

Kadal Krant

From the shores of Arabian sea to Noord Zee;
A newsletter from Tulu Koota Netherlands



TRC for NRIs

Tax Residency Certificate (TRC): A Key Step for Dutch Resident NRIs to Unlock India-Netherlands DTAA Benefits

For Indian expatriates residing in the Netherlands, understanding the benefits available under the India-Netherlands Double Taxation Avoidance Agreement (DTAA) can help optimize tax outcomes on investments held in India. One of the most important requirements for claiming these benefits is obtaining a Tax Residency Certificate (TRC), known in the Netherlands as a Woonplaatsverklaring.

What is a Tax Residency Certificate (TRC)?

A Tax Residency Certificate is an official document issued by the tax authorities of your country of residence, confirming that you are a tax resident of that country for a specific period.

For Dutch residents, the TRC is issued by the **Belastingdienst (Dutch Tax and Customs Administration)** in the form of a **Woonplaatsverklaring**.

The TRC serves as a vital document when claiming benefits under the **India-Netherlands DTAA**, helping avoid double taxation on income earned in India.



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Why is a TRC Important for Dutch Resident NRIs?

A valid TRC can help eligible NRIs:

Avoid Double Taxation

Prevent the same income from being taxed in both India and the Netherlands, subject to DTAA provisions.

Claim DTAA Benefits

Support claims for reduced or exempt taxation on eligible income and capital gains where treaty provisions permit.

Support Indian Tax Filing

Provide documentary evidence of foreign tax residency when filing Indian income tax returns and claiming treaty benefits.

Reduce Tax Disputes

A TRC strengthens the taxpayer's position when substantiating DTAA eligibility before Indian tax authorities.

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How Can Dutch Residents Obtain a TRC?

Dutch residents can request a **Woonplaatsverklaring (Tax Residency Certificate)** from the Belastingdienst.

Email:

Woonplaatsverklaring@belastingdienst.nl

When applying, ensure that you specify the period for which the certificate is required and provide any supporting information requested by the Dutch tax authorities.



Calendar Year vs Indian Financial Year

A common challenge for NRIs is that:

- The Indian Financial Year runs from **1 April to 31 March**
- Dutch tax residency certificates are generally issued based on the **calendar year (1 January to 31 December)**

As a result, to support a claim relating to a single Indian financial year, you may need TRCs covering parts of two calendar years.

Example: For Indian FY 2024-25 (1 April 2024 to 31 March 2025), you may need:

- TRC for Calendar Year 2024
- TRC for Calendar Year 2025 (covering January-March 2025)

When is Applying for a TRC Worthwhile?

Obtaining and utilizing a TRC can be particularly worthwhile when the potential tax savings are meaningful.

As a practical guideline, many investors consider applying when the potential Indian tax liability exceeds approximately **INR 25,000**, given that professional assistance and compliance costs may be involved. Before proceeding, discuss the economics and feasibility of the process with your Chartered Accountant or tax advisor.

Key Takeaway

For NRIs residing in the Netherlands, a **Woonplaatsverklaring (TRC)** is often the starting point for claiming benefits under the **India-Netherlands DTAA**. While the process may require additional documentation such as Form 10F and tax residency evidence, the potential tax savings can make the effort worthwhile for eligible investors.

If you are a Dutch resident with investments in Indian mutual funds and would like to explore whether DTAA benefits may apply to your situation, consult your tax advisor to evaluate the opportunity and compliance requirements.

Disclaimer: Tax laws, DTAA interpretations, and regulatory provisions are subject to change. Investors should seek professional tax advice before making any claims or filing returns based on treaty benefits.

Kiru parichaya: **Ravi Shetty**, MBA, CFP®, PMP®, is Vice President at International Money Matters Pvt. Ltd. (IMMPL), where he advises global Indian families on cross-border wealth management, financial planning, and investment strategies. Over a career spanning more than 16 years, including experience with J.P. Morgan and IMMPL, he has managed client portfolios across India, the UAE, the broader Middle East, and Europe. He is currently working towards the Certified Financial Therapist (CeFT) credential.

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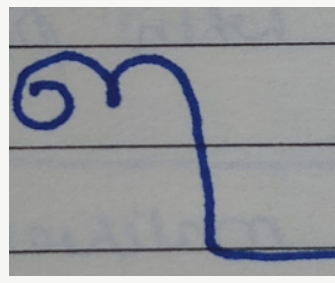


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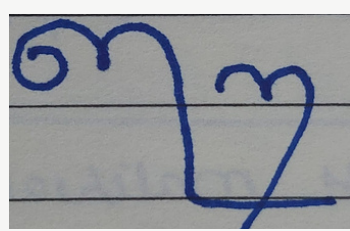
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ಈ (Kannada), ई (Devanagiri)

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pada naaDi -2

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Last editions answers: ERNA, SCHUDDEN, DUURZAAM, VROUW, STEEDS

* utara barpi sanchikeDu

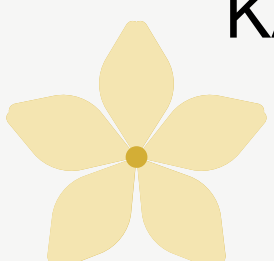
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COURTESY: GAUTHAM PUTHRAN



Bokka daada vishesha

*Piri piri barsa burunDu,
Zomer da dombu maya aanDu;
AaTiDu gobbuna plans murkunDu,
Bejar malpade, nanonji chance barpunDu.*



KADAL KRANT maasa patrike'Du bhaagavahiseregu whatsapp samoohoDu kaDapuDuna google form moolaka teripale anchane kye joDisaale.

EDITORS: DEEPTHI SHETTY, GAUTHAM PUTHRAN

