



CBDT amends and inserts new Rule 6ABBB in Income Tax rules,1962

CBDT has inserted new rule 6ABBB under which a form of statement is required to be furnished regarding preliminary expenses incurred under Section 35D of the Income Tax Act, 1961 (“the Act”). This rule is inserted by way of Notification no.54/2023-Income Tax dated 1st August,2023 and it shall come into force with effect from 1st day of April,2024.

The amendment introduces Form no. 3AF for furnishing statements regarding preliminary expenses incurred by tax payers. This form must be submitted one month prior to the due date for filing the income tax return. It should be furnished electronically either under digital signature or through an electronic verification code.

The amendment also replaces Form No. 3AE in the Income-tax Rules, 1962, with new forms to be used for audit reports under section 35D (4)/35E (6) of the Act. These changes are aimed at ensuring proper record-keeping and transparency in the deduction of preliminary expenses.

Form No. 3AF shall be furnished to the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) as the case may be or any person authorised by the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems).

The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be, shall specify the procedures for furnishing Form No. 3AF and shall also be responsible for formulating and evolving appropriate security, archival and retrieval policies in relation to the form so furnished and forwarding the same to the Assessing Officer.