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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

Initiative

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 29*th September,* 2020/*Asvina* 7, 1942 (*Saka*)

The following Act of Parliament received the assent of the President on the 29th September, 2020 and is hereby published for general information:—

THE TAXATION AND OTHER LAWS (RELAXATION AND AMENDMENT OF CERTAIN PROVISIONS) ACT, 2020

No. 38 of 2020

[29*th September*, 2020.]

An Act to provide for relaxation and amendment of provisions of certain Acts and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Seventy-first Year of the Republic of India as follows:—

CHAPTER I
Preliminary

1. (*1*) This Act may be called the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020. Short title and commencement.

(*2*) Save as otherwise provided, it shall be deemed to have come into force on the 31st day of March, 2020.

2. (*1*) In this Act, unless the context otherwise requires,— Definitions.

(*a*) "notification" means the notification published in the Official Gazette;

(*b*) "specified Act" means—

(*i*) the Wealth-tax Act, 1957; 27 of 1957.

(*ii*) the Income-tax Act, 1961; 43 of 1961.

(*iii*) the Prohibition of *Benami* Property Transactions Act, 1988; 45 of 1988.

(*iv*) Chapter VII of the Finance (No. 2) Act, 2004; 22 of 2004.

(*v*) Chapter VII of the Finance Act, 2013; 17 of 2013.

(*vi*) the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015; 22 of 2015.

(*vii*) Chapter VIII of the Finance Act, 2016; or 28 of 2016.

(*viii*) the Direct Tax *Vivad* se *Vishwas* Act, 2020. 3 of 2020.

(*2*) The words and expressions used herein and not defined, but defined in the specified Act, the Central Excise Act,1944, the Customs Act, 1962, the Customs Tariff Act,1975 or the Finance Act,1994, as the case may be, shall have the same meaning respectively assigned to them in that Act. 1 of 1944. 52 of 1962. 51 of 1975. 32 of 1994.

CHAPTER II

RELAXATION OF CERTAIN PROVISIONS OF SPECIFIED ACT

Relaxation of certain provisions of specified Act.

3. (*1*) Where, any time-limit has been specified in, or prescribed or notified under, the specified Act which falls during the period from the 20th day of March, 2020 to the 31st day of December, 2020, or such other date after the 31st day of December, 2020, as the Central Government may, by notification, specify in this behalf, for the completion or compliance of such action as—

(*a*) completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval, or such other action, by whatever name called, by any authority, commission or tribunal, by whatever name called, under the provisions of the specified Act; or

(*b*) filing of any appeal, reply or application or furnishing of any report, document, return or statement or such other record, by whatever name called, under the provisions of the specified Act; or

(*c*) in case where the specified Act is the Income-tax Act, 1961,— 43 of 1961.

(*i*) making of investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purposes of claiming any deduction, exemption or allowance under the provisions contained in—

(*I*) sections 54 to 54GB, or under any provisions of Chapter VI-A under the heading "B.—Deductions in respect of certain payments" thereof; or

(*II*) such other provisions of that Act, subject to fulfilment of such conditions, as the Central Government may, by notification, specify; or

(*ii*) beginning of manufacture or production of articles or things or providing any services referred to in section 10AA of that Act, in a case where the letter of approval, required to be issued in accordance with the provisions of the Special Economic Zones Act, 2005, has been issued on or before the 31st day of March, 2020, 28 of 2005.

and where completion or compliance of such action has not been made within such time, then, the time-limit for completion or compliance of such action shall, notwithstanding anything contained in the specified Act, stand extended to the 31st day of March, 2021, or such other date after the 31st day of March, 2021, as the Central Government may, by notification, specify in this behalf:

Provided that the Central Government may specify different dates for completion or compliance of different actions:

Provided further that such action shall not include payment of any amount as is referred to in sub-section (*2*):

43 of 1961.

Provided also that where the specified Act is the Income-tax Act, 1961 and the compliance relates to—

(*i*) furnishing of return under section 139 thereof, for the assessment year commencing on the—

(*a*) 1st day of April, 2019, the provision of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2021", the figures, letters and words "30th day of September, 2020" had been substituted;

(*b*) 1st day of April, 2020, the provision of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2021", the figures, letters and words "30th day of November, 2020" had been substituted;

(*ii*) delivering of statement of deduction of tax at source under sub-section (*2A*) of section 200 of that Act or statement of collection of tax at source under sub-section (*3A*) of section 206C thereof for the month of February or March, 2020, or for the quarter ending on the 31st day of March, 2020, as the case may be, the provision of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2021", the figures, letters and words "15th day of July, 2020" had been substituted;

(*iii*) delivering of statement of deduction of tax at source under sub-section (*3*) of section 200 of that Act or statement of collection of tax at source under proviso to sub-section (*3*) of section 206C thereof for the month of February or March, 2020, or for the quarter ending on the 31st day of March, 2020, as the case may be, the provision of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2021", the figures, letters and words "31st day of July, 2020" had been substituted;

(*iv*) furnishing of certificate under section 203 of that Act in respect of deduction or payment of tax under section 192 thereof for the financial year commencing on the 1st day of April, 2019, the provision of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2021", the figures, letters and words "15th day of August, 2020" had been substituted;

(*v*) sections 54 to 54GB of that Act, referred to in item (I) of sub-clause (*i*) of clause (*c*), or sub-clause (*ii*) of the said clause, the provision of this sub-section shall have the effect as if—

(*a*) for the figures, letters and words "31st day of December, 2020", the figures, letters and words "29th day of September, 2020" had been substituted for the time-limit for the completion or compliance; and

(*b*) for the figures, letters and words "31st day of March, 2021", the figures, letters and words "30th day of September, 2020" had been substituted for making such completion or compliance;

(*vi*) any provisions of Chapter VI-A under the heading "B.— Deductions in respect of certain payments" of that Act, referred to in item (I) of sub-clause (*i*) of clause (*c*), the provision of this sub-section shall have the effect as if—

(*a*) for the figures, letters and words "31st day of December, 2020", the figures, letters and words "30th day of July, 2020" had been substituted for the time-limit for the completion or compliance; and

(*b*) for the figures, letters and words "31st day of March, 2021", the figures, letters and words "31st day of July, 2020" had been substituted for making such completion or compliance;

(*vii*) furnishing of report of audit under any provision thereof for the assessment year commencing on the 1st day of April, 2020, the provision of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2021", the figures, letters and words "31st day of October, 2020" had been substituted:

Provided also that the extension of the date as referred to in sub-clause (*b*) of clause (*i*) of the third proviso shall not apply to *Explanation* 1 to section 234A of the Income-tax Act, 1961 in cases where the amount of tax on the total income as reduced by the amount as specified in clauses (*i*) to (*vi*) of sub-section (*1*) of the said section exceeds one lakh rupees: 43 of 1961.

