

File Validation Utility (FVU 3.8) – major changes announced

The Income Tax Department through NSDL has released the latest File Validation Utility (FVU) Ver. 3.8 on 29/06/2013 which would be applicable from 01/07/2013. Both regular returns and correction statements will have to be validated through this new FVU.

There are a quite a few significant changes in the procedure of preparing the eTDS Returns from financial year 2013-14 which are summarized as under:

- Provision has been for an alternate contact detail (email and phone no.) of the Deductor and its Responsible Person.
- TAN Registration No. (if any) as provided by TIN may be quoted
- Section Code has been removed from Challan and shifted to Deductee / Collectee Details – this implies that one can now deposit TDS against different sections through one Challan instead of separate Challans for each Section.
- Cheque detail is no more required in the Challan details.
- Minor Head Code to be provided in Challan details – This code will differentiate between the payment against self-assessed TDS / TCS and demand raised by Income Tax authorities.
- Introduction of Late Fee in Challans – As per the recently introduced Section 234E there is now a provision for Late Fee for delay in filing of TDS / TCS returns. Now the Challan will include the additional column for this Late Fee.
- In Form 24Q (Salary Returns), a new Section 92C has been added which is for payment made to Union Government employees.
- In Form 26Q (Non-Salary Returns), the existing Section 194I (Rent Payment) has been split into two sections 194I(a) and 194I(b).
- For deductees wherein Lower Deduction / No Deduction are applicable, the Certificate No. now has to be entered in the Deductee details.
- For certain specified payments to Scheduled Banks where tax is not to be deducted under Section 197A(1F), the same needs to be specified under Remarks in the Deductee Details.
- In the annual salary details (Applicable in Form 24Q – Q4), now there is a provision for breakup of salary paid and tax deducted by the current employer and previous employers during the current financial year.
- Further, in the annual salary details (Applicable in Form 24Q – Q4), records are to be highlighted whether tax has been deducted at a higher rate owing to the non-availability of PAN of the employee.

- In Form 27Q (Non-Salary Foreign Remittances), new columns has been added in the Deductee details as under:
 - Nature of remittance to be specified which is to be selected from a list as provided
 - To specify if the TDS rate is as per Income Tax (IT) Act or as per Double Taxation Avoidance Agreement (DTAA)
 - To provide details of the unique acknowledgement of the corresponding Form No. 15CA (if applicable) pertaining to the foreign remittance
 - Country of Remittance to be selected from the list of countries as provided
- The system of cancelling a Regular Return ('Y' type Correction Statement) is being discontinued.

Issues pertaining FY:12-13 and earlier years

- Introduction of Late Fee in Challans – As per the recently introduced Section 234E there is now a provision for Late Fee for delay in filing of TDS / TCS returns. Now the Challan will include the additional column for this Late Fee. This is also applicable for FY:12-13.
- FVU Ver. 3.8 is applicable to FY: 2010-11 onwards only.

FVU (Ver. 2.134) released on 29/06/2013 – applicable for FY: 2007-08 to 2009-10

- FVU (Ver. 2.134) is to be used for validation of Regular Returns and Correction Statements pertaining to financial years 2007-08, 2008-09 & 2009-10.
- Now eTDS returns (including Corrections) for financial year 2006-07 and earlier years will not be acceptable.