

DIRECT TAX

CA. Haresh Kenia, CA. Deepak Lala, CA. Gopal Bohra

FACELESS ASSESSMENT (FIRST AMENDMENT) SCHEME, 2021

NOTIFICATION S.O. 741(E) [NO. 6/2021/F. NO. 370149/154/2019-TPL], DATED 17-2-2021

The Central Government Vide NOTIFICATION S.O. 741(E) [NO. 6/2021/F. NO. 370149/154/2019-TPL], DATED 17-2-2021 and in exercise of the powers conferred by section 143 (3A) of the Income-tax Act, 1961, hereby makes the further amendments in para 2, 5 and 11 of the Faceless Assessment Scheme, 2019. It seeks to amend definitions, in respect of no personal appearance in the Centers or Units and substituted procedure for assessment. The Scheme is called the Faceless Assessment (1st Amendment) Scheme, 2021.

It amends para 2 of the Faceless Assessment Scheme, 2019 whereby it inserts the definitions for Dispute Resolution Panel and eligible assesses.

It amends the para 5 of the Faceless Assessment Scheme, 2019 whereby it amends procedure for assessments.

It also amends para 11 of the Faceless Assessment Scheme, 2019 relating to personal appearance in the Centres or Units.

Readers may refer to above mention notification for full text / details

FACELESS PENALTY SCHEME, 2021

NOTIFICATION S.O. 118(E) [NO. 02/2021/F.NO.370142/51/2020-TPL], DATED 12-1-2021

The Central Government, vide NOTIFICATION S.O. 118(E) [NO.02/2021/F.NO.370142/51/2020-TPL], DATED 12-1-2021, in exercise of the powers conferred by sub-section (2A) of section 274 of the Income-tax Act, 1961, gives the Scheme called the Faceless Penalty Scheme, 2021. It shall come into force on the date of its publication in the Official Gazette

The Features of the Scheme are as under :-

- Para -2 of the Scheme provides for Definitions of various Words and expressions used therein
- Para -3 of the Scheme provides for Scope of the Scheme.
- Para -4 of the Scheme provides for set-up of Faceless Penalty Centres. It Provides that Board may set-up a National Faceless Penalty Centre, Regional Faceless Penalty Centres, penalty units, and penalty review units and specify their respective jurisdiction.
- Para -5 of the Scheme provides for Procedure in penalty
- Para -6 of the Scheme provides for Rectification Proceedings
- Para -7 of the Scheme provides for Appellate Proceedings
- Para -8 of the Scheme provides for Exchange of communication exclusively by electronic mode
- Para -9 of the Scheme provides for Authentication of electronic record
- Para -10 of the Scheme provides for Delivery of electronic record
- Para -11 of the Scheme provides for No personal appearance in the Centres or Units
- Para -12 of the Scheme provides for Power to specify format, mode, procedure and processes

Readers may refer to above mention notification for full text / details of the Scheme.

PENALTY - PROCEDURE FOR IMPOSITION OF DIRECTIONS FOR FACELESS PENALTY SCHEME, 2021 [Section 274]

The Central Government in exercise of the powers conferred by section 274 (2B) of the Income-tax Act, 1961, for the purposes of giving effect to the Faceless Penalty Scheme, 2021 made under Section 274(2A) of the said Act, hereby makes the following directions, Vide Notification S.O. 117(E) [NO. 03/2021/F. NO. 370142/51/2020-TPL], Dated 12-1-2021, as under

- The provisions of section 2, section 120, section 127, section 129, section 131, section 133, section 133C, section 136 and Chapter XXI of the said Act shall apply to the procedure for imposing penalty in accordance with the said Scheme subject to the Certain exceptions, modifications and adaptations as specified in this notification.
- The provision of section 246A of the said Act shall apply to appealable orders arising out of penalty imposed in accordance with the said Scheme subject to the exceptions, modifications and adaptations as specified in this notification.
- The provisions of section 140 and section 282A of the said Act shall apply to the penalty proceedings in accordance with the said Scheme subject to the exceptions, modifications and adaptations as specified in this notification.
- The provisions of section 154 and section 155 of the said Act shall apply to the order passed in accordance with the said Scheme subject to the exceptions, modifications and adaptations as specified in this notification.
- The provisions of section 282, section 283 and section 284 of the said Act shall apply to the said Scheme subject to the exceptions, modifications and adaptations as specified in this notification.

Readers may refer to above mention notification for full text / details of the Directions.