Provided also that for the purposes of the fourth proviso, in case of an individual resident in India referred to in sub-section (*2*) of section 207 of the Income-tax Act, 1961, the tax paid by him under section 140A of that Act within the due date (before extension) provided in that Act, shall be deemed to be the advance tax: 43 of 1961.

Provided also that where the specified Act is the Direct Tax *Vivad Se Vishwas* Act, 2020, the provision of this sub-section shall have the effect as if— 3 of 2020.

(*a*) for the figures, letters and words "31st day of December, 2020", the figures, letters and words "30th day of December, 2020" had been substituted for the time limit for the completion or compliance of the action; and

(*b*) for the figures, letters and words "31st day of March, 2021", the figures, letters and words "31st day of December, 2020" had been substituted for making such completion or compliance.

(*2*) Where any due date has been specified in, or prescribed or notified under the specified Act for payment of any amount towards tax or levy, by whatever name called, which falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020 or such other date after the 29th day of June, 2020 as the Central Government may, by notification, specify in this behalf, and if such amount has not been paid within such date, but has been paid on or before the 30th day of June, 2020, or such other date after the 30th day of June, 2020, as the Central Government may, by notification, specify in this behalf, then, notwithstanding anything contained in the specified Act,—

(*a*) the rate of interest payable, if any, in respect of such amount for the period of delay shall not exceed three-fourth per cent. for every month or part thereof;

(*b*) no penalty shall be levied and no prosecution shall be sanctioned in respect of such amount for the period of delay.

Explanation.—For the purposes of this sub-section, "the period of delay" means the period between the due date and the date on which the amount has been paid.

CHAPTER III

AMENDMENTS TO THE INCOME-TAX ACT, 1961

Amendment of Act 43 of 1961.

4. In the Income-tax Act, 1961,—

(*I*) in section 6, with effect from the 1st day of April, 2021,—

(*a*) in clause (*1*), in *Explanation* 1, in clause (*b*), for the words "the citizen or person of Indian origin", the words "such person" shall be substituted;

(*b*) in clause (*1A*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the removal of doubts, it is hereby declared that this clause shall not apply in case of an individual who is said to be resident in India in the previous year under clause (*1*).";

(*c*) in clause (*6*), in the *Explanation*, the words "and which is not deemed to accrue or arise in India." shall be added at the end;

(*II*) in section 10,—

(*a*) in clause (*4D*), with effect from the 1st day of April, 2021,—

(*i*) for the words "convertible foreign exchange, to the extent such income accrued or arisen to, or is received in respect of units held by a non-resident", the words and brackets 'convertible foreign exchange or as a result of transfer of securities (other than shares in a company resident in India) or any income from securities issued by a non-resident (not being a permanent establishment of a non-resident in India) and where such income otherwise does not accrue or arise in India or any income from a securitisation trust which is chargeable under the head "profits and gains of business or profession", to the extent such income accrued or arisen to, or is received, is attributable to units held by non-resident (not being the permanent establishment of a non-resident in India) computed in the prescribed manner' shall be substituted;

(*ii*) in the *Explanation*, after clause (*b*), the following clauses shall be inserted, namely:—

'(*ba*) "permanent establishment" shall have the same meaning assigned to it in clause (*iiia*) of section 92F;

(*bb*) "securities" shall have the same meaning as assigned to it in clause (*h*) of section 2 of the Securities Contracts (Regulation) Act, 1956 and shall also include such other securities or instruments as may be notified by the Central Government in the Official Gazette in this behalf;

42 of 1956.

(*bc*) "securitisation trust" shall have the same meaning assigned to it in clause (*d*) of the *Explanation* to section 115TCA;';

(*b*) in clause (*23C*),—

(*i*) in sub-clause (*i*), after the word "Fund", the words and brackets "or the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2020;

(*ii*) for the first and second provisos,—

(*A*) with effect from the 1st day of June, 2020, the following provisos shall be substituted and shall be deemed to have been substituted, namely:—

"Provided that the fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (*iv*) or sub-clause (*v*) or sub-clause (*vi*) or sub-clause (*via*) shall make an application in the prescribed form and manner to the prescribed authority for the purpose of grant of the exemption, or continuance thereof, under sub-clause (*iv*) or sub-clause (*v*) or sub-clause (*vi*) or sub-clause (*via*):

Provided further that the prescribed authority, before approving any fund or trust or institution or any university or other educational institution or any hospital or other medical institution, under sub-clause (*iv*) or sub-clause (*v*) or sub-clause (*vi*) or sub-clause (*via*), may call for such documents (including audited annual accounts) or information from the fund or trust or institution or any university or other educational institution or any hospital or other medical institution, as the case may be, as it thinks necessary in order to satisfy itself about the genuineness of the activities of such fund or trust or institution or any university or other educational institution or any hospital or other medical institution, as the case may be, and the compliance of such requirements under any other law for the time being in force by such fund or trust or institution or any university or other educational institution or any hospital or other medical institution, as the case may be, as are material for the purpose of achieving its objects and the prescribed authority may also make such inquiries as it deems necessary in this behalf:";

(*B*) with effect from the 1st day of April, 2021, the following provisos shall be substituted, namely:—

"Provided that the exemption to the fund or trust or institution or university or other educational institution or hospital or other medical institution referred to in sub-clause (*iv*) or sub-clause (*v*) or sub-clause (*vi*) or sub-clause (*via*), under the respective sub-clauses, shall not be available to it unless such fund or trust or institution or university or other educational institution or hospital or other medical institution makes an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for grant of approval,—

(*i*) where such fund or trust or institution or university or other educational institution or hospital or other medical institution is approved under the second proviso [as it stood immediately before its amendment by the Taxation and Other Laws (Relaxation and Amendment of Certain provisions) Act, 2020], within three months from the 1st day of April, 2021;

(*ii*) where such fund or trust or institution or university or other educational institution or hospital or other medical institution is approved and the period of such approval is due to expire, at least six months prior to expiry of the said period;

(*iii*) where such fund or trust or institution or university or other educational institution or hospital or other medical institution has been provisionally approved, at least six months prior to expiry of the period of the provisional approval or within six months of commencement of its activities, whichever is earlier;

(*iv*) in any other case, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said approval is sought,

and the said fund or trust or institution or university or other educational institution or hospital or other medical institution is approved under the second proviso:

Provided further that the Principal Commissioner or Commissioner, on receipt of an application made under the first proviso, shall,—

(*i*) where the application is made under clause (*i*) of the said proviso, pass an order in writing granting approval to it for a period of five years;

(*ii*) where the application is made under clause (*ii*) or clause (*iii*) of the said proviso,—

(*a*) call for such documents or information from it or make such inquiries as he thinks necessary in order to satisfy himself about—

(*A*) the genuineness of activities of such fund or trust or institution or university or other educational institution or hospital or other medical institution; and

