

NEW PROVISIONS RELATED REGISTRATION AND RENEWALS OF CHARITABLE AND RELIGIOUS ORGANIZATIONS

For every Charitable and Religious Organizations registered under whatever relevant Acts, the registration under section 12A was necessary to claim exemption under Income Tax Act.

Newly introduced Section 12 AB of the Income Tax Act, 1961 effective from 1st June 2020, requires every existing organization registered or approved under erstwhile sections 12A, 12 AA; and/or under Sections 10(23C) and 80G or 35 of the Income Tax Act shall have to apply for registration or approval to re-register themselves within 3 months. Organizations currently registered under both section 10(23C) and section 12AA will now be required to apply for revalidation or renewal of for the approval either under section 10(23C) or registration under section 12AA, but not both. [Vide Ministry of Finance Notification dated 9th May 2020](#), this timeline has been deferred by 4 months and would now come in effect from 1st October 2020; consequently all existing trusts/ charitable institutions would now need to file applications for the renewal of their registrations/ approvals by 31st December 2020.

Under the amended rules, e-applications for new registrations under Section 12 AB 80G are to be made to the Principal Commissioner or Commissioner of concerned jurisdiction in Form No. 10A under digital signature (DSC) if the return of income is required to be furnished under digital signature or through electronic verification code (EVC). Form No.10 A can be found on this [link](#). A provisional registration once granted shall be valid for 3 years from the Assessment Year from which the registration is sought. Application for renewal of such new registration needs to be submitted at least six months prior to the expiry of validity period or within 6 months from commencement if activities, whichever is earlier. The renewal of registration so granted shall be valid for 5 years and further needs to be renewed after each 5 years of time.

New provision stipulates that where an organization has been granted registration and subsequently there is change or modification of objectives of that organization then it has to re-apply for registration with modified or changed objectives within 30 days from such change in objectives.

[For any further clarifications or assistance, get in touch with us.](#)

Disclaimer: The information contained in this update is of a general nature. Users of this information are expected to refer to the relevant existing provisions of applicable Laws.

- **BUSINESS SUPPORT SERVICES TEAM**