

Form 173 – Frequently Asked Questions

Statement to be furnished by an eligible investment fund to the Assessing Officer under section 9(12) [Schedule I: Paragraph 1(4)]

| Name of form as per I.T. Rules, 1962 | Form 3CEK | Name of form as per I.T. Rules, 2026 | 173 |
|---|-----------|---|---------------------|
| Corresponding section of I.T. Act, 1961 | 9A | Corresponding section of I.T. Act, 2025 | 9 (12) & Schedule I |
| Corresponding Rule of I.T. Rules, 1962 | 10VB | Corresponding Rule of I.T. Rules, 2026 | 276 |

1. What is Form 173?

Ans: Form 173 gives details that enables Assessing Offers to verify whether eligibility conditions have been fulfilled or not for an investment fund to claim no business connection in India under Section 9A of the IT Act, 1961(now section 9(12) read with Schedule I of the Income-tax Act, 2025).

2: Who should file Form 173?

Ans: Form 173 can be filed by every eligible investment fund, that is, the Fund manager or designated person on behalf of the Fund

3: Is Form 173 mandatory?

Ans: Yes, Form 173 is mandatory.

4: What is the time limit for filing Form 173?

Ans: Form 173 must be filed within 90 days from the end of the tax year.

5: How many times can Form 173 be filed in a year?

Ans: Form 173 must be filed once in a tax year.

6: What documents are required to file Form 173?

Ans: Following documents may be required for filing Form 173:

- Communication addresses, emails, phone nos. of the investment fund along with TIN of the country of residence.
- Contact details of representatives in India
- Approval order of the CBDT for the fund, if applicable
- SEBI Registrations of the Fund Manager/s
- Financial statements that summarize the profit and loss of the investments in India
- Contracts specifying the remuneration payable to the fund manager/s

7: Can I edit Form 173 after submission?

Ans: No. Once Form 173 is submitted and acknowledgment is generated, it **cannot be edited**. Ensure all details are correct before submission.

8: Do I need to attach proof of tax payment?

Ans: No. Form 173 does not require any proof of tax payment as it is applicable where the income is not chargeable in India owing to no business connection as specified in the Act.

9: While filling personal details, can I leave Aadhaar or mobile number blank?

Ans:

- Aadhaar is no longer required in the personal details.
- Mobile number ensures faster communication and verification; it is recommended to provide it.

10: What if I do not have a PAN?

Ans: Form 173 cannot be submitted without a valid PAN.

11: Can Form 173 be filed offline?

Ans: No. Form 173 can only be submitted online through the Income Tax e-Filing portal.

12. What is the process flow of filing Form 173?

Ans: The process flow for filing Form 173 includes following steps

1. Digital Signature Certificate (DSC) is to be registered in the profile of the person who is authorised to sign/verify the form
2. Necessary documents of the fund and fund manager/s are to be gathered
3. The Form is to be filed electronically through the e-filing portal of the Income Tax Department
4. The statement should be digitally signed by the authorized signatory of the non-resident entity.

13: Why is Form 173 important?

Ans: Filing Form 173 enables the fund in question to claim its activities are not constituting business connection in India subject to the conditions being fulfilled

In case of not fulfilment of conditions, as noted in the Form, the fund will be subjected to tax as per the other provisions of the Income-tax Act and will have to file necessary return of income and forms

Failure to file Form 173 can lead to:

- Levy of Penalty under Section 456 of the Income-tax Act, 2025.
- Cancellation of approval
- Other proceedings for assessment of income under the Income-tax Act, 2025