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INCOME-TAX ACT, 2025

B: Double taxation relief

**Section 160 - Countries with which no agreement exists.**

(1) If any person who is resident in India in any tax year proves that, in respect of his income which accrued or arose during that tax year outside India (and which is not deemed to accrue or arise in India), he has paid in any country with which there is no agreement under section 159 for the relief or avoidance of double taxation, income-tax, by deduction or otherwise, under the law in force in that country, he shall be entitled to the deduction from the Indian income-tax payable by him of a sum calculated on such doubly taxed income,––

(a) at the Indian rate of tax or the rate of tax of the said country, whichever is the lower; or

(b) at the Indian rate of tax if both the rates are equal.

(2) If any non-resident person is assessed on his share in the income of a registered firm assessed as resident in India in any tax year and such share includes any income accruing or arising outside India during that tax year (and which is not deemed to accrue or arise in India) in a country with which there is no agreement under section 159 for the relief or avoidance of double taxation and he proves that he has paid income-tax by deduction or otherwise under the law in force in that country in respect of the income so included he shall be entitled to a deduction from the Indian income-tax payable by him of a sum calculated on such doubly taxed income so included,––

(a) at the Indian rate of tax or the rate of tax of the said country, whichever is the lower; or

(b) at the Indian rate of tax if both the rates are equal.

(3) For the purposes of this section,—

(a) “income-tax” in relation to any country includes any excess profits tax or business profits tax charged on the profits by the Government of any part of that country or a local authority in that country;

(b) “Indian income-tax” means income-tax charged as per this Act;

(c) “Indian rate of tax” means the rate determined by dividing Indian income-tax after deduction of any relief due under the provisions of this Act but before deduction of any relief due under this Part, by the total income; and

(d) “rate of tax of the said country” means income-tax and super-tax actually paid in the said country as per the corresponding laws in force in the said country after deduction of all relief due, but before deduction of any relief due in the said country in respect of double taxation, divided by the whole amount of the income as assessed in the said country.

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