

F. No. 173/158/2013-ITA.I
 Government of India
 Ministry of Finance
 Department of Revenue
 Central Board of Direct Taxes

New Delhi, dated the 10th December, 2013

Subject: Standardizing the process of filing application for approval of an Electoral Trust-reg.

Under clause (22AAA) of Section 2 of the Income-tax Act, 1961 Central Board of Direct Taxes is empowered to approve an 'Electoral Trust' for the benefit of provisions of Section 13B of the Income-tax Act, 1961.

2. As per clause 5(1)(a) of the Electoral Trust Scheme, 2013, an application for approval under Section 2(22AAA) of the Act is to be made in duplicate in Form A. In order to avoid procedural delay in processing these applications, the applicants are advised to file alongwith the application in Form A, on or before the prescribed date, the duly filled in and signed check-list accompanied with documents required therein, before the Commissioner of Income Tax/Director of Income Tax under whose jurisdiction their cases fall. The applicant shall also enclose a copy the said check-list while sending the copy of their application to Member(IT), CBDT in terms of clause 5(1)(b) of Electoral Trust Scheme, 2013.

3. The format of the check-list shall be as under-

CHECKLIST FOR ELECTORAL TRUST (ET)

1	Name	
2	Address	
3	PAN (Has copy of PAN card being enclosed for verification)	
4	Jurisdictional Assessing Officer	
5	Whether fresh approval case or renewal case	
6	Period for which approval is being sought	
7	Whether copies of return of Income for past three years have been submitted in renewal cases	
8	Does the Electoral Trust (hereinafter referred to as 'ET') meets the prescribed eligibility criteria as per ET Scheme 2013- a) Whether ET is a registered company for the purposes of Section 25 of the Companies Act. b) Whether the ET was so registered on or after 01.04.2012. c) Whether the name of the company includes the phrase 'electoral trust'	
9	a) Whether the sole object of the trust is to distribute the contributions to political parties registered under section 29A of the Representation of the People Act b) Whether appropriate evidence in this regard has been furnished	
10	a) Whether any change in the shareholders, subsequent to the approval granted under the Scheme has occurred? b) If yes, date of intimation to the CBDT c) Whether CBDT intimated within thirty days of such change.	
11	a) Date of filing of FORM A to the CIT/DIT, as the case may be, having jurisdiction over the applicant. b) Whether within the prescribed date?	
12	a) Whether defect in FORM A intimated to the applicant? b) Date of such intimation. c) Date of removal of the defect	

