

DO YOU KNOW ?

Provisional Registration / Approval shall be effective from the Assessment Year relevant to the Previous Year in which Application is made.

The CBDT Circular No. 6 of 2023 dated 24-May-2023 clarified that:

- In case of trusts, funds or institutions seeking provisional approval or provisional registration, the said provisional approval or provisional registration shall be effective from the assessment year relevant to the previous year in which the application is made, and shall be valid for a period of three assessment years. For example, if the provisional registration is applied in the Previous Year (Financial Year) 2023-24, it shall be valid from the Assessment Year 2024-25.
- However, it is to be noted that Provisional Registration has to be converted to regular registration within 6 months of start of its activities or before 6 months of its validity period.
- Further, if the regular registration is not granted or denied due to any reason, taxability would arise also for the period of provisional registration.