

New compliance (Form 10BD and 10BE) for Trusts registered u/s 80G

Singhi Chugh & Kumar
— CHARTERED ACCOUNTANTS —

INTRODUCTION

- Finance Act 2021 introduced an amendment in **section 80G** of the IT Act and inserted **new clauses (viii) and (ix) to sub-section 5 of section 80G** under which every trust approved u/s 80G is required to furnish the statement of particulars of donation in respect of each financial year beginning from F.Y. 2021-22 and furnish a certificate to the donor.
- Further, vide notification no.19/2021 dt. 26th March 2021, "Income Tax (6th Amendment) Rules, 2021, **new rule 18AB** inserted notifying –
 - i. forms 10BD for furnishing details of the donors and the donations** by the recipient of the donation; and
 - ii. form 10BE for certificate** of donation to the donor.
- Now after the above-mentioned amendments, the Trusts approved u/s 80G receiving donations, shall file Form 10BD with Income Tax Authorities for every financial year and need to issue a certificate in form 10BE to the donor.

Objective of the amendment

The amendment has been brought in with the intent to **cross check claim of donation** by donor by way of one-to-one matching between what is received by the exempt entity and what is claimed as deduction by the assessee.

It is important to note the following **implications post these amendments** –

- a) The claim for deduction to the donor/payer may be allowed on that basis of the statement in Form 10BD filed by the exempt entity.
- a) The donations, details of which have not been provided in the Form 10BD, might have to be treated as the Anonymous Donations.

Due – dates to file the form and issue Certificate

For furnishing **Form 10BD** and **Form 10BE** - on or before the **31st May of subsequent financial year** (i.e. For F.Y.2021-22 due date is 31st May 2022)

Consequences on non-filing or delay in filing

Late Fees (Section 234G)

Delay in filing Form 10BD with income tax authorities or furnishing certificate 10BE to the donor, shall attract a fees of **Rs. 200/- for every day during which the failure continues**. However, the amount of late fees shall not exceed the amount in respect of which the failure occurred.

Penalty (Section 271K)

Section 271K - The Assessing Officer may levy a penalty in case of non-filing of Form 10BD or non-furnishing of the certificate 10BE of **a sum not less than Rs. 10,000/- but which may extend to Rs. 1,00,000/-**.

DETAILS REQUIRED FOR FORM 10BD

1. Name of the donor
2. Contact and address details of the donor
3. Nature of donation I.e. Corpus/specific etc.
4. Mode of receipt I.e. Cash/kind/electronic/others
5. Amount of donation
6. PAN no./Andhra no. of donor
7. Section under which donation received.

DETAILS REQUIRED FOR CERTIFICATE TO BE ISSUED IN FORM 10BE

1. Name of the trust/Charitable organisation
2. PAN No.
3. Address
4. Approval no. u/s 80G

Singhi Chugh & Kumar

— CHARTERED ACCOUNTANTS —

Committed to Growth

Thank you
For Your Attention

info@sckonline.net | www.sckonline.net | + 91 – 11 400 22 555

New Delhi

#001, B-7/107A, GF,
Safdarjung Enclave Extension,
New Delhi 110 029

Gurgaon

13-14, 3rd Floor, MGF
Metropolis, M G Road, Gurgaon,
Haryana 122002

Mumbai

Boston House, 5th Floor, Western Exp.
Highway, Andheri Kurla Road, Andheri
East, Mumbai, MH 400053

Assam

J P Road, Bilasipara,
District Dhubri,
ASSAM 783 348