



कर्मचारी भविष्य निधि संगठन

श्रम मंत्रालय भारत सरकार

Employees' Provident Fund Organisation

(Ministry of Labour, Govt. Of India)

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No. C-II/Misc./2/06/EZ/Ex./Vol-II

Date :-

To

05 AUG 2016

All Additional CPFCs (Zones),
All RPFCs of ROs/SROs.

Subject : Exemption under Section 17(1)(a) of the EPF & MP Act, 1952 and under Para 27A of the EPF Scheme, 1952 - Regarding.

Sir,

References are being received in the Head Office seeking clarification whether Income Tax Recognition Order is one of the requisite documents to be submitted by the establishments seeking grant of exemption from operation of the EPF Scheme, 1952.

2. Vide Head Office circular No. C-II/Misc./2/06/EZ/Ex. /79520-79690 dated 28.12.2007, on the subject cited above, elaborate guidelines to be followed by the field offices for processing proposals for grant of exemption of the establishments from operation of the EPF Scheme, 1952 and forwarding the same to the Head Office had been issued. The aforesaid circular is available on the official website of EPFO at serial No. 20 under Office Orders / Circulars (Old Circulars). Paragraph 8. of the aforesaid circular mentions the essential information/documents/certificates which should accompany an exemption proposal forwarded to Head Office. Point No. (xiii) of paragraph 8. of the circular mentions Income Tax Recognition Order as one of the essential documents (for Provident Funds which came into existence before 31.03.2008).

3. The issue has been examined and it is felt that benefits of Income Tax provisions can be availed only after the Trust is recognized by the Income Tax authorities, and EPF authorities are concerned only with the benefits available under the EPF & MP Act, 1952 and the Schemes framed thereunder. However, if the Trust does not get recognition under Income Tax Act after grant of exemption, then the employees of the establishment will be getting overall less benefits as compared to employees of un-exempted establishments. Therefore, in order to remove difficulties and also to ensure that overall benefits to the employees of the exempted establishments are not less favourable, it is clarified that henceforth instructions contained in paragraph 8. of the aforesaid Head Office circular dated 28.12.2007 stands modified to the extent that point No. (xiii) of paragraph 8. of the circular may please be considered as omitted. Other things remain the same.

4. In view of above, henceforth, field offices will not ask the establishments seeking grant of exemption from the operation of the EPF Scheme, 1952 to furnish of copy of Income Tax Recognition Order as an essential document to be submitted with proposals for grant of exemption. However, immediately after grant of exemption by the appropriate Government, the establishment should get recognition from the Income Tax authorities for its Trust.

Yours faithfully,

(K. L. Goyal)

Addl. Central P.F. Commissioner- I (Exemption)

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