(*B*) the compliance of such requirements of any other law for the time being in force by it as are material for the purpose of achieving its objects; and

(*b*) after satisfying himself about the objects and the genuineness of its activities under item (A), and compliance of the requirements under item (B), of sub-clause (*a*),—

(*A*) pass an order in writing granting approval to it for a period of five years;

(*B*) if he is not so satisfied, pass an order in writing rejecting such application and also cancelling its approval after affording it a reasonable opportunity of being heard;

(*iii*) where the application is made under clause (*iv*) of the said proviso, pass an order in writing granting approval to it provisionally for a period of three years from the assessment year from which the registration is sought, and send a copy of such order to the fund or trust or institution or university or other educational institution or hospital or other medical institution:";

(*iii*) for the eighth and ninth provisos,—

(*A*) with effect from the 1st day of June, 2020, the following provisos shall be substituted and shall be deemed to have been substituted, namely:—

"Provided also that any notification issued by the Central Government under sub-clause (*iv*) or sub-clause (*v*), before the date on which the Taxation Laws (Amendment) Bill, 2006 receives the assent of the President, shall, at any

one time, have effect for such assessment year or years, not exceeding three assessment years (including an assessment year or years commencing before the date on which such notification is issued) as may be specified in the notification:

Provided also that where an application under the first proviso is made on or after the date on which the Taxation Laws (Amendment) Bill, 2006 receives the assent of the President, every notification under sub-clause (*iv*) or sub-clause (*v*) shall be issued or approval under sub-clause (*iv*) or sub-clause (*v*) or sub-clause (*vi*) or sub-clause (*via*) shall be granted or an order rejecting the application shall be passed within the period of twelve months from the end of the month in which such application was received:";

(*B*) with effect from the 1st day of April, 2021, the following provisos shall be substituted, namely:—

"Provided also that any approval granted under the second proviso shall apply in relation to the income of the fund or trust or institution or university or other educational institution or hospital or other medical institution,—

(*i*) where the application is made under clause (*i*) of the first proviso, from the assessment year from which approval was earlier granted to it;

(*ii*) where the application is made under clause (*iii*) of the first proviso, from the first of the assessment years for which it was provisionally approved;

(*iii*) in any other case, from the assessment year immediately following the financial year in which such application is made:

Provided also that the order under clause (*i*), sub-clause (*b*) of clause (*ii*) and clause (*iii*) of the second proviso shall be passed, in such form and manner as may be prescribed, before expiry of the period of three months, six months and one month, respectively, calculated from the end of the month in which the application was received:";

(*iv*) in the twelfth proviso, for the word, figures and letters "section 12AA", the words, figures and letters "section 12AA or section 12AB" shall be substituted with effect from the 1st day of April, 2021;

(*v*) after fifteenth proviso, with effect from the 1st day of June, 2020, the following proviso shall be inserted and shall be deemed to have been inserted, namely:—

"Provided also that in case the fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in the first proviso makes an application on or after the 1st day of June, 2006 for the purposes of grant of exemption or continuance thereof, such application shall be made on or before the 30th day of September of the relevant assessment year from which the exemption is sought:";

(*vi*) with effect from the 1st day of April, 2021, the sixteenth proviso as so inserted, shall be omitted;

(*vii*) for the eighteenth proviso,—

(*A*) with effect from the 1st day of June, 2020, the following proviso shall be substituted and shall be deemed to have been substituted, namely:—

"Provided also that all pending applications, on which no notification has been issued under sub-clause (*iv*) or sub-clause (*v*) before the 1st day of June, 2007, shall stand transferred on that day to the prescribed authority and the prescribed authority may proceed with such applications under those sub-clauses from the stage at which they were on that day:";

(*B*) with effect from the 1st day of April, 2021, the following proviso shall be substituted, namely:—

"Provided also that all applications made under the first proviso [as it stood before its amendment by the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020] pending before the Principal Commissioner or Commissioner, on which no order has been passed before the 1st day of April, 2021, shall be deemed to be applications made under clause (*iv*) of the first proviso on that date:";

(*c*) after clause (*23FBB*), the following clause shall be inserted, with effect from the 1st day of April, 2021, namely:—

"(*23FBC*) any income accruing or arising to, or received by, a unit holder from a specified fund or on transfer of units in a specified fund.

Explanation.—For the purposes of this clause, the expressions—

(*a*) "specified fund" shall have the same meaning as assigned to it in clause (*c*) of the *Explanation* to clause (*4D*);

(*b*) "unit" means beneficial interest of an investor in the fund and shall include shares or partnership interests.";

(*d*) in clause (*23FE*), in the *Explanation*, with effect from the 1st day of April, 2021,—

(*i*) in clause (*a*), in sub-clause (*ii*), for the words "United Arab Emirates", the words "Abu Dhabi" shall be substituted";

(*ii*) in clause (*b*), in sub-clause (*vi*), after the words "for this purpose", the words "and fulfils conditions specified in such notification" shall be inserted;

(*iii*) in clause (*c*), in sub-clause (*iv*), for the words "for this purpose", the words "for this purpose and fulfils conditions specified in such notification" shall be substituted;

(*III*) in section 11,—

(*a*) in sub-section (*1*), in *Explanation* 2, after the word, figures and letters "section 12AA", the words, figures and letters "or section 12AB, as the case may be" shall be inserted with effect from the 1st day of April, 2021;

(*b*) in sub-section (*7*),—

(*i*) for the words, figures and letters "under section 12AA or section 12AB", the words, brackets, letters and figures "under clause (*b*) of sub-section (*1*) of section 12AA" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2020;

(*ii*) for the words, brackets, letters and figures "under clause (*b*) of sub-section (*1*) of section 12AA", the words, figures and letters "under section 12AA or section 12AB" shall be substituted with effect from the 1st day of April, 2021;

(*iii*) in the second proviso,—

(*A*) with effect from the 1st day of June, 2020, for the words, figures and letters "under section 12AB", the words, figures and letters "under section 12AA," shall be substituted and shall be deemed to have been substituted;

(*B*) with effect from the 1st day of April, 2021, after the words, figures and letters "under section 12AA", the words, figures and letters "or section 12AB" shall be inserted;

(*IV*) in section 12A,—

(*a*) in sub-section (*1*),—

(*i*) with effect from the 1st day of June, 2020, clause (*ac*) shall be omitted and shall be deemed to have been omitted;

(*ii*) with effect from the 1st day of April, 2021, after clause (*ab*), the following clause shall be inserted, namely:—

"(*ac*) notwithstanding anything contained in clauses (*a*) to (*ab*), the person in receipt of the income has made an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for registration of the trust or institution,—

(*i*) where the trust or institution is registered under section 12A [as it stood immediately before its amendment by the Finance (No. 2) Act, 1996] or under section 12AA [as it stood immediately before its amendment by the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020], within three months from the 1st day of April, 2021; 33 of 1996.

