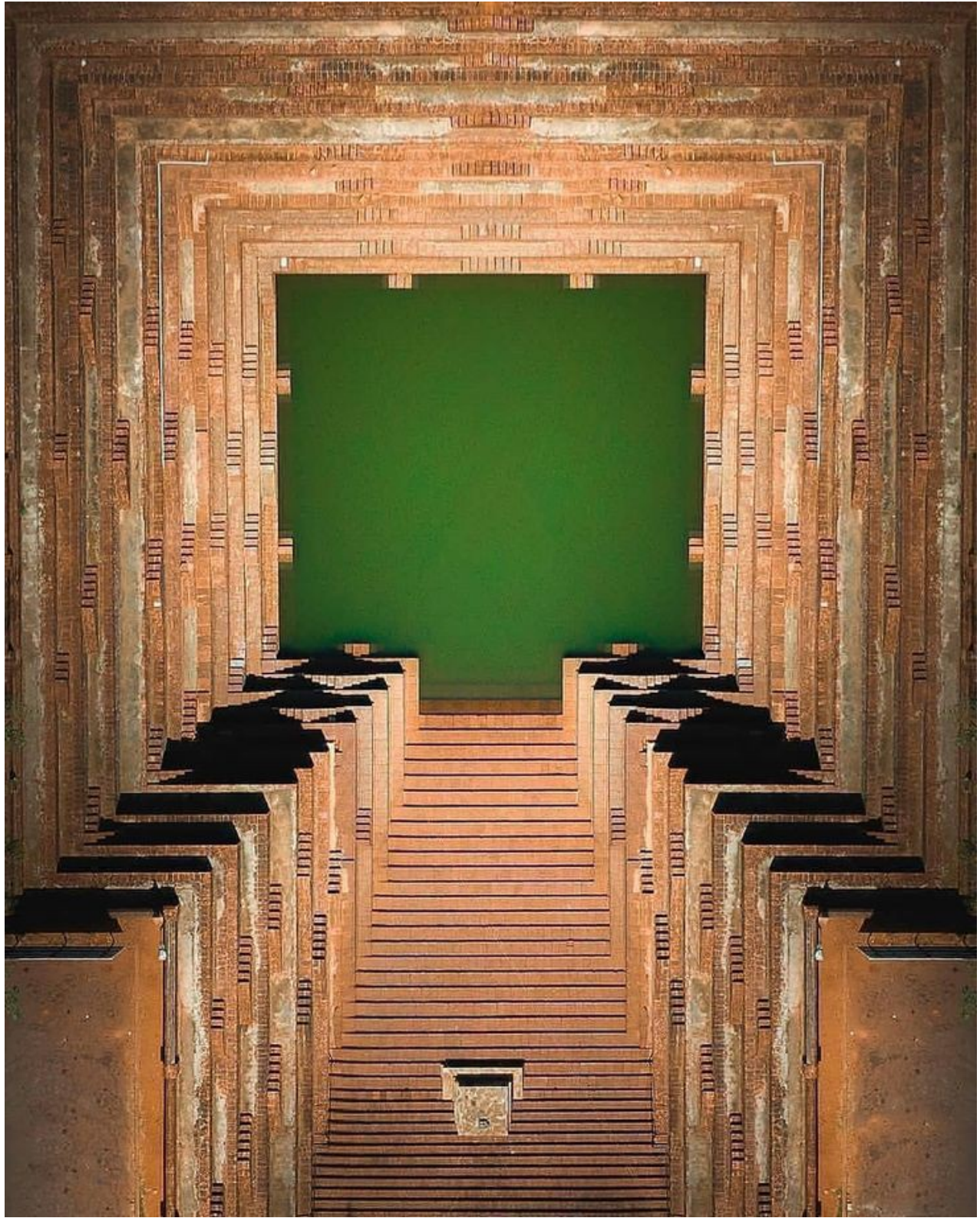


## Annual Filing Of Statement Of Donations Received In Form 10BD



## **Preface**

This note contains procedure of furnishing the particulars of donation received by reporting person in specific form i.e. Form 10BD.

