

Note on Grant of Approval or Continuance thereof to Charitable Institution or Fund u/s 80G(5) (VI) of the I.T. Act, r.w.s. 11AA – Form 10-G

The Finance Act, 2009, amended the provision of section 80-G (5)(VI) in respect of renewal of Exemption Certificate u/s 80-G (VI) of the Act.

The amendment is in respect of deletion of Proviso to section 80-G (5) (VI) and accordingly with effect from 01-10-2009 the renewal of Exemption Certificate granted u/s 10-G (5) (VI) of the Act has been deleted.

EFFECTS OF AMENDMENT:

1. Approval once granted shall continue to be valid in perpetuity. Therefore all the approvals once granted after 01-10-2009 shall be valid for all the time to come unless withdrawn.
2. Existing approvals expiring after 01-10-2009 need not be renewed and shall be deemed to be continued in perpetuity, unless specifically withdrawn.
3. Approvals expiring before 01-10-2009 will have to be renewed once and after such renewal these shall be valid for perpetuity, unless specifically withdrawn.

In light of the, the Charitable Trust who are having valid Exemption Certificate under section 80-g (5) (VI) on or after 01-10-2009, they are not required to make an application for renewal of such certificate hereinafter.

Refer Circular No. 7/2010 dated 27-10-2010

Clarification regarding period of validity of approvals issued under section 10(23C) (iv), (v), (vi) or (via) and section 80G(5) of the Income-tax Act For the removal of doubts about the period of validity of various approvals granted by the

Chief Commissioners of Income-tax or Directors General of Income-tax under subclauses (iv), (v), (vi) and (via) of section 10(23C) and by the Commissioners of Incometax or Directors of Income-tax under section 80G(5) of the Income-tax Act, 1961, the

Central Board of Direct Taxes has, through, this circular clarified the following:-

1. In light of the amendment brought by Taxation Laws (Amendment) Act, 2006, it has been clarified that for the purposes of sub-clauses (iv) and (v) of section 10(23C) any notification issued by the Central Government under the said clauses, on or after 13-7-2006 will be valid until withdrawn and there will be no requirement on the part of the assessee to seek renewal of the same after three years.
2. In light of the provisions of Rule 2CA, it has been clarified that for the purposes of sub-clauses (vi) and (via) of section 10(23C) any approval issued on or after 1-12-2006 would be a one time approval and would be valid till it is withdrawn.

3. In light of the amendment brought by Finance (No.2)Act,2009 it has been clarified that for the purposes of section 80G(5), existing approvals expiring on or after 1st October, 2009 shall be deemed to have been extended in perpetuity unless specifically withdrawn. Further, any approval under section 80G(5) on or after 1-10-2009 would be a one time approval which would be valid till it is withdrawn.