(*ii*) where the trust or institution is registered under section 12AB and the period of the said registration is due to expire, at least six months prior to expiry of the said period;

(*iii*) where the trust or institution has been provisionally registered under section 12AB, at least six months prior to expiry of period of the provisional registration or within six months of commencement of its activities, whichever is earlier;

(*iv*) where registration of the trust or institution has become inoperative due to the first proviso to sub-section (*7*)

of section 11, at least six months prior to the commencement of the assessment year from which the said registration is sought to be made operative;

(*v*) where the trust or institution has adopted or undertaken modifications of the objects which do not conform to the conditions of registration, within a period of thirty days from the date of the said adoption or modification;

(*vi*) in any other case, at least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration is sought,

and such trust or institution is registered under section 12AB;";

(*b*) in sub-section (*2*),—

(*A*) with effect from the 1st day of June, 2020,—

(*i*) the first proviso shall be omitted and shall be deemed to have been omitted;

(*ii*) in the second proviso, for the words, figures and letters "Provided further that where registration has been granted to the trust or institution under section 12AA or section 12AB", the words, figures and letters "Provided that where registration has been granted to the trust or institution under section 12AA" shall be substituted and shall be deemed to have been substituted;

(*iii*) in the third proviso, for the words "provided also", the words "provided further" shall be substituted and shall be deemed to have been substituted;

(*iv*) in the fourth proviso, for the words, figures and letters "section 12AA or section 12AB", the word, figures and letters "section 12AA" shall be substituted and shall be deemed to have been substituted;

(*B*) with effect from the 1st day of April, 2021,—

(*i*) in the first proviso, for the words figures and letters "Provided that where registration has been granted to the trust or institution under section 12AA", the following shall be substituted, namely:—

"Provided that the provisions of sections 11 and 12 shall apply to a trust or institution, where the application is made under—

(*a*) sub-clause (*i*) of clause (*ac*) of sub-section (*1*), from the assessment year from which such trust or institution was earlier granted registration;

(*b*) sub-clause (*iii*) of clause (*ac*) of sub-section (*1*), from the first of the assessment year for which it was provisionally registered:

Provided further that where registration has been granted to the trust or institution under section 12AA or section 12AB";

(*ii*) in the second proviso, for the words "Provided further", the words "Provided also" shall be substituted;

(*iii*) in the fourth proviso, for the word, figures and letters "section 12AA", the words, figures and letters "section 12AA or section 12AB" shall be substituted;

(*V*) in section 12AA,—

(*a*) sub-section (*5*) shall be omitted and shall be deemed to have been omitted with effect from the 1st day of June, 2020;

(*b*) after sub-section (*4*), the following sub-section shall be inserted with effect from the 1st day of April, 2021, namely:—

"(*5*) Nothing contained in this section shall apply on or after the 1st day of April, 2021.";

(*VI*) section 12AB shall be omitted and shall be deemed to have been omitted with effect from the 1st day of June, 2020;

(*VII*) after section 12AA, the following section shall be inserted with effect from the 1st day of April, 2021, namely:—

Procedure for fresh registration.

"12AB. (*1*) The Principal Commissioner or Commissioner, on receipt of an application made under clause (*ac*) of sub-section (*1*) of section 12A, shall,—

(*a*) where the application is made under sub-clause (*i*) of the said clause, pass an order in writing registering the trust or institution for a period of five years;

(*b*) where the application is made under sub-clause (*ii*) or sub-clause (*iii*) or sub-clause (*iv*) or sub-clause (*v*) of the said clause,—

(*i*) call for such documents or information from the trust or institution or make such inquiries as he thinks necessary in order to satisfy himself about—

(*A*) the genuineness of activities of the trust or institution; and

(*B*) the compliance of such requirements of any other law for the time being in force by the trust or institution as are material for the purpose of achieving its objects;

(*ii*) after satisfying himself about the objects of the trust or institution and the genuineness of its activities under item (*A*) and compliance of the requirements under item (*B*), of sub-clause (*i*),—

(*A*) pass an order in writing registering the trust or institution for a period of five years; or

(*B*) if he is not so satisfied, pass an order in writing rejecting such application and also cancelling its registration after affording a reasonable opportunity of being heard;

(*c*) where the application is made under sub-clause (*vi*) of the said clause, pass an order in writing provisionally registering the trust or institution for a period of three years from the assessment year from which the registration is sought,

and send a copy of such order to the trust or institution.

(*2*) All applications, pending before the Principal Commissioner or Commissioner on which no order has been passed under clause (*b*) of

sub-section (*1*) of section 12AA before the date on which this section has come into force, shall be deemed to be applications made under sub-clause (*vi*) of clause (*ac*) of sub-section (*1*) of section 12A on that date.

(*3*) The order under clause (*a*), sub-clause (*ii*) of clause (*b*) and clause (*c*), of sub-section (*1*) shall be passed, in such form and manner as may be prescribed, before expiry of the period of three months, six months and one month, respectively, calculated from the end of the month in which the application was received.

(*4*) Where registration of a trust or an institution has been granted under clause (*a*) or clause (*b*) of sub-section (*1*) and subsequently, the Principal Commissioner or Commissioner is satisfied that the activities of such trust or institution are not genuine or are not being carried out in accordance with the objects of the trust or institution, as the case may be, he shall pass an order in writing cancelling the registration of such trust or institution after affording a reasonable opportunity of being heard.

(*5*) Without prejudice to the provisions of sub-section (*4*), where registration of a trust or an institution has been granted under clause (*a*) or clause (*b*) of sub-section (*1*) and subsequently, it is noticed that—

(*a*) the activities of the trust or the institution are being carried out in a manner that the provisions of sections 11 and 12 do not apply to exclude either whole or any part of the income of such trust or institution due to operation of sub-section (*1*) of section 13; or

(*b*) the trust or institution has not complied with the requirement of any other law, as referred to in item (*B*) of sub-clause (*i*) of clause (*b*) of sub-section (*1*), and the order, direction or decree, by whatever name called, holding that such non-compliance has occurred, has either not been disputed or has attained finality,

then, the Principal Commissioner or the Commissioner may, by an order in writing, after affording a reasonable opportunity of being heard, cancel the registration of such trust or institution.";

(*VIII*) in section 13, in *Explanation* 1, after the figures and letter "12A", the figures and letters ", 12AA, 12AB" shall be inserted with effect from the 1st day of April, 2021;

(*IX*) in section 35,—

(*a*) in sub-section (*1*),—

(*i*) with effect from the 1st day of June, 2020, in clause (*iii*), in the *Explanation*,—

(*A*) for the words, brackets, figures and letter "to which clause (*ii*) or clause (*iii*) or to a company to which clause (*iia*)", the words, brackets and figures "to which clause (*ii*) or clause (*iii*)" shall be substituted and shall be deemed to have been substituted;

