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# TDS (194S) Compliance Guide

Crypto & Web3

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This guide explains what the tool produces, how to use the output, and what to watch for. The actual output (draft/report) is generated on the tool page.

## Background

Explains how Section 194S 1% TDS on VDA transfers applies to you — who must deduct, the thresholds, exchange vs P2P handling, and the deposit and reporting process. Use this for TDS mechanics; for overall crypto tax use the Crypto Tax Treatment Guide, and to file use the ITR Schedule-VDA Helper.

## Purpose of this tool & output

Handle 1% TDS on crypto transfers

## How the output is used

Use the guide to handle the 1% TDS on crypto (VDA) transfers under section 194S — when to deduct, deposit and file.

## Who receives it

The Income Tax Department; the TDS is deposited to the government and reported in the TDS return.

## How to submit / file it

Deduct 1% on the transfer, deposit via challan and file the applicable TDS return/statement by the due dates.

## Fees & charges

No filing fee; interest and penalty apply on short-deduction or late deposit.

## Who should vet it

A CA familiar with VDA taxation, for the deduction, thresholds and return.

## Important cautions

AI-generated guide; confirm current 194S rules and thresholds with a CA.

## Companion documents

- Crypto Tax Treatment Guide
- ITR Schedule-VDA Helper
- DeFi / Staking Income Classifier
- NFT Tax Treatment Guide

This is AI-assisted guidance. Verify with a qualified professional before any binding decision. Fees, authorities and processes vary by state and change over time — confirm with your state authority.

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