

Currently, u/s 12AB(4) of Income Tax Act, 1961, the PCIT or CIT are empowered to initiate proceedings and cancel the registration of a trust or institution even in cases of minor non-compliance, such as providing incomplete or contains false or incorrect information on the application form.

The Finance Bill, 2025 proposes to delete the phrase "is not complete or it" from clause (g) of the explanation to section 12AB(4), ensuring that cancellation proceedings can no longer be initiated for minor mistakes related to incomplete information by PCIT or CIT.

**DO YOU KNOW?**



**The Finance Bill, 2025 proposes to delete the provision of cancellation proceedings for minor mistakes related to incomplete information.**

