 - ii & iv
 - All of the above

Ans: d

- Q7. In case the foreign remittance of Rs. 7 lakhs is chargeable to Income Tax and a certification in this regards is obtained from Assessing Officer, then what should be plan of action
- Fill 15 CA - Part A
 - Fill 15 CA - Part B
 - Fill 15 CA - Part C
 - Fill 15 CA - Part D
 - Obtain a certificate from Chartered Accountant in Form 15CB
 - Not required to file
- i, ii, iv
 - ii, & v
 - only ii
 - iii, iv & v
 - vi

Ans: c

- Q8. In case the Multilateral Instrument is a Covered Tax Agreement with reservation on article not yet notified, then Article in Treaty(DTAA) shall not apply

- True
- False

Ans: b

Q9. Rule 37BC provides Relaxation from deduction of tax at higher rate under section 206AA for not having a PAN in which of the following nature of payments

- i. Interest
- ii. Royalty
- iii. Fees for Technical Services
- iv. Transfer of capital Assets
- v. Salaries, Pensions, Director's fees
- vi. Dividend, Other Income
- vii. Business Profits
- viii. Payment to Associates Enterprises

(a) i to iv

(b) v to viii

(c) All of above

(d) None of the above

Ans: a

Q10. Which of the following statement is false as regards Sec 195 :

(a) Any person responsible for paying to a non resident (other than a company or a foreign company) any interest (except u/s 194LB or 194 LC or 194 LD) or any other sum chargeable has to deduct income tax at rates in force

(b) Any person responsible for paying such sum specified in (a) at time of credit to payee's account or by way of payment in cash or issue of cheque or draft, whichever is later

(c) Any person responsible for paying such sum specified in (a) at time of credit to payee's account or by way of payment in cash or issue of cheque or draft, whichever is earlier

Ans: c