

DIRECT TAX

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IMPLEMENTATION OF FACELESS ASSESSMENT SCHEME, 2019

NOTIFICATION S.O. 2746(E) [NO. 61/2020/F.NO. 370149/154/2019-TPL], DATED 13-8-2020

The CBDT has issued detailed guidelines for the Faceless Assessment Scheme, 2019 as per above circular. In brief, under the new system, taxpayers won't have to visit territorial jurisdiction tax officers on receiving the income tax scrutiny notices. The National e-Assessment Centre (NeAC) has been empowered as the main gateway for communication between tax payers and tax authorities. NeAC shall be headquartered in New Delhi. Further, Regional e-Assessment centers across 20 cities including Delhi, Mumbai, Kolkatta and Chennai shall be setup. The NeAC shall serve a notice on Assessee under Section 143(2) specifying the issues for selection of his case for assessment. The notices issued by NeAC shall have document identification number. The NeAC will assign case selected for the purposes of e-assessment to specific "assessment unit" in any one Regional e-Assessment center through an automated allocation system. The assessment unit shall after taking into account all relevant material gathered, pass a draft assessment order and send a copy of such order to NeAC. The NeAC shall examine the draft assessment order and it may decide to – (a) Finalize assessment as per draft assessment order, or (b) provide an opportunity to the taxpayer, by serving a show cause notice or (c) assign the draft assessment order to "review unit" in any one Regional e-Assessment Centre, through an automated allocation system. The review unit shall conduct a review of draft assessment order whereupon it may decide to – (a) concur with the draft assessment order or (b) suggest such modifications as it may deem fit to draft assessment order. The NeAC shall upon receiving suggestions for modifications from the review unit communicate the same to assessment unit. The Assessment Unit shall after considering modifications suggested by review unit, send the final draft assessment order to NeAC. The NeAC shall upon receiving the final draft assessment order, finalize the draft assessment order or provide an opportunity to taxpayer in case a modification is proposed as case may be. The NeAC shall send the response received from taxpayer to the assessment unit. The assessment unit shall after taking into account response furnished by taxpayer, make a revised draft assessment order and send it to NeAC. The NeAC shall upon receipt of revised draft assessment order – (a) finalise the draft assessment or (b) provide opportunity to tax payer for hearing and submissions. The response furnished by the taxpayer shall be dealt with by the NeAC and the draft assessment order finalized. The NeAC may at any stage of the assessment if it considers it necessary, transfer the case to Assessing Officer having jurisdiction over such case with prior approval of Board. All communications between NeAC and the taxpayer shall be exchanged exclusively by electronic mode. The personal hearing or oral submissions shall be conducted exclusively through video conferencing including video telephony in accordance with procedure laid down by CBDT. Apart from the "Assessment Units" and "Review Units", there will be "Verification Units" for enquiry, cross verification, examination of books of accounts, witness and recording of statements and "Technical Units" for technical assistance including any assistance or

advice on legal, accounting, forensic, information technology, valuation audit, transfer pricing, data analytics, management or any other technical matter.

CBDT PROVIDES ITR FILING COMPLIANCE CHECK FUNCTIONALITY FOR SCHEDULED COMMERCIAL BANKS

PRESS RELEASE, DATED 02-09-2020

The data on cash withdrawal indicated that huge amount of cash is being withdrawn by the persons who have never filed income-tax returns. To ensure filing of return by these persons and to keep track on cash withdrawals by the non-filers, and to curb black money, the Finance Act, 2020 w.e.f. 1st July, 2020 further amended Income-tax Act, 1961 to lower the threshold of cash withdrawal to Rs. 20 lakh for the applicability of TDS for the non-filers and also mandated TDS at the higher rate of 5% on cash withdrawal exceeding Rs. 1 crore by the non-filers.

Income Tax Department has already provided a functionality “Verification of applicability u/s 194N” on www.incometaxindiaefiling.gov.in for Banks and Post offices since 1st July, 2020. Through this functionality, Bank/Post Office can get the applicable rate of TDS under section 194N of the Income-tax Act, 1961 by entering the PAN of the person who is withdrawing cash.

The Department has now released a new functionality “ITR Filing Compliance Check” which will be available to Scheduled Commercial Banks (SCBs) to check the IT Return filing status of PANs in bulk mode.