This note summarizes only issues considered of importance to our clients and associates. This note is for private circulation amongst clients and associates of B. D. Jokhakar & Co. This should not be relied upon for taking or not taking any action. Advice should be taken specific to your situation.

This note is prepared on the basis of material available in public domain such as Income Tax Act, 1961 and Income Tax Rules, 1962. Even though every care is exercised to present this note in an error- free manner, we assume no responsibility for any errors/ omissions or otherwise for any loss which may be sustained by anyone by relying upon the same.

Mumbai

24<sup>th</sup> August, 2021

## Annual Filing Of Statement Of Donations Received In Form 10BD

Sections 80G(5)(viii)/(ix) and section 35(1A) requires furnishing of statement of donation received and issue of donation certificates to the donors for claiming deduction from the gross total income. This notification has framed the rules for furnishing such statements and certificates of donation to donors.

For this purpose, Rule 18AB is inserted.

**1. Online filing of statements:** Such statements are required to be filed electronically from the financial year 2021-22.

**2. Form 10BD for furnishing statements:** Statement of particulars required to be furnished by any research association, university, college or other institution or company or fund ("reporting person") **under clause (viii) of sub-section (5) of section 80G or under clause (i) to sub-section (1A) of section 35 shall be furnished in respect of each financial year, beginning with the financial year 2021-2022, in Form No. 10BD** and shall be verified in the manner indicated therein.

**3. Reporting of aggregate amount of donation for each person:** The reporting person shall report the aggregate amount of donation received from each person in the financial year for which the statement is furnished.

**4. Reporting of donation received from more than one person:** Where donation is received from more than one person, the proportionate amount of each person shall be reported. Where no proportion is specified by the donors, the same shall be proportioned equally.

**5. Online furnishing of Form 10BD:** The statement of donation in Form 10BD is required to be furnished online electronically.

**6. Verification of Form 10BD:** Form No. 10BD shall be verified by the person who is authorised to verify the return of income under section 140 of the Act with digital signature (DSC) or EVC.

If the return of income of the applicant is required to be furnished under digital signature, then furnishing Form 10BD with DSC is compulsory else the forms can be furnished with EVC.

**7. Issue of Certificate to donors:** The reporting person is required to furnish a **certificate of donation** (as referred to in clause (ix) of sub-section (5) of section 80G or in clause (ii) to sub-section (1A) to section 35), **to the donor in Form No. 10 BE** specifying the **amount of donation received during financial year from such donor**, beginning with the financial year 2021-2022.

The **certificate of donation in Form 10BE is required to be generated and downloaded from the income tax portal** to be implemented by the Pr. DGIT/DGIT (Systems).

**8. Due Date for issuing Donation Certificate in Form 10BE:** The **certificate of donation is required to be furnished to the donor on or before the 31st May**, immediately following the financial year in which the donation is received.

**9. Annual filing of statement of donations received in Form 10BD:** The **statement of donations received in a financial year shall be required to be furnished by 31st May**, immediately following the financial year in which the donation is received.

**10. Consequences of Non-filing of Form 10BD:**

The reporting entity is mandated to comply with the filing of Form 10BD and failure to comply will attract a fee of Rs.200/- per day of delay as per newly inserted section 234G.

Apart from the fee for delay in furnishing statement of donations in Form 10BD, failure to file such statement will also attract penalty u/s 271K, which shall not be less than Rs.10,000/- and which may extend up to Rs.1,00,000/-

From the donor perspective, it is not just sufficient to obtain a donation receipt, but it is very much imperative to obtain a certificate of donation in Form 10BE after the end of the financial year. This is where the role of entities receiving the donations will be crucial as a certificate of donation has to be issued to all the donors in order to claim the deduction.