

Government issues procedures for e-hearing for paperless assessments

February 6, 2016

In brief

In October 2015, Central Board of Direct Taxes (CBDT) initiated (vide *CBDT letter no. F. No. 225/267/2015-ITA-II, dated October 19, 2015*) the concept of using email-based communication for paperless scrutiny proceedings. It was decided to launch a pilot project, comprising non corporate taxpayers in 5 cities, namely, Delhi, Mumbai, Bengaluru, Ahmedabad and Chennai. Initially 100 taxpayers will be identified in each of these cities from the cases which have been selected for scrutiny based on Annual Information Return (AIR)/ Central Information Branch (CIB) information or form 26AS mismatch. With the consent of these selected taxpayers, tax officials will conduct the e-hearing through their official email IDs with the taxpayers at the email IDs as provided by them in their tax returns. In this regard, CBDT has recently notified the procedures and the standards to be followed to ensure secured transmission of electronic communication.

In detail

The key features of the procedures¹ are summarised below –

- Tax officer shall email the signed and scanned notice/questionnaire in PDF format using his designation email address. (Official designation based email address under the domain @incometax.gov.in)
- The email will be sent to the taxpayer's email address as provided in his/ her income-tax return of the relevant tax year or in the last income tax return furnished. Alternatively, the taxpayer can inform in writing where any other

email address should be used for electronic communication.

- The subject line of the email sent by the tax officer should be in the format - (PAN) - (Assessment Year) - Notice u/s - _____ - (Serial no. of notice)
- The taxpayer while responding, also needs to mention the subject in the format - (PAN) - (Assessment Year) - Reply - (Serial no. of notice)
- Response should be submitted in PDF format as attachments and the size of attachments in a single email cannot exceed 10MB.
- Where the size of attachment exceeds 10MB, the taxpayer shall split the attachment and send in as

many emails as may be required to adhere to the 10MB size limit. However, in each such attachment, taxpayer is required to clarify the corresponding notice number and date in the footer to which the attachment relates, and also number the pages in continuation to ensure proper linkage.

- All email communications between the tax officer and taxpayer shall also be copied to e-assessment@incometax.gov.in for audit trail purposes.
- In case of delivery failure on the taxpayer's e mail id, the tax officer can use any other email address of the taxpayer as available with the tax authorities.

¹ Notification no. 2/2016 dated February 3, 2016

- Where the notice is not sent by email due to technical reason such as delivery failure, mail box full etc., the tax officer shall send the notice through any other prescribed valid mode, and also record the reason for not serving the notice by email. A copy of email error message as received by the tax officer shall be forwarded to e-assessment@incometax.gov.in and the subject line should contain - (PAN) - (Assessment Year) - Error.
- Similarly, where taxpayer is not able to send the response by email due to technical reasons, the response can be submitted physically. Copy of email error message as received by the taxpayer shall be forwarded to e-assessment@incometax.gov.in and the subject line should

contain - (PAN) - (Assessment Year) - Error.

- Once the scrutiny is completed, the tax officer shall pass the order and email it in PDF format to the taxpayer.
- The record of all the email communications will be available to the taxpayer under "My Account" and can be accessed through login on e-filing portal, namely <http://incometaxindiaefiling.gov.in>

The aforementioned procedures are applicable to selected non-corporate taxpayers, and can be extended to other taxpayers like corporates etc. or other proceedings as may be notified, by the CBDT subsequently.

The takeaways

It is a welcome initiative taken by the Government and will help in speedy completion of scrutiny

assessment. It will also save time and efforts of visiting tax office every time when a hearing takes place. Although this pilot project is an experiment on non-corporate taxpayers in 5 cities, once successful, it could soon extend to other cities as well where taxpayers at large benefit from it.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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