



**“What’s
New?”**

GSAP

September 16, 2019

**“Scheme for faceless assessments under
income-tax released”**

CBDT issued detailed scheme for e-assessments (or faceless assessments) under income-tax.

Source: CBDT Notification 61/2019 and 62/2019, dated September 12, 2019



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E-assessment scheme

Introduction

- Existing system of income-tax assessment involves a high level of personal interaction between taxpayer and the Income Tax Department
- Taxpayers have been critical of the present scheme of assessment
- The Finance Minister (FM) in her Budget Speech for FY 2019-20 on July 5, 2019 proposed to launch a scheme of faceless assessments – marking a paradigm shift in the functioning of the Department
- The FM reiterated in various press conferences the resolve of the government to improve the assessment procedures
- E-assessment Scheme, 2019 has been launched on September 12, 2019 through Notifications. It has now come into force on the same date



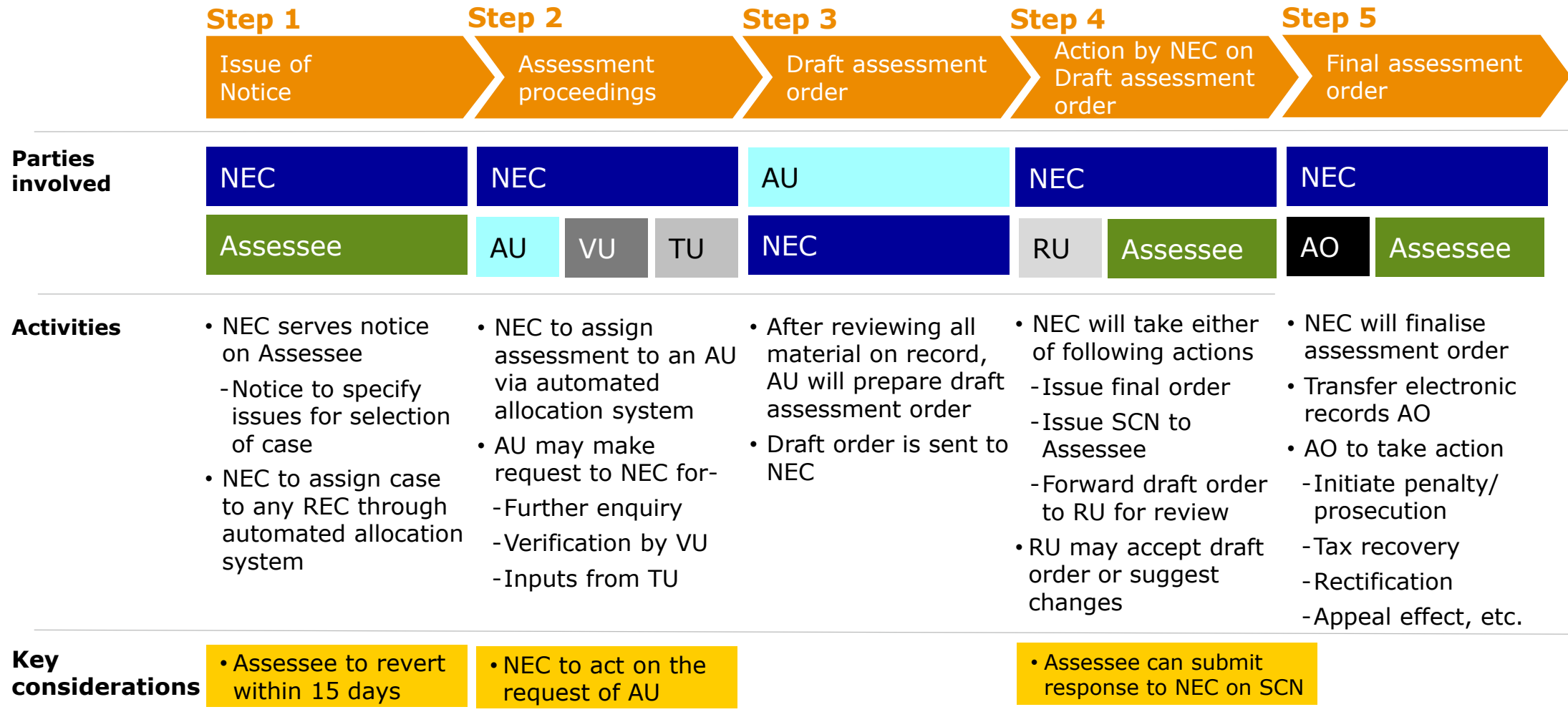
E-assessment scheme

Parties involved

Parties	Assessee	National e-Assessment Centre (NEC)	Regional e-Assessment Center (REC)	Assessment Unit (AU)
Role	<ul style="list-style-type: none">• Provide information• Reply to Show Cause Notice (SCN)	<ul style="list-style-type: none">• Overall responsibility for e-assessment in centralized manner	<ul style="list-style-type: none">• Facilitate e-assessment in the region	<ul style="list-style-type: none">• Conduct assessment• Seek information/clarifications• Reviewing information
Parties	Verification Unit (VU)	Technical Unit (TU)	Review Unit (RU)	Assessing Officer (AO)
Role	<ul style="list-style-type: none">• Verification of information	<ul style="list-style-type: none">• Provide technical assistance	<ul style="list-style-type: none">• Review draft assessment order	<ul style="list-style-type: none">• Rectification of demand• Recovery of tax• Imposition of demand• Launch of prosecution

E-assessment scheme

Steps involved



E-assessment scheme

Miscellaneous

Penalty Proceedings

- For non-compliance, on recommendation of any unit, NEC can initiate penal proceedings against Assessee
- Assessee to be provided opportunity of being heard
- Concerned unit after receiving Assessee's reply via NEC shall draft order or drop penalty

Appellate proceedings

- Assessee can file appeal against assessment order under this Scheme
- Appeal lies with jurisdictional Commissioner (Appeals)

Communication

- Communication among NEC, REC, various units and Assessee shall be exchanged by electronic mode only

Authentication of records

- E-records shall be digitally signed by originator
- If the originator is Assessee, besides digital signature, he can use other electronic authentication techniques as well

No physical appearance

- Assessee is not required to physically present in proceedings before NEC or any other authority
- However, if additions are proposed in draft order, Assessee can seek personal hearing and that hearing shall happen through video conferencing

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