### F.No. 370142/40/2016-TPL (Part-I) Government of India Ministry of Finance Department of Revenue (Central Board of Direct Taxes) \*\*\*\*\*

#### New Delhi, Dated August 31, 2018

# Subject: Draft notification proposing amendments in rule 114 of the Income-tax Rules, 1962 and permanent account number application Forms (Form 49A and Form 49AA)-reg.

Rule 114 of the Income-tax Rules, 1962(the Rules) *inter alia* provides that an application for the allotment of permanent account number (PAN) shall be made in Form No.49A (*in case of Indian citizens/Indian companies/Entities incorporated in India/Unincorporated entities formed in India*) or 49AA (*In case of individuals not being a citizen of India/entities incorporated outside India/Unincorporated entities formed outside India*). At present, providing Father's name in the PAN application Forms (Form No.49A and Form No.49AA) is mandatory, however, the applicant has been given an option to select name of either father or mother, which the applicant may like to be printed on PAN card. In order to provide that father's name shall not be mandatory in PAN application Forms, where mother is the single parent, an amendment in PAN application Forms is proposed to provide that mentioning father's name in the aforementioned Forms shall not be mandatory except in cases where mother is the single parent and mentioning mother's name shall be mandatory in cases where father's name is not furnished and mother is the single parent.

2. Vide Finance Act, 2018 section 139A of the Income-tax Act, 1961 (the Act) has been amended to provide for allotment of PAN to every person being a resident, other than an individual, which enters into a financial transaction of an amount aggregating to two lakh fifty thousand rupees or more in a financial year; and to the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer or any person competent to act on behalf of such person. However, corresponding rule 114 of the Rules does not provide the time line by which such person may apply for PAN allotment. Therefore, rule 114 of the Rules is proposed to be amended to provide time line by which a person referred to clause (v) and clause (vi) of subsection (1) of section 139A of the Act may apply for PAN allotment.

3. Further, vide Finance Act, 2018, clause (c) of Explanation to section (8) of section 139A of the Act has been amended to provide that "permanent account number under the new series" means a permanent account number having ten alphanumeric characters. Since, the said section earlier provided that the PAN shall be issued in the form of a laminated card, an amendment in rule 114 of the Rules is proposed to empower Principal Director General/Director General of Income Tax (Systems) to specify the manner in which PAN shall be issued.

4. In view of the above, it is proposed to amend the Income-tax Rules, 1962 so as to make necessary amendments in rule 114 of the Rules and PAN application Forms (Form No.49A and 49AA).

5. The draft proposal is as under:

"2. In the Income-tax Rules, 1962:-

"(I) in rule 114, in sub-rule (3), after clause (iv), following clauses shall be inserted, namely: -

'(v) in the case of a person, being a resident, other than an individual, which enters into a financial transaction of an amount aggregating to two lakh fifty thousand rupees or more in a financial year and which has not been allotted any permanent account number, on or before the  $31^{st}$  day of May, immediately following the financial year in which such transaction is entered into;

(vi) in the case of a person, who is the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of the person referred to in clause (v) or any person competent to act on behalf of the person referred to in clause (v) and who has not been allotted any permanent account number, on or before the  $31^{st}$  day of May, immediately following the financial year in which such transaction is entered into.';

(II) in rule 114, in sub-rule (6):-

'(i) for the words, brackets and figure "or intimation of Aadhaar number in sub-rule (5)", the words, brackets and figure ", intimation of Aadhaar number in sub-rule (5) and issue of permanent account number" shall be substituted;

(ii) for the words "and intimation of Aadhaar number", the words ", intimation of Aadhaar number and issue of permanent account number" shall be substituted.';

(III) in Appendix II, in Form number 49A and Form number 49AA, for column number 6 and entries relating thereto, the following item shall be substituted, namely:-

#### **'6.** Details of Parents (applicable only for individual applicants)

#### Father's Name (mandatory, except where mother is the single parent)

Last Name / Surname

Fii	First Name																			
M	Middle Name																			

## Mother's Name (Mandatory in case father's name is not furnished and mother is the single parent)

Ĺa	Last Name / Surname																			
Fiı	First Name																			
M	Middle Name																			

Select the name of either father or mother which you may like to be printed on PAN card (Select one only)

(In case no option is provided then PAN card will be issued with father's name except in case where father's name is not furnished and mother is the single parent. In such cases mother's name will be printed on PAN card)

Father's name Mother's name (Please tick as applicable)'."

6. The comments and suggestions of stakeholders and general public on the above draft notification are invited. The comments and suggestions may be sent electronically by 17<sup>th</sup> September, 2018 at the email address, <u>ts.mapwal@nic.in.</u>

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