

What's New

News Flash



August 2017

CBDT partially modifies instruction no. 1914 of 1996 for stay of demand and increases the payment requirement from 15% to 20%

Background

The Central Board of Direct Taxes (CBDT) had earlier *vide* office memorandum dated 29 February, 2016, modified the guidelines for stay of demand at the first appeal stage issued under Instruction No. 1914 of 1996. CBDT made it mandatory for the tax officer (TO) to grant stay of demand once the taxpayer pays 15% of the disputed demand, while the appeal is pending before the Commissioner of Income-tax (Appeals).

However, in certain scenarios, the TO after taking approval from superiors could ask for a higher/ lower payment of the demand before granting the stay for the balance demand.

Modification by CBDT

CBDT *vide* office memorandum dated 31 July, 2017, has further modified Instruction No. 1914 of 1996 and has revised the standard rate prescribed in the office memorandum dated 29 February, 2016, from 15% to 20% for grant of stay at the first appeal stage. CBDT has mentioned that the standard rate of 15% prescribed earlier was found to be on the lower side.

Key takeaways

This increase in the standard rate from 15% to 20% may be linked to the recently released first quarter revenue collections for financial year 2017-18 which have shown growth of 8% in gross revenue collections. This may not be a welcome move for the genuine taxpayers and will definitely increase their burden.

If your interest lies in a specific area or subject, do advise us so we can send you only the relevant alerts. For any additional information, please reach out to your PwC relationship manager or write in to ***pwctrs.knowledgemanagement@in.pwc.com***

With Best Regards
PwC TRS Team

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 223,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

In India, PwC has offices in these cities: Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, visit **www.pwc.com/in**

PwC refers to the PwC International network and/or one or more of its member firms, each of which is a separate, independent and distinct legal entity. Please see www.pwc.com/structure for further details.

©2017 PwC. All rights reserved

Follow us on [Facebook](#), [Linkedin](#), [Twitter](#) and [YouTube](#).

© 2017 PricewaterhouseCoopers Private Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity

Our Tax & Regulatory Services **Direct Tax** **Indirect Tax** **Transfer Pricing** **Regulatory** **M & A**
Tax Controversy and Dispute Resolution **Financial Services**

NOTE : If you wish to unsubscribe receiving communications, please send in a blank email as reply to this mail with subject line "Unsubscribe".
