
CBDT grants extension to charitable trusts to file registration application in Form 10A/10AB upto 30th June 2024

Section 12AB was inserted by the Finance Act 2020, prescribing a new procedure of obtaining fresh registration by all existing and new charitable trusts/ institutions under section 12A of the Income Tax Act, 1961 ('the Act'), effective from 1st June 2020, which was later deferred to 1st October 2020. The section replaced the erstwhile registration process, which granted perpetual approvals to charitable trusts and institutions. Similar amendments were made in the registration process of entities under section 10(23C)/80G of the Act. The implementation of the revised procedure was postponed to 1st April 2021, vide The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 ('TOLA').

The provisions relating to new registration process is summarised hereinbelow:

In case of new and provisional registrations: Trusts/institutions that were not previously registered, were required to electronically submit an application for provisional registration using Form 10A. This provisional registration will remain valid for three years. Trusts with provisional registration must apply for final registration at least six months before the provisional period ends by electronically submitting Form 10AB. Final registration will be valid for five years.

In case of existing registrations: For trusts or institutions that were already registered under the old regime as of April 1, 2021, they must electronically file an application for renewal of registration using Form 10A. This renewal will extend the registration for five years. The trust needs to renew its registration at least six months before the five-year period ends by electronically filing Form 10AB. The renewed registration will again be valid for five years.

The CBDT has extended the due date for filing Form 10A/10AB in the mentioned cases through various Circulars. The last extension was valid until September 30, 2023¹.

¹ Circular No. 6 of 2023 dated 24th May 2023

Under the new registration scheme, there is no provision for condonation in cases of delayed filing of registration applications, even in exceptional circumstances.

In response to stakeholder's representations seeking leniency due to genuine hardships faced by trusts missing the previous deadline of September 30, 2023, the **CBDT has extended the due date for filing Form 10A/10AB. Circular No. 7 of 2024, dated April 25, 2024, now sets the new deadline for filing these forms as June 30, 2024, as under:**

S.No.	Particulars	Present due date	Extension as per Circular
1.	Renewal of existing registrations (i.e., from shifting from old registration regime to new registration regime) in Form 10A	30 September 2023	30 June 2024 [Para 3(i)]
2.		No application in Form 10AB is made till date	30 September 2023
3.	Cases of conversion of provisional registration into final under new registration regime where	Any belated application in Form 10AB pending as on the date of the Circular	Such pending application shall now be treated as a valid application. [Para 4]
4.		Any application in Form 10AB was rejected by the Principal Commissioner/ Commissioner solely on account of the fact that application was filed (i) beyond the extended due date or (ii) under wrong section code.	30 June 2024 [Para 4.1]

The Circular also stipulates that any charitable trust or institution previously registered under the old registration regime but failed to migrate to the new registration regime for assessment year 2022-23 by September 30, 2023², can opt to surrender the provisional registration received as a new trust in Form 10AC. This allows them to submit a fresh application for assessment year 2022-23 to continue as an existing trust or institution under the new registration regime. This option must be exercised on or before June 30, 2024, to seek final registration.

² Extended deadline prescribed by Circular No. 6/2023 dated 24.05.2023

VA Comments:

The CBDT's decision to extend the deadline for filing Form 10A/10AB is indeed a significant relief for numerous trusts and institutions facing genuine hardships due to cancellations under sections 10(23C)/12A/80G of the Act stemming from delays in electronic filings.

This extension is not only beneficial for reducing potential litigations before appellate forums seeking to regularise/ condone delay in filing registration applications³, but also addresses the concerns arising on account of lack of provisions for reviving claims of deductions under section 80G for donors affected by delayed compliance. It's a step toward providing much-needed relief to donors as well.

However, there are still areas of concern such as cases involving modified objects where the Circular doesn't offer relief. A blanket extension across all cases could be beneficial given the widespread lack of awareness about the new registration provisions. It's worth considering by the CBDT to ensure fairness and inclusivity in the registration process.

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³ DIT(Exemption) v. Vishwa Jagriti Mission: 30 taxmann.com 41 (Del.HC) & Vananchal Kelavani Trust v. CIT(Exemption): 159 taxmann.com 634 (Surat Trib.)



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