

FAQs on Form 186

Application for recognition of a Provident Fund

FAQ 1: What is Form 186 ?

Form 186 is the prescribed application form for seeking recognition of a Provident Fund under the Income-tax Act, so that the fund qualifies as a Recognised Provident Fund (RPF) for income-tax purposes.

FAQ 2: Who is required to file Form 186 ?

Form 186 is required to be filed by:

- An employer establishing a provident fund trust for its employees, or
- The Board of Trustees / authorised signatory of an employer-created provident fund trust, or
- An existing provident fund trust seeking recognition, or recognition after amendment, merger, or restructuring.

FAQ 3: When should Form 186 be filed?

Form 186 should be filed at the time of setting up the provident fund trust, or when an existing provident fund seeks recognition as an RPF. There is no prescribed annual due date.

FAQ 4: Is Form 186 a one-time filing?

Yes. Form 186 is ordinarily a one-time application. However, refiling or intimation may be required where there are material amendments to the trust deed or rules, or other changes as required by the tax authority.

FAQ 5: To whom is Form 186 submitted?

Form 186 is submitted to the jurisdictional Authority as specified under the Income-tax framework.

FAQ 6: What information is required to be furnished in Form 186 ?

Form 186 requires details relating to:

- Employer and establishment particulars
- Provident fund trust particulars
- Trustees and authorised persons
- Trust deed and provident fund rules
- Contribution structure, vesting, withdrawals, and interest crediting
- Investment policy and funding arrangements
- Declarations and undertakings of compliance

FAQ 7: What documents are required to be attached with Form 186 ?

The application is required to be accompanied by documents such as:

- Copy of Trust Deed
- Copy of Rules of the Fund
- Documentary proof if establishment is exempt under Section 17 of the EPF & MP Act
- Proof of receipt from Employees Provident Fund Organization if the establishment is NOT exempt under section 17 of the EPF & MP Act
- Copy of letter of Approval if the fund was recognized under the Income-tax Act, 1961 before 31-3-2006
- A copy of the balance-sheet of the fund, relevant to the financial year ending prior to the date of application, if the fund is already in existence.

FAQ 8: What is the process after submission of Form 186 ?

After submission:

- The application is examined by the competent authority
- Clarifications or modifications to the trust rules may be sought
- On satisfaction, an order granting recognition is issued

FAQ 9: What is the effect of approval of Form 186 ?

Upon approval:

- The provident fund attains the status of a Recognised Provident Fund
- Contributions, fund income, and eligible withdrawals are governed by the tax treatment applicable to RPFs, subject to statutory limits and conditions

FAQ 10: What happens if recognition is not granted?

If recognition is not granted, the reasons are communicated to the applicant. The applicant may rectify deficiencies and re-apply or file appeal against the order as per the law.

FAQ 11: Can recognition granted under Form 186 be withdrawn later?

Yes. Recognition may be withdrawn if the fund fails to comply with the conditions of recognition, including violations of trust rules, investment norms, or statutory requirements.

FAQ 14: Does Form 186 govern administration of the provident fund?

No. Form 186 governs recognition for tax purposes only. Administrative and operational aspects of the provident fund are governed by the trust deed, fund rules, and applicable labour-law frameworks, where relevant.