13	<p>Whether application in FORM A accompanied by the following documents, namely:-</p> <p>(a) an attested copy of the certificate evidencing the registration of the company for the purposes of section 25 of the Companies Act, 1956 (1 of 1956);</p> <p>(b) a certified copy of the memorandum and articles of association;</p> <p>(c) complete name, permanent account number and address of the electoral trust and its members (including members of its Executive Committee, Governing Committee or Board of Directors);</p> <p>(d) initial share capital of the company and its source;</p> <p>(e) details of beneficiaries, if available;</p> <p>(f) an undertaking in the form of an affidavit stating that the receipts shall be distributed only to the political parties registered under section 29A of the Representation of the People Act, 1951 (43 of 1951); and</p> <p>(g) copy of accounts of the applicant for the last one, two or three years, as may be applicable.</p>																																		
14	<p>Whether the stipulations contained in sub-rules (2) to (15) of rule 17CA of the Rules for the functioning of an electoral trust are specifically included in the articles of association of the ET</p>																																		
15	<p>Whether an undertaking in the form of affidavit has been furnished stating the following –</p> <p>a) That the object of the ET is not to earn any profit or pass any direct or indirect benefit to its members or contributors, or to any person referred to in sub-section (3) of section 13 of the Act, or any person referred to in sub-rule (10) of rule 17CA of the Rules</p> <p>b) That all the conditions prescribed under sub-rules (2) to (15) of Rule 17CA would be adhered to, namely (please tick ✓) –</p> <table border="1" data-bbox="278 928 1295 1984"> <tr> <td data-bbox="286 928 386 1000">(i)</td> <td data-bbox="394 928 1167 1000">Rule 17CA(2): Receiving voluntary contribution from specified entities only</td> <td data-bbox="1175 928 1287 1000"></td> </tr> <tr> <td data-bbox="286 1011 386 1083">(ii)</td> <td data-bbox="394 1011 1167 1083">Rule 17CA(3): Specified manner of issuing receipt of contribution</td> <td data-bbox="1175 1011 1287 1083"></td> </tr> <tr> <td data-bbox="286 1094 386 1187">(iii)(A) (B)</td> <td data-bbox="394 1094 1167 1187">Rule 17CA(4): Not accepting contributions from certain entities Rule 17CA(6): Not accepting contributions unless PAN/Passport Number of contribution is disclosed</td> <td data-bbox="1175 1094 1287 1187"></td> </tr> <tr> <td data-bbox="286 1197 386 1228">(iv)</td> <td data-bbox="394 1197 1167 1228">Rule 17CA(5): Mode of accepting contributions</td> <td data-bbox="1175 1197 1287 1228"></td> </tr> <tr> <td data-bbox="286 1239 386 1301">(v)</td> <td data-bbox="394 1239 1167 1301">Rule 17CA (7): Distributing funds only to "eligible" political parties</td> <td data-bbox="1175 1239 1287 1301"></td> </tr> <tr> <td data-bbox="286 1311 386 1518">(vi)</td> <td data-bbox="394 1311 1167 1518">Rule 17CA(8): (i) Not spending sums beyond prescribed limit to manage ET's affairs (ii) Quantification of "distributable contribution" (iii) Spending 95% of distributable contribution plus brought forward surplus of earlier year's in particular financial year.</td> <td data-bbox="1175 1311 1287 1518"></td> </tr> <tr> <td data-bbox="286 1529 386 1591">(vii)</td> <td data-bbox="394 1529 1167 1591">Rule 17CA(9): Manner of obtaining receipt from political parties</td> <td data-bbox="1175 1529 1287 1591"></td> </tr> <tr> <td data-bbox="286 1601 386 1663">(viii)</td> <td data-bbox="394 1601 1167 1663">Rule 17CA(10): Not utilizing contributions for benefits of certain specified persons</td> <td data-bbox="1175 1601 1287 1663"></td> </tr> <tr> <td data-bbox="286 1674 386 1912">(ix)(A) (B)</td> <td data-bbox="394 1674 1167 1912">Rule 17CA(11): (i) Maintaining books/other documents (ii) Maintaining list of contributors/beneficiaries prescribed manner Rule 17CA(14): Furnishing the lists at 11(ii) above to CIT/DIT alongwith audit report</td> <td data-bbox="1175 1674 1287 1912"></td> </tr> <tr> <td data-bbox="286 1922 386 1953">(x)</td> <td data-bbox="394 1922 1167 1953">Rule 17CA(12): Audit of accounts</td> <td data-bbox="1175 1922 1287 1953"></td> </tr> <tr> <td data-bbox="286 1964 386 1984">(xi)</td> <td data-bbox="394 1964 1167 1984">Rule 17CA(13): Maintenance of records of proceedings of all</td> <td data-bbox="1175 1964 1287 1984"></td> </tr> </table>	(i)	Rule 17CA(2): Receiving voluntary contribution from specified entities only		(ii)	Rule 17CA(3): Specified manner of issuing receipt of contribution		(iii)(A) (B)	Rule 17CA(4): Not accepting contributions from certain entities Rule 17CA(6): Not accepting contributions unless PAN/Passport Number of contribution is disclosed		(iv)	Rule 17CA(5): Mode of accepting contributions		(v)	Rule 17CA (7): Distributing funds only to "eligible" political parties		(vi)	Rule 17CA(8): (i) Not spending sums beyond prescribed limit to manage ET's affairs (ii) Quantification of "distributable contribution" (iii) Spending 95% of distributable contribution plus brought forward surplus of earlier year's in particular financial year.		(vii)	Rule 17CA(9): Manner of obtaining receipt from political parties		(viii)	Rule 17CA(10): Not utilizing contributions for benefits of certain specified persons		(ix)(A) (B)	Rule 17CA(11): (i) Maintaining books/other documents (ii) Maintaining list of contributors/beneficiaries prescribed manner Rule 17CA(14): Furnishing the lists at 11(ii) above to CIT/DIT alongwith audit report		(x)	Rule 17CA(12): Audit of accounts		(xi)	Rule 17CA(13): Maintenance of records of proceedings of all		
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		<i>meetings/decisions</i>	
	(xii)	<i>Rule 17CA(15): Intimating to CBDT any change in shareholders within 30 days</i>	
	(c)	That ET has made adequate arrangements for recording the receipts	
	(d)	That return of income of the ET would be filed alongwith prescribed audit report in Form No. 10BC duly accompanied by the information / certified copies of lists as provided in the annexure to the said form.	
16	(a)	Whether the receipt required to be issued by the ET against receipt of any contribution indicates the information prescribed under sub -rule(3) of rule 17 CA?	
	(b)	A sample copy of the receipt may be enclosed, if available.	
17	a)	Whether the electoral trust keeps & maintains or proposes to keep & maintain books of account and other documents in respect of its receipts, distributions and expenditure as may enable the computation of its total income in accordance with the provisions of Act.	
	b)	Please enumerate the specific books of account and documents that are maintained or are proposed to be maintained.	
18		Whether regular record of proceedings of all meetings and decisions taken therein are being maintained by the applicant till now?	
19	a)	Whether the ET is an entity forming part of any business group? If yes, the details thereof.	
	b)	Is any other ET existing /proposed by the same group? If yes, details thereof.	