

**Conduct of assessment proceedings electronically in time-barring scrutiny cases – under section 143 of Income-tax Act, 1961.**

*Instruction No. 8 of 2017, dated September 29, 2017.*

As a part of Government's initiative towards E-governance, Income-tax Department has brought digital transformation of its business processes to a significant extent through the Income Tax Business Application (ITBA) project which provides an integrated platform to conduct various tax-proceedings electronically through the 'e-Proceeding' facility available on it. As a digital platform for conduct of scrutiny assessment proceedings in an end to end manner is now available, CBDT has decided to utilize it in a widespread manner for conduct of proceedings in scrutiny cases. This Order covers

various aspects of conducting scrutiny assessments electronically in cases which are getting barred by limitation during the financial year 2017-2018.

**2.** Assessment proceedings in following time-barring scrutiny cases, pending as on 1st October, 2017 where hearing have not been completed, would be carried out through the 'e-Proceeding' facility on ITBA—

- (i) The time-barring scrutiny cases in seven metro cities namely Ahmedabad, Bengaluru, Chennai, Kolkata, Hyderabad, Delhi and Mumbai where assessment proceedings are already underway through the 'e-mail based communication' and where assessee is having 'e-Filing' account, proceedings in such cases shall be migrated to the 'e-Proceeding' module of ITBA. Towards this end, intimation to this effect shall be issued to the concerned assessee by the Assessing Officer, electronically by 8th October, 2017, as per format in annexure-A. On issue of intimation by the Assessing Officer, the case would stand migrated to the 'e-Proceeding' facility.
- (ii) In respect of pending time-barring 'Limited Scrutiny' cases with Assessing Officers stationed at the place where headquarters of Principal Commissioners of Income-tax are located (excluding the cases falling in para above), an option is now available to the concerned assessee (having an 'e-Filing' account) to furnish their consent to the Income-tax Department for conduct of assessment proceedings through the 'e-Proceeding' facility of ITBA. The format of communication for this purpose is enclosed at annexure-B. This communication shall be issued electronically by the Assessing Officers to the concerned assessee by 8th of October, 2017. The last date for submitting consent by the assessee through their 'e-Filing' account is 15th October, 2017. Once this option is exercised by the assessee within the stipulated timeframe all further proceedings in that case would be carried out through 'e-Proceeding'. In cases where department has issued letters seeking consent of the assessee, further manual proceedings shall be kept on hold till the assessee has given his response in the matter or till 15th October, whichever is earlier.

A brief note on salient features of 'e-Proceeding' which would be appended to the above mentioned communications for information of the assessee is enclosed at annexure-C.

**3.** In time-barring scrutiny assessments under 'e-Proceeding', the concerned assessee can voluntarily opt out from 'e-Proceeding' at a subsequent stage under intimation to the Assessing Officer.

**4.** Proceedings in other time-barring scrutiny cases which are not covered under Para 2, cases under Para 2 where the concerned assessee has opted for manual proceedings

at the initial stage or subsequently and all time-barring assessments under section 153A/153C of the Act, shall continue as per the existing procedure. Further, specific proceedings in course of all time-barring assessment cases such as proceeding before the Transfer Pricing Officer, before the Range Head under section 144A of the Act *etc.* shall also be conducted manually.

**5.** Some of the important procedural aspects while conducting assessment proceedings through 'e-Proceeding' are as under :

**5.1 Enquiry before assessment in electronic mode :** For enquiries before assessment in terms of section 142(l)(ii) of the Act, notice shall be issued electronically and delivered upon the assessee in his 'e-Filing' account. While filing the response electronically in compliance with notice under section 142(l)(ii) of the Act, the concerned assessee shall verify it in the manner prescribed under rule 14 of Income-tax Rules, 1962.

**5.2 Use of digital signature by Assessing Officer :** All departmental orders/communications/notices being issued to the assessee through the 'e-Proceeding' facility are to be signed digitally by the Assessing Officer.

**5.3 Notices/letters/communications to be issued manually only in exceptional situations :** The manual issue and service of departmental communications should be invoked only where for any reason it was not possible to get the communication served electronically under intimation (giving reasons) to the Range Head in ITBA.

**5.4 Time for compliance :** Online submissions may be filed till the office hours on the date stipulated for compliance.

**5.5 Availability of facility for electronic submission of documents in time barring situation or where case has been finally heard by the Assessing Officer :** The facility for electronic submission of documents through 'e-Proceeding' shall be automatically closed seven days before the time barring date. In other situations, upon completion of proceedings, before passing the final order, concerned Assessing Officer, on his volition, shall close the e-submission facility after mentioning in electronic order sheet that 'hearing has been concluded'. However, if required, in exceptional circumstances, the concerned Assessing Officer may enable further filing of submissions electronically under intimation to the Range Head in ITBA.

