

**Key amendments in Finance Bill 2020 - Trusts & Charitable Institutions**

1. Revamp of the existing provision by replacing the existing regulation section-12AA with Sec.12AB: Changes –

a. Perennial exemption has been done-away with and going forward the exemption time-limit has been limited to 5 years after which registration needs to be renewed. Renewal to happen every 5 years going forward.

b. All existing registered entities under Sec.12AA (as on 1st June 2020), should re-apply for registration under the new provision within 3 months

c. All pending applications for the purpose of registration under the existing Sec.12AA shall be treated as auto application in the new provision and registration shall be allotted provisionally and exemption would be valid for 3 years only.

2. Filing of Audit Report

a. Audit Report under Form 10B for registered entities, going forward shall precede the Income Tax Return due-date by one month - as against the existing practice of filing the audit report along with ITR.

b. The ITR deadline for the audit cases has been now postponed to 31st Oct of the Assessment Year

3. Amendment to Sec.80G

a. Institutions registered under Sec.12AA (going forward Sec.12AB) or Sec.10(23C), now there is an additional compliance of submitting a Statement similar to TDS Returns and issue certificates to Donors. The procedures for this would be notified subsequently

b. A new Late fee provision Sec.234G has been introduced for any delay in submitting the above mentioned statement. Rs.200 per day

c. A new penalty provision has been introduced for any default in submitting the above mentioned statement (Sec.271K), amounting to Rs.10,000 to Rs.1,00,000