(*B*) for the words, brackets, figures and letter "clause (*ii*) or clause (*iii*) or to a company referred to in clause (*iia*)", the words, brackets and figures "clause (*ii*) or clause (*iii*)" shall be substituted and shall be deemed to have been substituted;

(*ii*) with effect from the 1st day of April, 2021, in sub-clause (*iii*), in the *Explanation*,—

(*A*) for the words, brackets and figures "to which clause (*ii*) or clause (*iii*)", the words, brackets, figures and letter "to which clause (*ii*) or clause (*iii*) or to a company to which clause (*iia*)" shall be substituted;

(*B*) for the words, brackets and figures "clause (*ii*) or clause (*iii*)", the words, brackets, figures and letter "clause (*ii*) or clause (*iii*) or to a company referred to in clause (*iia*)" shall be substituted;

(*iii*) the fifth and sixth provisos occurring after clause (*iv*) shall be omitted and shall be deemed to have been omitted with effect from the 1st day of June, 2020;

(*iv*) after the fourth proviso occurring after clause (*iv*), the following provisos shall be inserted with effect from the 1st day of April, 2021, namely:—

"Provided also that every notification under clause (*ii*) or clause (*iii*) in respect of the research association, university, college or other institution or under clause (*iia*) in respect of the company issued on or before the date on which this proviso has come into force, shall be deemed to have been withdrawn unless such research association, university, college or other institution referred to in clause (*ii*) or clause (*iii*) or the company referred to in clause (*iia*) makes an intimation in such form and manner, as may be prescribed, to the prescribed income-tax authority within three months from the date on which this proviso has come into force, and subject to such intimation the notification shall be valid for a period of five consecutive assessment years beginning with the assessment year commencing on or after the 1st day of April, 2022:

Provided also that any notification issued by the Central Government under clause (*ii*) or clause (*iia*) or clause (*iii*), after the date on which the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Bill, 2020 receives the assent of the President, shall, at any one time, have effect for such assessment year or years, not exceeding five assessment years as may be specified in the notification.";

(*b*) sub-section (*1A*) shall be omitted and shall be deemed to have been omitted with effect from the 1st day of June, 2020;

(*c*) after sub-section (*1*), the following sub-section shall be inserted with effect from the 1st day of April, 2021, namely:—

"(*1A*) Notwithstanding anything contained in sub-section (*1*), the research association, university, college or other institution referred to in clause (*ii*) or clause (*iii*) or the company referred to in clause (*iia*) of sub-section (*1*) shall not be entitled to deduction under the respective clauses of the said sub-section, unless such research association, university, college or other institution or company—

(*i*) prepares such statement for such period as may be prescribed and deliver or cause to be delivered to the said prescribed income-tax authority or the person authorised by such authority such statement in such form, verified in such manner, setting forth such particulars and within such time, as may be prescribed:

Provided that such research association, university, college or other institution or the company may also deliver to the prescribed authority a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under this sub-section in such form and verified in such manner as may be prescribed;

(*ii*) furnishes to the donor, a certificate specifying the amount of donation in such manner, containing such particulars and within such time from the date of receipt of sum, as may be prescribed.";

(*X*) in section 35AC, with effect from the 1st day of November, 2020,—

(*i*) in sub-section (*4*)—

(*a*) in clause (*i*), for the word "Committee", the words and brackets "the Principal Chief Commissioner of Income Tax (Exemption) or the Chief Commissioner of Income Tax (Exemption)" shall be substituted;

(*b*) in clause (*ii*), for the words "National Committee", the words and brackets "the Principal Chief Commissioner of Income Tax (Exemption) or the Chief Commissioner of Income Tax (Exemption)" shall be substituted;

(*c*) in the long line, for the words "National Committee", the words and brackets "the Principal Chief Commissioner of Income Tax (Exemption) or the Chief Commissioner of Income Tax (Exemption)" shall be substituted;

(*d*) in the proviso, for the words "National Committee", the words and brackets "the Principal Chief Commissioner of Income Tax (Exemption) or the Chief Commissioner of Income Tax (Exemption)" shall be substituted;

(*ii*) in sub-section (*5*),—

(*a*) in clause (*i*), for the words "National Committee", the words and brackets "the Principal Chief Commissioner of Income Tax (Exemption) or the Chief Commissioner of Income Tax (Exemption)" shall be substituted;

(*b*) in the first proviso, for the words "National Committee", the words and brackets "the Principal Chief Commissioner of Income Tax (Exemption) or the Chief Commissioner of Income Tax (Exemption)" shall be substituted;

(*iii*) in sub-section (*6*), in clause (*ii*), after the words "National Committee", the words and brackets "or the Principal Chief Commissioner of Income Tax (Exemption) or the Chief Commissioner of Income Tax (Exemption), as the case may be," shall be inserted;

(*XI*) in section 56, in sub-section (*2*),—

(*a*) with effect from the 1st day of June, 2020,—

(*i*) in clause (*v*), in the proviso, in clause (*g*), for the words, figures and letters "section 12AA or section 12AB", the word, figures and letters "section 12AA" shall be substituted and shall be deemed to have been substituted;

(*ii*) in clause (*vi*), in the proviso, in clause (*g*), for the words, figures and letters "section 12AA or section 12AB", the word, figures and letters "section 12AA" shall be substituted and shall be deemed to have been substituted;

(*iii*) in clause (*vii*), in the second proviso, in clause (*g*), for the words, figures and letters "section 12AA or section 12AB", the word, figures and letters "section 12AA" shall be substituted and shall be deemed to have been substituted;

(*b*) with effect from the 1st day of April, 2021,—

(*i*) in clause (*v*), in the proviso, in clause (*g*), for the word, figures and letters "section 12AA", the words, figures and letters "section 12AA or section 12AB" shall be substituted;

(*ii*) in clause (*vi*), in the proviso, in clause (*g*), for the word, figures and letters "section 12AA", the words, figures and letters "section 12AA or section 12AB" shall be substituted;

(*iii*) in clause (*vii*), in the second proviso, in clause (*g*), for the word, figures and letters "section 12AA", the words, figures and letters "section 12AA or section 12AB" shall be substituted;

(*c*) in clause (*x*), in the proviso, in clause (*VII*),—

(*i*) for the words, figures and letters "section 12A or section 12AA or section 12AB", the words, figures and letters "section 12A or section 12AA" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2020;

(*ii*) for the words, figures and letters "section 12A or section 12AA", the words, figures and letters "section 12A or section 12AA or section 12AB" shall be substituted with effect from the 1st day of April, 2021;

(*XII*) in section 80G,—

(*a*) in sub-section (*2*), in clause (*a*), in sub-clause (*iiia*), after the word "Fund", the words and brackets "or the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2020;

