Trust : New Registration

Procedure of registration under the Income Tax Act, 1961

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(For training purpose only)

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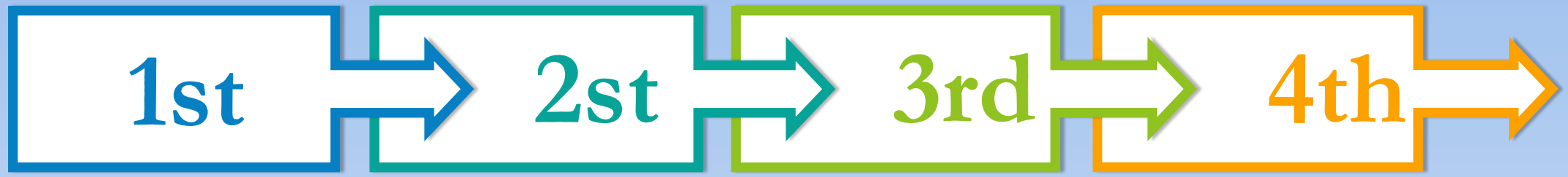
What requisites registration

Registration of the trust or institution is mandatory for availing the exemption benefit of section 11 and 12 or benefits of section 10(23C).

Need for New Procedure – 12AB



1st

Practical issues in registration process

To avoid difficulty in obtaining registration before starting the activity.

2st

Registration for a limited period

To check adherence to conditions of registrations, validity of registration shall be for a limited period.

3rd

To avoid enquiries

Limited period of registration helps the authorities to enquire the activities of the trust at the end of each term.

4th

Improvement of process with technology

Process of registration is changing to use the technical support for improving the process of registration.

Who can apply

Already registered

Those who are already registered under section 12A and 12AA

Registration about to expire

Those trust who have been obtained under the provisions of 12AB and it is about to expire has to apply.

Allotted provisional registration

Trusts who have been allotted provisional registration has to apply before expiry of registration.

Modification of objects

Trusts whose objects are modified but which do not confirm to the conditions of registration.

Approved u/s 10(23C)

Trust obtains benefit under 10 (23C) and (46) and wishes to take availment of benefit under 11 and 12 can apply for making registration operational.

New registration

Trust for new registrations or other than those mentioned above.

When to Apply

Already registered under 12A or 12AA, before end of June, 2021.

Registered in 12AB, 6 months prior to the expiry of registration.

Provisionally registered, 6 months before expiry or within 6 months after commencement whichever is earlier.

10(23C) and (46) – 6 months prior to commencement of A.Y from which registration become operative.

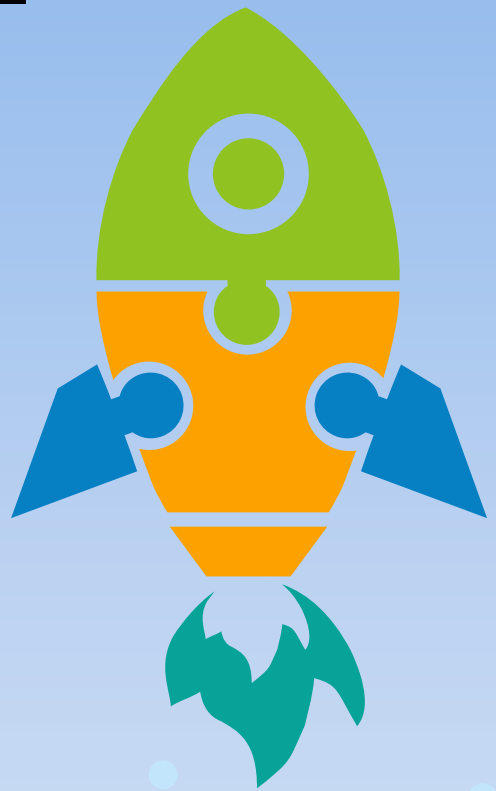
Change of objects, within 30 days of change.

New registration : At any time

Effectiveness of Registration

Each approval of registration will be effective from various dates.

If an application made before the commencement of the new procedure is pending on 01.04.2021, it will be deemed as application under section 12AB and provisional registration shall be issued.



Already registered u/s 12A or 12AA

A.Y from which the trust was earlier granted registration.

In case of provisional registration

A.Y for which the registration was provisionally granted.

Renewal of registration u/s 12AB

Registration will be granted from the A.Y following the P.Y in which applied.

12AB operative

Registration will be granted from the A.Y following the P.Y in which applied.

New registration

Registration will be granted from the A.Y following the P.Y in which applied.

Validity and procedure

Type of registration	Period of validity	Procedure	Time for processing
			(from the end of the month of receipt of application)
1 Already Registered earlier	5 Years	No enquiries or verification	3 Months
2 Provisional registration	3 Years	No enquiries or verification	1 Month
3 All other cases	5 Years	Call for any information or document as he thinks necessary, to check # Genuineness of activity # Compliance of other law	6 Months

Cancellation of Registration

Activities are not genuine

If the authority is satisfied that the activity is not Genuine or activities are not being carried out in accordance with the objects of the trust.

Carried out specific activities

If the trust has carried out activities mentioned in section 13(1)

Non-Compliance of any law

Based on a direction or decree it is finalized or undisputed that the trust has not complied with any law which is material for achieving its objectives.

Cancellation only at the time of renewal

In case of trust approved under S.80G and S.10(23C), cancellation can be done only at the time of renewal of registration or changing provisional reg.

Opportunity of hearing

Before cancellation of registration an opportunity of being heard will be afforded.

All in one Frame

Applicant	Time to apply	Grant of Reg.	Validity	Processing time
Already Registered	Within 30.06.2021	From A.Y earlier granted Reg.	5 Years	3 Months
Registered 12AB	6 months prior to expiry	From the A.Y following the F.Y applied	5 Years	6 Months
Provisionally Reg.	6 months of expiry or start of activity	From A.Y for which provisional granted	5 Years	6 Months
S.10 Operative	6 months prior to A.Y	From the A.Y following the F.Y applied	5 Years	6 Months
Change of object	30 days of modification	From the A.Y following the F.Y applied	5 Years	6 Months
New registration	At any time	From the A.Y following the F.Y applied	3 Years	1 Month

Thank You

Desclaimer: All the details mentioned in the presentation are based on the personal interpretations and understanding of the author or speaker, kindly read and understand the provisions clearly before application or advice.