

## Tax Alert | Delivering clarity

20 August 2020

### Introduction of platform for transparent taxation - honouring the honest, power of survey and issuance of assessment order

Initiatives undertaken for launch of the platform for “Transparent Taxation - Honouring the Honest” and authorities authorised to conduct survey and issuance of assessment orders

#### Background:

- The Finance Act, 2020 (FA 2020) had introduced a new section 119A in the Income Tax Act, 1961 (ITA), to enable the Central Board of Direct Taxes (CBDT) to adopt and declare a Taxpayers’ Charter to bring greater transparency in the functioning of the tax administration and to improve delivery of services.

Further, provisions were also introduced (under section 250(6B) to (6D) of the ITA) for framing a scheme for faceless appeal, similar to the e-assessment scheme<sup>1</sup> to impart greater efficiency, transparency and accountability.

- In order to further reduce honest taxpayers’ hardships, to make the existing tax system people-centric and public friendly, to reduce human interface, to improve transparency and accountability and to encourage the ideology of ‘Minimum Government, Maximum Governance’,
  - The government launched “Transparent Taxation - Honouring the Honest” platform (Platform) on 13 August 2020. The three main features / objectives of the platform are faceless assessment; faceless appeal; and Taxpayers’ Charter.

**Faceless assessment:** Prior to the launch of the platform, the CBDT had launched the e-assessment scheme in 2019<sup>1</sup> to eliminate personal interaction between the taxpayer and the income-tax department (ITD). The CBDT has now amended the existing e-assessment scheme<sup>2</sup> to faceless assessment scheme.

**Faceless appeal:** The faceless appeals scheme is scheduled to be launched on 25 September 2020.

**Taxpayers’ Charter:** The Taxpayers’ Charter<sup>3</sup> is divided into two parts viz. the ITD’s commitment and expectations from the taxpayer.

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<sup>1</sup>Refer our previous alert on CBDT introduces E-assessment Scheme, 2019

<https://intaxkm.deloitte.com/DTAAlerts%20and%20Publications/Deloitte%20Tax%20Alert%20-%20CBDT%20introduces%20E-assessment%20Scheme,%202019.pdf>

<sup>2</sup>[https://www.incometaxindia.gov.in/communications/notification/notification\\_60\\_2020.pdf](https://www.incometaxindia.gov.in/communications/notification/notification_60_2020.pdf); [https://www.incometaxindia.gov.in/communications/notification/notification\\_61\\_2020.pdf](https://www.incometaxindia.gov.in/communications/notification/notification_61_2020.pdf)

<sup>3</sup> <https://www.incometaxindia.gov.in/Documents/taxpayer-charter.pdf>

- The CBDT has issued orders<sup>4</sup> (CBDT orders) regarding the authorities authorised to conduct survey and for issuance of assessment orders.

## Highlights of the Taxpayers' Charter<sup>3</sup> and the CBDT orders:

### Taxpayers' Charter:

- The ITD is committed to:
  - Provide prompt, courteous, and professional assistance in all dealings with the taxpayer;
  - Treat every taxpayer as honest, unless there is a reason to believe otherwise;
  - Provide fair and impartial appeal and review mechanism;
  - Provide accurate information for fulfilling compliance obligations;
  - Take decision in every income-tax proceeding within the prescribed timeline;
  - Collect only the amount due as per the law;
  - Follow due process of law and be no more intrusive than necessary in any inquiry, examination, or enforcement action;
  - Not disclose any information provided by the taxpayer to the department, unless authorised by law;
  - Hold its authorities accountable for their actions;
  - Allow every taxpayer to choose an authorised representative of his choice;
  - Provide mechanism for lodging a complaint and for prompt disposal thereof;
  - Provide a fair and impartial system and resolve the tax issues in a time-bound manner;
  - Publish standards for service delivery in a periodic manner;
  - Duly take into account the cost of compliance when administering tax legislation.
- Expectations from the taxpayers':
  - To honestly disclose full information and fulfil the compliance obligations;
  - To be aware of the compliance obligations under the tax law and seek help of the ITD if needed;
  - To keep accurate records required as per law;
  - To know what information and submissions are made by the taxpayers' authorised representative;
  - To make submissions as per tax law in timely manner;
  - To pay amount due as per law in a timely manner.

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<sup>4</sup> F.no 187/3/2020-ITA-I dated 13 August 2020.

### CBDT orders<sup>5</sup>:

- As per the CBDT orders<sup>5</sup> which shall come into force from 13 August 2020:
  - Directorates of Investigation (Investigation wing) and Commissionerates of tax deducted at source (TDS) would now act exclusively as 'income-tax authority' for the purposes of survey under section 133A of the ITA (currently, income-tax authority under section 133A of the ITA includes tax recovery officer, assessing officer, assistant or deputy director, etc.).
  - The competent authority to approve survey action under section 133A of the ITA would be the Director General of Income-tax (Inv) for investigation wing and the Principal Chief Commissioner of Income-tax (CCIT) / CCIT (TDS) for TDS charges.
  - All assessment orders will be passed by the National e-Assessment Centre (NeAC) under the Faceless Assessment Scheme, 2019 (Scheme) i.e. the erstwhile e-assessment scheme, except in the following cases:
    - a. Cases assigned to central charges; and
    - b. Cases assigned to international tax charges.

### Comments:

- The introduction of the platform to make the tax administration system transparent, efficient, people-centric and public friendly is a welcome step and should benefit the taxpayers .

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<sup>5</sup> F.no 187/3/2020-ITA-I dated 13 August 2020.



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