

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 sub-section (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).

(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 17th September, 2018 at the email address, ts.mapwal@nic.in.**

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