**5.6 In assessment proceedings being carried out through the 'e-Proceeding' facility, a particular proceeding may take place manually in following situation(s):**

- (i) where manual books of account or original documents have to be examined;
- (ii) where Assessing Officer invokes provisions of section 131 of the Act or a notice is issued for carrying out third party enquiries/investigations;

- (iii) where examination of witness is required to be made by the concerned assessee or the Department;
- (iv) where a show-cause notice contemplating any adverse view is issued by the Assessing Officer and assessee requests for personal hearing to explain the matter.

**5.7 Maintenance & Production of 'Records' in the context of 'e-Proceedings' :** In time-barring 'Limited Scrutiny' cases or the cases in seven metro stations under 'e-mail based communication' where proceedings now would be through the 'e-Proceeding', the records related to the earlier case proceedings shall continue to be treated as part of the assessment records. In these cases case-records as well as note sheet of subsequent proceedings through 'e-Proceeding' shall be maintained electronically. Where records of a case under 'e-Proceeding' are required to be produced in Appellate proceedings, before C&AG Audit *etc.*, two separate records *i.e.* Manual-Part A (if available) & Electronic-Part B (printout copies) may be produced .

**6.** This may be brought to the notice of all for necessary compliance.

#### **Annexure-A**

PAN No. ....

Dated .....

To

Dear Taxpayer,

*Subject :* Migration of ongoing scrutiny proceedings from 'e-mail based communication' to 'e-Proceeding' on Income Tax Business Application (ITBA) platform of Income-tax Department for Assessment Year .....

Greetings from the Income-tax Department. We thank you for your co-operation and look forward to bring a significant change in your interface with the Department.

**2.** Towards this end, as a part of Government's initiative towards E-governance, from this financial year, Income-tax Department has decided to deepen use of digital platform for conduct of scrutiny assessment proceedings. Accordingly, the pending scrutiny proceedings (which are getting barred by limitation during the financial year 2017-18), being conducted through 'e-mail based communication', stand migrated to the 'e-Proceeding' facility on ITBA platform of Income-tax Department. Hence you are requested to effect necessary compliances with departmental communications electronically through your 'e-Filing' account.

3. A brief note on salient features of 'e-Proceeding' is enclosed. Detailed information on various aspects of this new initiative for conducting assessments electronically is also available in Instruction No. .... / ..... of CBDT dated .....
4. In case you wish to opt out from this scheme at any subsequent stage the same can be done with prior intimation to the undersigned through your 'e-Filing' account in ([www.incometaxindiaefiling.gov.in](http://www.incometaxindiaefiling.gov.in)).

Enclosure: as above

Yours faithfully

(Name & designation of Assessing Officer)

(E-mail ID)

### Annexure-B

PAN No. ....

Dated .....

To

Dear Taxpayer,

*Subject* : Conduct of ongoing 'Limited Scrutiny' assessment proceeding for Assessment Year ..... Electronically-exercise of option.

Greetings from the Income-tax Department. We thank you for your co-operation and look forward to bring a significant change in your interface with the Department.

2. Towards this end, as a part of Government's initiative towards E-governance, from this financial year, Income-tax Department has decided to suitably use digital platform for conduct of scrutiny assessment proceedings in a widespread manner. In this regard, with reference to the pending 'Limited Scrutiny' proceedings in your case which are getting barred by limitation on 31.12.2017, an option is now available to you to make compliance with departmental communications electronically through 'e-filing' facility on income Tax Business Application of Income-tax Department.

3. A brief note on salient features of 'e-Proceeding' is enclosed. Detailed information on various aspects of this new initiative for conducting assessments electronically is also available in Instruction No. .... / ..... of CBDT dated .....

4. In case you wish to participate in this taxpayer friendly measure, you are required to intimate the jurisdictional Assessing Officer through your 'e-Filing' account on ([www.incometaxindiaefiling.gov.in](http://www.incometaxindiaefiling.gov.in)) latest by 15th October, 2017.

5. Please note that if you do not respond by the said date, the assessment proceedings in your case shall continue to be conducted manually.

6. In case you wish to opt out from 'e-Proceedings' at any subsequent stage the same can be done with prior intimation to the undersigned through your 'e-Filing' account.

*Enclosure* : as above

Yours faithfully

(Name & designation of Assessing Officer)  
(E-mail ID)

—o—o—o—o—o—

### **Prevention of Money-laundering (Maintenance of Records) Sixth Amendment Rules, 2017.**

*Notification No. 7 of 2017, dated October 23, 2017*

*(Gaz. of India, Extry. No. 868, dt. 23-10-2017, Pt. II, sec. 3(i)).*

**G.S.R. 1318(E).**— In exercise of the powers conferred by sub-section (1) read with clauses (i), (j), (jj), (jjj) and (k) of sub-section (2) of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following further amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, namely :—

1. (1) These rules may be called the Prevention of Money-laundering (Maintenance of Records) Sixth Amendment Rules, 2017.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, in rule 2, in sub-rule (1), in clause (d),—

(i) In the second proviso, clause (f) shall be *omitted*;

(ii) after second proviso as so amended, the following proviso shall be *inserted*, namely :—

“Provided also that in case the officially valid document presented by a foreign national does not contain the details of address, in such case the documents issued by the Government departments of foreign jurisdictions and