

GUIDANCE NOTE for Form 70

Annual Statement of Exempt Income of a specified fund under section 11 read with Schedule VI [Table: SI. Nos. 1 to 4] and Income taxable at concessional rates under section 210(3) of the ITA 2025

Purpose

Form 70 is the form prescribed under Rule 141 and Rule 143 of the Income Tax Rules. A specified fund is required to furnish an annual statement of exempt income under **Section 11 read with Schedule VI [Table: SI No. 1 to 4] of ITA 2025**, which is attributable to the investment division of an offshore banking unit, in this Form. Further, a statement of taxable income, which is attributable to the investment division of offshore banking unit, and eligible for taxation at concessional rates under **section 210(3) of the ITA 2025** is also required to be furnished in this Form.

Filing of this Form is a mandatory compliance for a specified fund, so as to claim the applicable tax benefits (exemption or concessional rate of taxation) in respect of the income attributable to the investment division of an offshore banking unit.

This form provides for columns for furnishing information relating to identity particulars of the specified fund, computation of income eligible for exemption, and computation of income eligible for taxation at concessional rates.

Who Should File

A specified fund seeking the benefit of tax-exemption, or taxation at concessional rates, in respect of the eligible income of the investment division of an offshore banking unit under **Section 11 read with Schedule VI [Table: SI No. 1 to 4] of ITA 2025**, or **section 210(3) of the ITA 2025**, respectively, is mandatorily required to furnish the statement of exempt income (as also the income taxable at concessional rates) in Form 70.

When and How to File

- The form is to be filed on the e-filing portal.
- The form shall be furnished electronically either under digital signature or through electronic verification code verified by the Principal Officer of the specified Fund.
- The e-form is required to be furnished by such specified Fund on or before the “*due date*” for filing the Return of Income under **Section 263 of the ITA 2025**.

Structure of Form 70

- Identity particulars of the specified fund, viz. Name, address, legal status and PAN of the Fund.
- Relevant Tax Year
- Date of establishment of the Fund
- Date of commencement of operations
- Computation of exempt income of the specified fund
- Computation of income of specified fund which is taxable at concessional rates
- Verification by the declarant

What are the documents required to file the Form 70

Following documents may be required for filing Form 70, -

- A copy of Trust deed, or Memorandum of Association, or any other legal instrument evidencing the formation of the fund
- Copy of SEBI Category-I FPI registration certificate
- Annual financial statements of the fund for the relevant tax year
- Audited accounts of the eligible investment division of the offshore banking unit for the relevant tax year
- Bank statements, Foreign Inward Remittance Certificate, and settlement advisories evidencing income receipt and attribution
- Statements of securities (held during the year and transactions executed) issued by the Broker/Custodian
- Records of all securities transactions, including purchase date, sale date, holding period, and resulting capital gains/loss
- Unit Holders Register (showing classification of unit holders by residency status i.e. resident or non-resident)

What is the process flow of filing Form 70?

The process flow includes following steps:

- Prepare the application: Fill Form 70, ensuring all columns are complete with accurate details.
- Attach mandatory documents.
- Sign/verify: The application and the attached statements must be signed or digitally signed by the Trustee or the Principal officer of the Fund.
- Submit online on the e-filing portal.

Outcome of Processed Form 70:

- Once the Form 70 is validly filed by the specified fund, and is successfully processed, the fund shall be able to claim the benefit of exemption, or taxation at concessional rates, in respect of income attributable to the eligible investment division of the offshore banking unit
- The specified fund, in order to claim the benefit of exemption, must also file the Audit Report in Form 71, verified by an accountant, certifying that separate accounts of the eligible investment division have been maintained, and have been duly audited.

Key updates include the following:

- In Column 10 (*which provides step-wise computation of exempt income*) and in Column 11 (*which provides step-wise computation of income eligible for taxation at concessional rates*), only reference to the relevant statutory provisions has been mentioned, instead of reiterating the entire provision.

Improved Applicant Experience, Expedited Process:

- The language of the Form has been simplified. The columns relating to computation of income have been suitably redrafted.

➤ **Challenges in Old Form 70**

The existing Form 70 was notified with effect from 1st April 2022. No significant gaps were identified in the existing Form.

➤ **Solutions in New Form 70**

The language in the columns relating to computation of exempt income, or income taxable at concessional rates, has been simplified in the proposed Form, as elaborated above.
