

# Taxation on Dividends from International Stocks

Dividend income needs to be declared in **Income Tax Return (ITR)** as income from other sources



ITR 1 cannot be used to show **dividends** received from **foreign stocks**



Convert the dividend amount received from **foreign stocks** to **INR**.



**Tax would be deducted at source on dividends. In case of foreign stocks, TDS would be deducted by the foreign country at rates applicable to them**

- Few countries have provision to avoid TDS or have TDS deducted at a lower rate by filling in certain forms (For eg W-BEN form in the US)
- If TDS is deducted by the foreign country, then one needs to check if there is a Double Taxation Avoidance Agreement (DTAA) between India and that country
- If DTAA is in place, then claim the TDS deducted by filing Form 67 and in ITR

## Applying :

The Telegraphic Transfer Buying Rate (**TTBR**) issued by the State Bank Of India as the exchange rate

