

Frequently Asked Questions (FAQs)

FORM 16 – Annual Certificate to Donors for Scientific Research

(Section 45(4)(a) read with section 45(3) of the Income-tax Act, 2025)

1. What is FORM 16?

FORM 16 is a prescribed annual certificate to be issued by a prescribed undertaking or institution referred to in section 45(3) of the Income-tax Act, 2025, certifying the sums received from a donor during a tax year for scientific research.

2. Which provision mandates issuance of FORM 16?

FORM 16 is mandated under section 45(4)(a) of the Income-tax Act, 2025.

3. Who is required to issue FORM 16?

Every prescribed undertaking or institution referred to in section 45(3) which receives eligible sums for scientific research is required to issue FORM 16.

4. To whom is FORM 16 issued?

FORM 16 is issued to the donor who has paid the sum eligible for deduction under section 45.

5. What is the nature of FORM 16?

FORM 16 is an annual certificate. It is not a transaction-wise receipt and does not acknowledge individual donations separately.

6. Is FORM 16 issued every time a donation is received?

No.

FORM 16 is issued once in respect of a tax year, certifying the total sums received from the donor during that year, similar to Form 10BE under the Income-tax Rules, 1962.

7. What is the due date for issuing FORM 16?

FORM 16 is required to be issued on or before 31st May immediately following the end of the relevant tax year.

8. What details are required to be contained in FORM 16?

FORM 16 contains, inter alia:

- name and approval details of the prescribed institution;
- donor's name, address and PAN;
- aggregate amount of donation received during the tax year;

- tax year to which the donation relates; and
- the relevant clause of section 45(3) .

9. What is the relationship between FORM 15 and FORM 16?

- FORM 15 is an annual statement furnished by the institution to the Income-tax Department.
- FORM 16 is an annual certificate issued by the institution to the donor.

FORM 16 is generated on the basis of information furnished in FORM 15.

10. Is FORM 16 applicable to donations to charitable institutions?

No.

FORM 16 applies only to donations for scientific research under section 45. Donations to charitable institutions are governed by a separate certificate framework [Form 114].

11. Can an institution issue a receipt at the time of donation?

Yes.

An institution may issue a separate commercial receipt or acknowledgement at the time of donation. However, such receipt is distinct from FORM 16, which is a statutory annual certificate.

12. Can FORM 16 be corrected or revised?

Yes.

Where any error or omission is noticed, a corrected FORM 16 may be issued.

13. Does issuance of FORM 16 guarantee deduction to the donor?

No.

FORM 16 is a certification requirement. Deduction is subject to fulfilment of conditions under section 45 and verification by the Income-tax Department.

14. Is FORM 16 required to be issued electronically?

Yes.

FORM 16 is envisaged as a system-generated electronic certificate.