ORDER UNDER PARA 3 OF THE FACELESS PENALTY SCHEME, 2021, FOR ASSIGNMENT AND DISPOSAL OF PENALTY CASES UNDER THE SCHEME

ORDER F. NO. 187/4/2021-ITA-I, DATED 20-1-2021

The Central Board of Direct Taxes in exercise of powers conferred under Para 3 of the Faceless Penalty Scheme, 2021 hereby directs that all the penalty cases initiated under the Income-tax Act, 1961, pending as well initiated subsequently, is assigned to the National Faceless Penalty Centre to be disposed by the National Faceless Assessment Centre (read as NeAC) in accordance with order under para 4 of the Scheme, dated 20-1-2021 (F.No. 187/3/2020-ITA-I), except provided as hereunder :—

- (i) Penalty proceedings in cases assigned to Central Charges;
- (ii) Penalty proceedings in cases assigned to International Tax Charges; and
- (iii) Penalty proceedings arising in TDS charges.

This order shall come into force with immediate effect.

ORDER UNDER PARA 4 OF THE FACELESS PENALTY SCHEME, 2021 FOR DIRECTING THE NATIONAL FACELESS ASSESSMENT CENTRE / REGIONAL FACELESS ASSESSMENT CENTRE / ASSESSMENT UNIT TO ACT AS NATIONAL FACELESS PENALTY CENTRE / REGIONAL FACELESS PENALTY CENTRE / PENALTY UNIT / PENALTY REVIEW UNIT UNDER THE SCHEME

ORDER F. NO. 187/4/2021-ITA-I, DATED 20-1-2021

The CBDT , in pursuance to sub-para 4 of Para 4 of the Faceless Penalty Scheme, 2021, hereby directs that, until the date on which National Faceless Penalty Centre/Regional Faceless Penalty Centres/Penalty Units/Penalty Review Units under the Scheme are set up, the National Faceless Assessment Centre/Regional Faceless Assessment Centres/Assessment Units/Review Units (read as NeAC/ReACs/AUs/RUs), set up under the Faceless Assessment Scheme, 2019 will also act as the National Faceless Penalty Centre/Regional Faceless Penalty Centre/Penalty Unit/Penalty Review Unit respectively.

The Income-tax Authorities of the NeAC/ReAC/AUs/RUs i.e. Pr.CCIT / CCIT / Pr.CIT/CIT /Addl.CIT / Jt.CIT / DCIT / ACIT / ITO shall act as and perform the functions of the corresponding Income-tax authorities of the National Faceless Penalty Centre/Regional Faceless Penalty Centers/Penalty Units/Penalty Review Units respectively

This order shall come into force with immediate effect

SECTION 139, READ WITH SECTIONS 44AB AND 119 OF THE INCOME-TAX ACT, 1961 - RETURN OF INCOME - REJECTION OF REPRESENTATIONS FOR FURTHER EXTENSION OF DUE DATE OF FURNISHING OF INCOME TAX RETURNS AND AUDIT REPORTS

CIRCULAR F.NO. 370153/39/2020-TPL, DATED 11-1-2021 AS CORRECTED BY

CORRIGENDUM F.NO. 370153/39/2020-TPL, DATED 12-1-2021

The Hon'ble Gujarat High Court vide judgment dated 8th January, 2021 in the case of The All India Gujarat Federation of Tax Consultants v. Union of India, SCA 13653 of 2020, [2021] 123 taxmann.com 141 (Guj) as directed the Ministry of Finance to look into the issue of extension of due dates for filing of Audit Report under section 44AB of the Income-tax Act more particularly the representation, dated 12-10-2020 and take an appropriate decision in accordance with law

CBDT rejected all the representations for further extension of the due date and while deciding gave detailed reasons, discussions and considered various supreme Court judgments. It also compared the relaxations of similar nature of extensions of due dates provided by other economies globally and mention that with that Government of India has been very empathetic to the needs of the taxpayers as compared various other countries.

CBDT observed as under :-

- The due dates for filing of return/tax audit have already been extended on 3 occasions.
- Internationally, the extension provided by India is more generous as -compared to other countries.
- The return filing statistics of the current year indicates that returns filed in this financial year already far exceeds the returns filed which were due on the last date of filing of returns.
- Any further extension would adversely affect the return filing discipline and shall also cause injustice to those who have taken pains to file the return before the due date. It would also postpone the collection of revenue thereby hampering the efforts of the Government to provide relief to the poor during these COVID times

Readers may refer to above mention Circular for full text / detailed reasoning and discussion.

[CBDT extends due date for filing declaration under Vivad Se Vishwas scheme](#)

Notification in S.O. 471(E) dated 31/01/2021.

The Central Board of Direct Taxes (CBDT) vide notification no S.O. 471(E) dated 31/01/2021 further extends the due date for filing declaration under the 'Vivad Se Vishwas' (VSV) scheme till February 28, 2021. As per a CBDT's notification, the date for payment of tax without additional interest under VSV remains unchanged at March 31, 2021.