

Form No. 106 – Order for provisional registration or provisional approval or for rejection of application

Purpose:

Form No. 106 is an order passed by Commissioner of Income Tax (CPC) for granting of provisional registration or provisional approval or for rejection of application, after receipt of application in Form No. 104.

Who Should File:

NA

Frequency & Due Dates:

Time limit for furnishing application	Validity of Registration/approval	Time limit for passing the order by CIT,CPC
At any time during the tax year beginning from which registration is sought.	Three tax years or upto 6 months from the commencement of activities, which ever is earlier, commencing from the tax year in which such application is made.	One month from the end of the month in which application is made.

Structure of Form 106:

- **Part-A (Particulars of the Applicant):** Information of Name, PAN and Address of the Applicant
- **Part B (Part B: Details of Registration or Approval granted)**
 - **Document Identification Number**
 - **Nature of activities**
 - **Section in which provisional registration/provisional approval is being granted**
 - **Provisional registration/approval number (Unique Registration Number)**
 - **Date of provisional registration/provisional approval**
 - **Tax year or years for which the trust or institution is provisionally registered or provisionally approved**

Part C: Conditions subject to which registration/approval is being granted

(I) Application of Income

- a) any income of the registered non-profit organisation shall not be applied, other than for its objects;
- b) the registered non-profit organisation shall not apply any part of its total income for private religious purposes (which does not enure for the benefit of the public);
- c) the registered non-profit organisation, created or established after the commencement of this Act for charitable purpose, shall not apply any part of its income for the benefit of any particular religious community or caste other than the Scheduled Castes or the Scheduled Tribes or backward classes or women and children;

(II) Conditions in respect of carrying out commercial activities

- a) the registered non-profit organisation (other than a registered non-profit organisation carrying out advancement of any other object of general public utility) shall not carry out any commercial activity unless such commercial activity is incidental to the attainment of the objectives of the registered non-profit organisation;
- b) the registered non-profit organisation, carrying out advancement of any other object of general public utility, shall not carry out any commercial activity unless such commercial activity is undertaken in the course of actual carrying out of advancement of any object of the general public utility;
- c) the aggregate receipts from the commercial activity or activities carried out by the registered nonprofit organisation, carrying out advancement of any other object of general public utility, shall not exceed 20% of the total receipts of such registered non-profit organisation of the relevant tax year

(III) Books of accounts

- a) Separate books of account shall be maintained by the registered non-profit organisation in respect of the commercial activity that is incidental to the attainment of the objectives;
- b) the registered non-profit organisation, carrying out advancement of any other object of general public utility, shall maintain separate books of accounts for any commercial activity undertaken by it.

(IV) Compliance with the requirements of law and conditions

- a) the registered non-profit organisation shall not carry out any activity which is not genuine or is not being carried out in accordance with all or any of the conditions subject to which it was registered;

b) the registered non-profit organisation shall comply with the requirements of any other law.

(v) True and complete disclosure

The form for registration/approval in Form No. 104 shall be duly filled in by providing all the information or documents and no false or incorrect information or documents have been provided.

- **Part D: Details of the Authority passing the order:** Name and Designation of authority passing the order

What are the documents required to file the Form 106?

NA

Filing Count:

On average, **1. lakh** Form No 10AC(Now Form No. 106) were passed each year over the past 3 years.

What is the process flow of filing Form No 106?

NA

Outcome of Processed Form No. 106:

Once an order in Form No. 106 is passed the following outcomes may occur:

- (i) Granting of provisional registration/approval:** On receipt of an application in Form No. 104, the Commissioner of Income Tax (CPC), shall pass an order in writing in Form No.106, issuing a 16 digit alphanumeric Unique Registration Number (URN) and granting provisional registration under section 332(8) or granting provisional approval under section 354(4) or both where the activities of the applicant have not commenced and it has not been registered under any specified provision at any time before making the application;
- (ii) Cancellation of provisional registration/approval :** The registration or approval granted in Form No. 106 and Unique Registration Number (URN), may be cancelled by the jurisdictional Principal Commissioner or Commissioner after providing an

opportunity of being heard to the applicant, if, at any point of time it is noticed that Form No. 104,-

(a) contains any false or incorrect information; or

(b) does not comply with the requirements of being furnished electronically under a digital signature or through an electronic verification code or without verification by the person who is authorised to verify the return of income, as applicable to the applicant.

Such registration or approval or URN shall be considered to have never been granted or issued.

Brief note on broad or qualitative changes proposed:

Key updates include the following

- Overall Form No. 106 has been further simplified and structured.
- it has been specifically provided whether the Form is for approval u/s 332 or 354 so that the applicant can know it upfront.
- Conditions subject to which registration/approval is granted has been structured.

Challenges and Solutions:

NA

Common Changes made across Forms:

1. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form/Annexure.
2. Sections, Clauses and Schedules changes as per the Income-tax Act, 2025.