

Form 71 - Frequently Asked Questions

Form for Verification by an Accountant for computation of exempt income of specified fund, attributable to the investment division of an offshore banking unit, for the purposes of Schedule VI of the Act

Name of form as per I.T. Rules, 1962	Form 10-IL	Name of form as per I.T. Rules, 2026	71
Corresponding section of I.T. Act, 1961	Section 10(4D) and 115AD(1B)	Corresponding section of I.T. Act, 2025	Section 11 read with Schedule VI [Table: Sl. Nos. 1 to 4] and section 210(3)
Corresponding Rule of I.T. Rules, 1962	Rule 21AJA	Corresponding Rule of I.T. Rules, 2026	142

1: What is Form 71 ?

Ans: Form 71 is the prescribed form for filing the audit report prescribed under Rule 142 of the Income Tax Rules, 1962. A specified fund, in order to claim exemption, or benefit of taxation at concessional rates, in respect of eligible income attributable to the investment division of an offshore banking unit, is also required to fulfil certain other eligibility conditions, as prescribed in the rule. These eligibility conditions *inter-alia* include maintenance of separate books of accounts for the registered investment division, getting the accounts audited by an accountant, maintaining other relevant documentation, and filing of such audit report in the prescribed form on or before the specified date (i.e. *one month prior to the due date for filing return of income*).

2: Who should file Form 71?

Ans: The accountant, who has audited the book of accounts of the eligible investment division of the offshore banking unit, is required to file this audit report, certifying the correctness of the separate accounts maintained by the investment division and affirming the fulfillment of other eligibility conditions, as stipulated in Rule 142.

3. Who is required to verify the Form 71?

Ans. The accountant, who has audited the book of accounts of the eligible investment division of the offshore banking unit, is required to verify that he has examined the books of accounts of the eligible investment division, and also affirm that such investment division fulfils other eligibility conditions to claim the benefit of exemption, or taxation at concessional rates. The accountant is also required to mention his membership number, the UDIN of the audit report, and details of his audit firm.

4: Where and how the Form 71 is required to be filed?

Ans: The Form 71 shall be filed electronically on the e-filing portal of Income-tax Department. The form shall be duly verified, either under digital signature or through electronic verification code, by the accountant.

5: What is the time limit for filing Form 71?

Ans: The audit report in Form 71 is required to be filed electronically, at least one month prior to such “*due date*” for filing return of income prescribed under section 263(1)(c) of the ITA’ 2025, as may apply for the specified fund claiming the benefit of exemption, or taxation at concessional rates. This time limit is specified in the relevant rules.

6: What documents are required to file Form 71?

Ans: The following documents may be required while filing Form 71, -

- 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 specified fund for the relevant tax year
- Audited financial statements of the eligible investment division of the offshore banking unit for the relevant tax year
- Bank statements, Foreign Inward Remittance Certificate, and settlement advisories

- Statement of securities (*held during the year and transactions executed*) including income earned on securities held and gain arising on transfer of securities
- Details of Unit Holders with number of units held by them and their classification by residency status i.e. *resident or non-resident*

7. Is Form 71 mandatory?

Ans: Filing of a valid Form 71 within the specified time limit, is one of the mandatory conditions for making an admissible claim of exemption, or taxation at concessional rates, by a specified fund, in respect of income which is attributable to investment division of an offshore banking unit, under the aforementioned provisions.

8: Can I edit Form 71 after submission?

Ans: No. Once Form 71 is validly submitted, after verification by the accountant, and acknowledgment is generated, it **cannot be edited**. Please ensure that all details are correct before final submission.

9: Do I need to attach any document with the Form 71?

Ans: No. It is not mandatory to attach any document with the Form 71.

10: While filling Part A and Part B, can I leave any field blank?

Ans:

- PAN of the Specified Fund is mandatory. Name and complete address thereof shall be pre-filled, which can be updated by the user. Status is pre-filled.
- Details of the offshore banking unit are mandatory fields.
- In Part B, only the applicable remarks (Yes/No) are to be selected from the drop-down menu.

11: What if the specified fund does not have a PAN?

Ans: Form 71 cannot be submitted without a valid PAN of the specified fund.

12: Can Form 71 be filed offline?

Ans: No. Form 71 can only be submitted **online** through the Income Tax e-Filing portal.

13: Why is Form 71 important?

Ans: Filing of a audit report in Form 71 within the specified time limit is one of the mandatory compliance for claiming the benefit of tax-exemption, or taxation at concessional rates, by the specified fund, in respect of the eligible income of the investment division of an offshore banking unit, under section 11 read with Schedule VI [Table: Sl. Nos. 1 to 4] and section 210(3) of the ITA 2025. However, the claim of benefit of exemption (as also taxation at concessional rates) is further subject to fulfillment of various other eligibility conditions, as prescribed in the statute and relevant rules.