(*b*) in sub-section (*5*),—

(*i*) with effect from the 1st day of June, 2020,—

(*A*) in clause (*vi*), for the words "approved by the Principal Commissioner or Commissioner;" the words "approved by the Commissioner in accordance with the rules made in this behalf; and" shall be substituted and shall be deemed to have been substituted;

(*B*) clauses (*viii*) and (*ix*) shall be omitted and shall be deemed to have been omitted;

(*ii*) with effect from the 1st day of April, 2021,—

(*A*) in clause (*vi*), for the words "approved by the Commissioner in accordance with the rules made in this behalf; and", the words "approved by the Principal Commissioner or Commissioner;" shall be substituted;

(*B*) after clause (*vii*), the following clauses shall be inserted, namely:—

"(*viii*) the institution or fund prepares such statement for such period as may be prescribed and deliver or cause to be delivered to the prescribed income-tax authority or the person authorised by such authority such statement in such form and verified in such manner and setting forth such particulars and within such time as may be prescribed:

Provided that the institution or fund may also deliver to the said prescribed authority, a correction statement for

rectification of any mistake or to add, delete or update the information furnished in the statement delivered under this sub-section in such form and verified in such manner as may be prescribed; and

(*ix*) the institution or fund furnishes to the donor, a certificate specifying the amount of donation in such manner, containing such particulars and within such time from the date of receipt of donation, as may be prescribed:

Provided that the institution or fund referred to in clause (*vi*) shall make an application in the prescribed form and manner to the Principal Commissioner or Commissioner, for grant of approval,—

(*i*) where the institution or fund is approved under clause (*vi*) [as it stood immediately before its amendment by the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020], within three months from the 1st day of April, 2021;

(*ii*) where the institution or fund is approved and the period of such approval is due to expire, at least six months prior to expiry of the said period;

(*iii*) where the institution or fund has been provisionally approved, at least six months prior to expiry of the period of the provisional approval or within six months of commencement of its activities, whichever is earlier;

(*iv*) in any other case, at least one month prior to commencement of the previous year relevant to the assessment year from which the said approval is sought:

Provided further that the Principal Commissioner or Commissioner, on receipt of an application made under the first proviso, shall,—

(*i*) where the application is made under clause (*i*) of the said proviso, pass an order in writing granting it approval for a period of five years;

(*ii*) where the application is made under clause (*ii*) or clause (*iii*) of the said proviso,—

(*a*) call for such documents or information from it or make such inquiries as he thinks necessary in order to satisfy himself about—

(*A*) the genuineness of activities of such institution or fund; and

(*B*) the fulfilment of all the conditions laid down in clauses (*i*) to (*v*);

(*b*) after satisfying himself about the genuineness of activities under item (*A*), and the fulfilment of all the conditions under item (*B*), of sub-clause (*a*),—

(*A*) pass an order in writing granting it approval for a period of five years; or

(*B*) if he is not so satisfied, pass an order in writing rejecting such application and also cancelling its approval after

affording it a reasonable opportunity of being heard;

(*iii*) where the application is made under clause (*iv*) of the said proviso, pass an order in writing granting it approval provisionally for a period of three years from the assessment year from which the registration is sought,

and send a copy of such order to the institution or fund:

Provided also that the order under clause (*i*), sub-clause (*b*) of clause (*ii*) and clause (*iii*) of the first proviso shall be passed in such form and manner as may be prescribed, before expiry of the period of three months, six months and one month, respectively, calculated from the end of the month in which the application was received:

Provided also that the approval granted under the second proviso shall apply to an institution or fund, where the application is made under—

(*a*) clause (*i*) of the first proviso, from the assessment year from which approval was earlier granted to such institution or fund;

(*b*) clause (*iii*) of the first proviso, from the first of the assessment years for which such institution or fund was provisionally approved;

(*c*) in any other case, from the assessment year immediately following the financial year in which such application is made.";

(*c*) sub-section (*5E*) shall be omitted and shall be deemed to have been omitted with effect from the 1st day of June, 2020;

(*d*) after sub-section (*5D*), the following sub-section shall be inserted with effect from the 1st day of April, 2021, namely:—

"(*5E*) All applications, pending before the Commissioner on which no order has been passed under clause (*vi*) of sub-section (*5*) before the date on which this sub-section has come into force, shall be deemed to be applications made under clause (*iv*) of the first proviso to sub-section (*5*) on that date.";

(*e*) *Explanation* 2A shall be omitted and shall be deemed to have been omitted with effect from the 1st day of June, 2020;

(*f*) after *Explanation* 2, the following *Explanation* shall be inserted with effect from the 1st day of April, 2021, namely:—

"*Explanation* 2A.—For the removal of doubts, it is hereby declared that claim of the assessee for a deduction in respect of any donation made to an institution or fund to which the provisions of sub-section (*5*) apply, in the return of income for any assessment year filed by him, shall be allowed on the basis of

information relating to said donation furnished by the institution or fund to the prescribed income-tax authority or the person authorised by such authority, subject to verification in accordance with the risk management strategy formulated by the Board from time to time.";

(*XIII*) in section 92CA, after sub-section (*7*), the following sub-sections shall be inserted with effect from the 1st day of November, 2020, namely:—

"(*8*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of determination of the arm's length price under sub-section (*3*), so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the Transfer Pricing Officer and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based determination of arm's length price with dynamic jurisdiction.

(*9*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*8*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*10*) Every notification issued under sub-section (*8*) and sub-section (*9*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XIV*) in section 115AD, with effect from the 1st day of April, 2021,—

(*a*) in sub-section (*1*),—

(*i*) in the opening portion, for the words "Foreign Institutional Investor", the words "specified fund or Foreign Institutional Investor" shall be substituted;

(*ii*) for clause (*i*), the following clause shall be substituted, namely:—

"(*i*) the amount of income-tax calculated on the income in respect of securities referred to in clause (*a*), if any, included in the total income,—

(*A*) at the rate of twenty per cent. in case of Foreign Institutional Investor;

(*B*) at the rate of ten per cent. in case of specified fund;";

(*iii*) in clause (*iv*), for the words "Foreign Institutional Investor", the words "specified fund or Foreign Institutional Investor" shall be substituted;

(*b*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) Notwithstanding anything contained in sub-section (*1*), in case of specified fund, the provision of this section shall apply only to the extent of income that is attributable to units held by non-resident (not being a permanent establishment of a non-resident in India) calculated in the prescribed manner.";

(*c*) in sub-section (*2*), for the words "Foreign Institutional Investor", at both the places where they occur, the words "specified Fund or Foreign Institutional Investor" shall be substituted;

(*d*) in the *Explanation*, for clause (*b*), the following clauses shall be substituted, namely:—

'(*b*) the expression "permanent establishment" shall have the meaning assigned to it in clause (*iiia*) of section 92F;

(*c*) the expression "securities" shall have the meaning assigned to it in clause (*h*) of section 2 of the Securities Contracts (Regulation) Act, 1956; 42 of 1956.

