

Form No. 107 – Order for regular registration u/s 332, approval u/s 354, rejection of application and cancellation of registration or approval and rejection of application

Purpose:

Form No. 107 is an order passed by the jurisdictional Principal Commissioner or Commissioner for granting of registration or approval after receipt of application in Form No. 105.

Who Should File:

NA

Frequency & Due Dates:

In all cases, except as provided below, the validity of regular registration/approval is 5 tax years commencing from the tax year in which such application is made and the Principal Commissioner or Commissioner shall be required to pass the order of granting the regular registration or approval (or cancellation of the same) within 6 months from the end of the quarter in which application is made.

Certain exceptions:

- (i) when the application is made where the provisional registration/provisional approval of the applicant is due to expire and activities have not commenced or where the where the period for approval of a registered non-profit organisation is due to expire, in this scenario, **the validity of the regular registration/approval shall be five tax years following the tax year in which such application is made.**
- (ii) Where the total income of the Applicant, without giving effect to the provision of Part B of Chapter XVII during each of the two tax years, preceding the current tax year in which the application is made, does not exceed Rs 5 core, and the Applicant has been registered or approved earlier under the Income-tax Act, 1961 or the Act, then the validity of the regular registration shall be **10 tax years.**

Structure of Form No. 107:

- **Part-A (Particulars of the Applicant)** Information of Name, PAN and Address of the Applicant
- **Part B (Details of Registration or Approval granted)**
 - Document Identification Number
 - Registration/Approval Number (Unique Registration Number)
 - Section in which registration/approval is being granted
 - Date of registration/approval
 - Nature of activity for which registration/approval is being granted
 - Period of validity for which the Applicant is registered or approved

- Tax years for which the Applicant is registered or approval
- **Part C: Details of rejection of application or Cancellation of registration or approval granted**

- Date of opportunity afforded to the Applicant before rejection or cancellation:
- Reasons of rejection/cancellation

- **Part D: 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. 105 shall be duly filled in by providing all the information or documents and no false or incorrect information or documents have been provided.

(VI) Validity of registration

Registration / Approval shall not be valid, if it is cancelled by the Principal Commissioner or Commissioner irrespective of the tax years for which it was granted.

This order is liable to be withdrawn by the Principal Commissioner or Commissioner if it is subsequently found that the activities of the Applicant are not genuine or if they are not carried out in accordance with all or any of the conditions subject to which it is granted, if it is found that the Applicant has obtained the approval by fraud or misrepresentation of facts or the application contains any false or incorrect information or it is found that the assessee has violated any condition provided in the Income-tax Act, 2025.

(VII) Reasons for rejection of application for condonation of delay or registration or approval or cancellation of earlier registration or approval

(VIII) Part F: Details of the Authority passing the order: Name and Designation of the authority passing the order

What are the documents required to file the Form No. 107?

NA

Filing Count:

This Form is not available on e-filing portal, but is on ITBA.

What is the process flow of filing Form No. 107?

NA

Outcome of Processed Form No.107:

On receipt of an application in Form No. 105, the Principal Commissioner or Commissioner, shall pass an order in writing in Form No.107,-

- (a) issuing a 16 digit alphanumeric Unique Registration Number (URN) and granting registration or approval;
- (b) rejecting the application;
- (c) rejecting the application and also cancelling the registration or approval; or
- (d) granting registration or approval under for one section code and rejecting the application under the other section code mentioned in the application.

Brief note on broad or qualitative changes proposed:

Key updates include the following

- Overall Form No. 107 has been streamlined and aligned with the new sections and phrases under the Income-tax Act, 2025.
- At the top of the Form, it has been specifically provided whether the Form is for approval u/s 332 or 354 or rejection or cancellation of registration or approval and rejection of applications that the applicant can know it upfront.
- The CIT has been allowed to change the section code which may be different from section code in which application is made.
- Conditions subject to which registration/approval is granted has been structured.
- Other changes as per re-application and condonation of delay procedure which has newly introduced have been made.

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.
3. Currency symbol "Rs." has been replaced with "₹".

