

Circular No. 13/2017

F. No: 500/07/2017-FT & TR-V  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**  
**Foreign Tax & Tax Research - II**  
**FT & TR-V Division**

New Delhi, dated 11.04.2017

**Subject: Clarification regarding liability to income-tax in India for a non-resident seafarer receiving remuneration in NRE (Non Resident External) account maintained with an Indian Bank.**

Representations have been received in the Board that income by way of salary, received by non-resident seafarers, for services rendered outside India on-board foreign ships, are being subjected to tax in India for the reason that the salary has been received by the seafarer into the NRE bank account maintained in India by the seafarer.

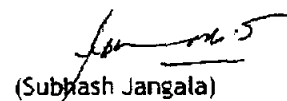
2. The matter has been examined in the Board. Section 5(2)(a) of the Income-tax Act provides that only such income of a non-resident shall be subjected to tax in India that is either received or is deemed to be received in India. It is hereby clarified that salary accrued to a non-resident seafarer for services rendered outside India on a foreign ship shall not be included in the total income merely because the said salary has been credited in the NRE account maintained with an Indian bank by the seafarer.

  
 (Subhash Jangala)

Under Secretary (FT&TR-V)

To

- (a) Chairman, Members and all other Officers of the Central Board of Direct Taxes.
- (b) Pr. CCIT/Pr.DGIT/CCIT/DGIT with a request to circulate the same amongst all Officers in their Region / Charge.
- (c) Commissioner (Media & Technical Policy) and Official Spokesperson, CBDT.
- (d) Addl Director General of Income-tax (PR, PP & OL)
- (e) ITCC Section of CBDT (3 copies)
- (f) ADG (Systems)-V for uploading on the Departmental website.
- (g) Database Cell for uploading on the IRS Officers website.
- (h) Hindi cell of Department of Revenue, for Hindi translation.
- (i) Guard File.

  
 (Subhash Jangala)

Under Secretary (FT&TR-V)