

RC-07 Form 188

NOTE ON THE INTRODUCTION OF NEW FORM FOR APPROVAL OF GRATIAUITY FUND / SUPERANNUATION FUND

(Amendment in Rule 95 and Rule 109 of the Income-tax Rules)

1. Purpose

This new Form has been introduced to streamline and standardise the process for seeking approval of a Gratuity Fund or Superannuation Fund under Part B of Schedule XI. Previously, the application particulars were embedded in text format within Rule 95 (Gratuity Funds) and Rule 109 (Superannuation Funds) of the Income-tax Rules, and no dedicated Form existed. These textual requirements now have been removed from the Rules and incorporated into a separate Form for greater clarity and ease of compliance.

Introducing these provisions in a structured Form format simplifies compliance, reduces textual complexity in the Rules, and ensures uniformity in the information submitted. Since the procedural requirements under the earlier Rules 95 and 109 were identical, therefore, a single consolidated Form has been proposed for both funds.

2. Who Should File

The Form must be filed by the trustees of the Fund or any authorised person acting on behalf of the Trust. Since the Fund is a distinct legal entity, the responsibility for submission and compliance rests with the trustees.

3. Frequency & Due Dates

The Form is required to be filed only at the time of seeking initial approval for a new Gratuity Fund or Superannuation Fund.

4. Structure of This Form

The Form broadly contains:

- Details of the Employer (name, address, nature of business).
- Details of the Fund (Name, PAN, Date of creation and Type)
- Classes and Number of Employees eligible for the Fund.
- Place of Maintenance of Fund Accounts.
- Current Status of the Fund (including whether investments exist).
- Declaration and Verification by the trustees.

This structure replaces the information previously prescribed under Rule 95 and Rule 109.

5. Documents Required

The following documents must accompany the Form:

1. Trust Deed constituting the Fund.
2. Fund Rules governing its administration.
3. Copy of the accounts of the fund relating to previous years (if the Fund is already functional).
4. Copy of the Balance sheet of the fund as on 31st March of the financial year preceding the date of Application, if the fund is already in existence.
5. Any other supporting document required by the competent authority.

6. Process Flow of Filing

1. Preparation of the Form by trustees.
2. Compilation of the mandatory documents.
3. Submission before the jurisdictional Pr. CCIT / CCIT / PCIT / CIT.
4. Examination and verification of details.
5. Seeking clarifications wherever required.
6. Decision on grant or rejection of approval.

7. Outcome of Processed Form

After examination, the competent authority may:

- Grant the Certificate of Approval / Registration to the Gratuity Fund or Superannuation Fund, OR
- Issue a deficiency notice, OR
- Reject the application if conditions under Schedule XI are not satisfied.

Approval confers eligibility for tax benefits provided under the Income-tax Act.