

# What's New

## News Flash



November 2014

### ***CBDT has issued instructions to Income-tax Officers - an attempt towards a non-adversarial tax regime***

In the constant endeavour to achieve a non-adversarial tax regime the Central Board of Direct Taxes (CBDT) has issued a consolidated instruction to its officers on November 7, 2014. The CBDT has directed its officers of the Income-tax Department to adhere to the following guidelines –

- Emphasis has been laid on cleanliness in office, punctuality, timeliness in appointments and avoiding unnecessary adjournments.
- Although less than 1 percent of the tax returns submitted are selected for scrutiny, this area of work has often drawn adverse comments. Supervisory officers have been directed to be more pro-active in monitoring and guiding assessments to ensure that high-pitched assessments without proper basis are not made, and lengthy questionnaires or summons are not issued without application of mind. Further, they have been directed to inspect and review the work of officers in charge of such assessments with the objective of capacity building and improving quality of work.
- Scrutiny cases selected on the basis of Annual Information Report/ CIB<sup>1</sup>/ Form 26AS would ordinarily be restricted to such information. Wider scrutiny should be only after sanction from Principal Commissioner of Income-tax/ Commissioner of Income-tax in specified cases.
- Refunds should be granted in accordance with Instruction No. 5 of 2013 already issued that provide for grant of credit of tax withheld on the basis of evidence submitted by the taxpayer.
- Instructions with regard to recovery/ stay of demand and grant of instalments have been reiterated to ensure that no coercive action is undertaken without disposal of applications for stay.
- In remand cases, the Commissioner of Income-tax (Appeal) must specify the aspect needing verification. The practice of forwarding entire documents/ taxpayer submissions for the tax officer's comments should cease. Tax officer will be required to submit remand report only when the remand is on a specific matter.
- Senior officers have been directed to ensure that even when tax effects exceed limits laid down, appeals filed are based only on merit and not merely on the tax effect.
- Decision to file reference before High Court will be taken by two Chief Commissioner of Income-tax (CCsIT) including the CCIT in jurisdiction the matter lies, to minimise references where substantial

question of law does not exist, or the question of law was not correctly drafted. If the two CCsIT disagree, the Principal CCIT/ CCIT (CCA) will decide, except where the matter lies in his jurisdiction, in which case the CCIT-II shall decide.

- Supervisory authorities have been directed to ensure an effective grievance redressal system and that grievances are disposed off within specified time limit.
- Supervisory authorities have been entrusted with the task of ensuring that summons are issued only in deserving cases, with appropriate clarity to whom it's addressed.

To read the Press Release issued by the CBDT please click [here](#).

<sup>1</sup>Forms requiring submission of information to tax authorities about transactions like large payments against credit cards, purchase of immovable property, high value share transactions, high value bank deposits, etc.

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PwC TRS Team

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