(*d*) the expression "specified fund" shall have the same meaning assigned to it in clause (*c*) of the *Explanation* to clause (*4D*) of section 10.';

(*XV*) in section 115BBDA, in the *Explanation*, in clause (*b*), in sub-clause (*iii*),—

(*i*) for the words, figures and letters "under section 12A or section 12AA or section 12AB", the words, figures and letters "under section 12A or section 12AA" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2020;

(*ii*) for the words, figures and letters, "under section 12A or section 12AA" the words, figures and letters "under section 12A or section 12AA or section 12AB" shall be substituted with effect from the 1st day of April, 2021;

(*XVI*) in section 115JEE, after sub-section (*2*), the following sub-section shall be inserted with effect from the 1st day of April, 2021, namely:—

"(*2A*) The provisions of this Chapter shall not apply to specified fund referred to in clause (*c*) of the *Explanation* to clause (*4D*) of section 10.";

(*XVII*) in section 115TD,—

(*i*) for the words, figures and letters "under section 12AA or section 12AB" wherever they occur, the words, figures and letters "under section 12AA" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2020;

(*ii*) for the words, figures and letters "under section 12AA" wherever they occur, the words, figures and letters "under section 12AA or section 12AB" shall be substituted with effect from the 1st day of April, 2021;

(*XVIII*) after section 129, the following section shall be inserted with effect from the 1st day of November, 2020, namely:—

Faceless jurisdiction of income-tax authorities.

"130. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of—

(*a*) exercise of all or any of the powers and performance of all or any of the functions conferred on, or, as the case may be, assigned to income-tax authorities by or under this Act as referred to in section 120; or

(*b*) vesting the jurisdiction with the Assessing Officer as referred to in section 124; or

(*c*) exercise of power to transfer cases under section 127; or

(*d*) exercise of jurisdiction in case of change of incumbency as referred to in section 129,

so as to impart greater efficiency, transparency and accountability by—

(*i*) eliminating the interface between the income-tax authority and the assessee or any other person, to the extent technologically feasible;

(*ii*) optimising utilisation of the resources through economies of scale and

functional specialisation;

(*iii*) introducing a team-based exercise of powers and performance of functions by two or more income-tax authorities, concurrently, in respect of any area or persons or classes of persons or incomes or classes of income or cases or classes of cases, with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XIX*) in section 133A, with effect from the 1st day of November, 2020,—

(*i*) in sub-section (*6*), for the proviso, the following proviso shall be substituted, namely:—

"Provided that no action under this section shall be taken by an income-tax authority without the approval of the Principal Director General or the Director General or the Principal Chief Commissioner or the Chief Commissioner.";

(*ii*) in the *Explanation*, for clause (*a*), the following clause shall be substituted, namely:—

'(*a*) "income-tax authority" means—

(*i*) a Principal Commissioner or Commissioner, a Principal Director or Director, a Joint Commissioner or Joint Director, an Assistant Director or a Deputy Director or an Assessing Officer, or a Tax Recovery Officer; and

(*ii*) includes an Inspector of Income-tax, for the purposes of clause (*i*) of sub-section (*1*), clause (*i*) of sub-section (*3*) and sub-section (*5*),

who is subordinate to the Principal Director General of Income-tax (Investigation) or the Director General of Income-tax (Investigation) or the Principal Chief Commissioner of Income-tax (TDS) or the Chief Commissioner of Income-tax (TDS), as the case may be;';

(*XX*) in section 133C, with effect from the 1st day of November, 2020,—

(*a*) in sub-section (*2*), for the words "such information or document and make available the outcome of such processing to the Assessing Officer", the words, brackets, figures and letter "and utilise such information and document in accordance with the scheme notified under sub-section (*3*) or the provisions of section 135A" shall be substituted;

(*b*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) The scheme made under sub-section (*3*) shall cease to have effect from the date on which the scheme notified under section 135A in respect of this section comes into effect.";

(*XXI*) after section 135, the following section shall be inserted with effect from the 1st day of November, 2020, namely:—

"135A. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of calling for information under section 133, collecting certain information under section 133B, or calling for information by

Faceless collection of information.

prescribed income-tax authority under section 133C, or exercise of power to inspect register of companies under section 134, or exercise of power of Assessing Officer under section 135 so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authority and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based exercise of powers, including to call for, or collect, or process, or utilise, the information, with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXII*) after section 142A, the following section shall be inserted with effect from the 1st day of November, 2020, namely:—

Faceless inquiry or Valuation.

"142B. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of issuing notice under sub-section (*1*) or making inquiry before assessment under sub-section (*2*), or directing the assessee to get his accounts audited under sub-section (*2A*) of section 142, or estimating the value of any asset, property or investment by a Valuation Officer under section 142A, so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authority or Valuation Officer and the assessee or any person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based issuance of notice or making of enquiries or issuance of directions or valuation with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXIII*) in section 143, with effect from the 1st day of April, 2021,—

(*i*) in sub-section (*3B*), in the proviso, for the figures "2022", the figures "2021" shall be substituted;

(*ii*) after sub-section (*3C*), the following sub-section shall be inserted, namely:—

"(*3D*) Nothing contained in sub-section (*3A*) and sub-section (*3B*) shall apply to the assessment made under sub-section (*3*) or under section 144, as the case may be, on or after the 1st day of April, 2021.";

(*XXIV*) after section 144A, the following section shall be inserted with effect from the 1st day of April, 2021, namely:—

Faceless assessment.

'144B. (*1*) Notwithstanding anything to the contrary contained in any other provisions of this Act, the assessment under sub-section (*3*) of section 143 or under section 144, in the cases referred to in sub-section (*2*), shall be made in a faceless manner as per the following procedure, namely:—

(*i*) the National Faceless Assessment Centre shall serve a notice on the assessee under sub-section (*2*) of section 143;

(*ii*) the assessee may, within fifteen days from the date of receipt of notice referred to in clause (*i*), file his response to the National Faceless Assessment Centre;

(*iii*) where the assessee—

(*a*) has furnished his return of income under section 139 or in response to a notice issued under sub-section (*1*) of section 142 or under sub-section (*1*) of section 148, and a notice under sub-section (*2*) of section 143 has been issued by the Assessing Officer or the prescribed income-tax authority, as the case may be; or

(*b*) has not furnished his return of income in response to a notice issued under sub-section (*1*) of section 142 by the Assessing Officer; or

(*c*) has not furnished his return of income under sub-section (*1*) of section 148 and a notice under sub-section (*1*) of section 142 has been issued by the Assessing Officer,

the National Faceless Assessment Centre shall intimate the assessee that assessment in his case shall be completed in accordance with the procedure laid down under this section;

(*iv*) the National Faceless Assessment Centre shall assign the case selected for the purposes of faceless assessment under this section to a specific assessment unit in any one Regional Faceless Assessment Centre through an automated allocation system;

(*v*) where a case is assigned to the assessment unit, it may make a request to the National Faceless Assessment Centre for—

(*a*) obtaining such further information, documents or evidence from the assessee or any other person, as it may specify;

(*b*) conducting of certain enquiry or verification by verification unit; and

(*c*) seeking technical assistance from the technical unit;

(*vi*) where a request for obtaining further information, documents or evidence from the assessee or any other person has been made by the assessment unit, the National Faceless Assessment Centre shall issue appropriate notice or requisition to the assessee or any other person for obtaining the information, documents or evidence requisitioned by the assessment unit;

(*vii*) the assessee or any other person, as the case may be, shall file his response to the notice referred to in clause (*vi*), within the time specified therein or such time as may be extended on the basis of an application in this regard, to the National Faceless Assessment Centre;

(*viii*) where a request for conducting of certain enquiry or verification by the verification unit has been made by the assessment unit, the request

shall be assigned by the National Faceless Assessment Centre to a verification unit in any one Regional Faceless Assessment Centre through an automated allocation system;

(*ix*) where a request for seeking technical assistance from the technical unit has been made by the assessment unit, the request shall be assigned by the National Faceless Assessment Centre to a technical unit in any one Regional Faceless Assessment Centre through an automated allocation system;

(*x*) the National Faceless Assessment Centre shall send the report received from the verification unit or the technical unit, based on the request referred to in clause (*viii*) or clause (*ix*) to the concerned assessment unit;

(*xi*) where the assessee fails to comply with the notice referred to in clause (*vi*) or notice issued under sub-section (*1*) of section 142 or with a direction issued under sub-section (*2A*) of section 142, the National Faceless Assessment Centre shall serve upon such assessee a notice under section 144 giving him an opportunity to show-cause, on a date and time to be specified in the notice, why the assessment in his case should not be completed to the best of its judgment;

(*xii*) the assessee shall, within the time specified in the notice referred to in clause (*xi*) or such time as may be extended on the basis of an application in this regard, file his response to the National Faceless Assessment Centre;

(*xiii*) where the assessee fails to file response to the notice referred to in clause (*xi*) within the time specified therein or within the extended time, if any, the National Faceless Assessment Centre shall intimate such failure to the assessment unit;

(*xiv*) the assessment unit shall, after taking into account all the relevant material available on the record make in writing, a draft assessment order or, in a case where intimation referred to in clause (*xiii*) is received from the National Faceless Assessment Centre, make in writing, a draft assessment order to the best of its judgment, either accepting the income or sum payable by, or sum refundable to, the assessee as per his return or making variation to the said income or sum, and send a copy of such order to the National Faceless Assessment Centre;

(*xv*) the assessment unit shall, while making draft assessment order, provide details of the penalty proceedings to be initiated therein, if any;

(*xvi*) the National Faceless Assessment Centre shall examine the draft assessment order in accordance with the risk management strategy specified by the Board, including by way of an automated examination tool, whereupon it may decide to—

(*a*) finalise the assessment, in case no variation prejudicial to the interest of assessee is proposed, as per the draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, along with the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment; or

(*b*) provide an opportunity to the assessee, in case any variation prejudicial to the interest of assessee is proposed, by serving a notice calling upon him to show-cause as to why the proposed variation should not be made; or

(*c*) assign the draft assessment order to a review unit in any one Regional Faceless Assessment Centre, through an automated allocation system, for conducting review of such order;

(*xvii*) the review unit shall conduct review of the draft assessment order referred to it by the National Faceless Assessment Centre whereupon it may decide to—

(*a*) concur with the draft assessment order and intimate the National Faceless Assessment Centre about such concurrence; or

(*b*) suggest such variation, as it may deem fit, in the draft assessment order and send its suggestions to the National Faceless Assessment Centre;

(*xviii*) the National Faceless Assessment Centre shall, upon receiving concurrence of the review unit, follow the procedure laid down in—

(*a*) sub-clause (*a*) of clause (*xvi*); or

(*b*) sub-clause (*b*) of clause (*xvi*);

(*xix*) the National Faceless Assessment Centre shall, upon receiving suggestions for variation from the review unit, assign the case to an assessment unit, other than the assessment unit which has made the draft assessment order, through an automated allocation system;

(*xx*) the assessment unit shall, after considering the variations suggested by the review unit, send the final draft assessment order to the National Faceless Assessment Centre;

(*xxi*) the National Faceless Assessment Centre shall, upon receiving final draft assessment order follow the procedure laid down in—

(*a*) sub-clause (*a*) of clause (*xvi*); or

(*b*) sub-clause (*b*) of clause (*xvi*);

(*xxii*) the assessee may, in a case where show-cause notice has been served upon him as per the procedure laid down in sub-clause (*b*) of clause (*xvi*), furnish his response to the National Faceless Assessment Centre on or before the date and time specified in the notice or within the extended time, if any;

(*xxiii*) the National Faceless Assessment Centre shall,—

(*a*) where no response to the show-cause notice is received as per clause (*xxii*),—

(*A*) in a case where the draft assessment order or the final draft assessment order is in respect of an eligible assessee and proposes to make any variation which is prejudicial to the interest of said assessee, forward the draft assessment order or final draft assessment order to such assessee; or

(*B*) in any other case, finalise the assessment as per the draft assessment order or the final draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, alongwith the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(*b*) in any other case, send the response received from the assessee to the assessment unit;

(*xxiv*) the assessment unit shall, after taking into account the response furnished by the assessee, make a revised draft assessment order and send it to the National Faceless Assessment Centre;

(*xxv*) the National Faceless Assessment Centre shall, upon receiving the revised draft assessment order,—

(*a*) in case the variations proposed in the revised draft assessment order are not prejudicial to the interest of the assessee in comparison to the draft assessment order or the final draft assessment order, and—

(*A*) in case the revised draft assessment order is in respect of an eligible assessee and there is any variation prejudicial to the interest of the assessee proposed in draft assessment order or the final draft assessment order, forward the said revised draft assessment order to such assessee;

(*B*) in any other case, finalise the assessment as per the revised draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, along with the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(*b*) in case the variations proposed in the revised draft assessment order are prejudicial to the interest of the assessee in comparison to the draft assessment order or the final draft assessment order, provide an opportunity to the assessee, by serving a notice calling upon him to show-cause as to why the proposed variation should not be made;

(*xxvi*) the procedure laid down in clauses (*xxiii*), (*xxiv*) and (*xxv*) shall apply *mutatis mutandis* to the notice referred to in sub-clause (*b*) of clause (*xxv*);

(*xxvii*) where the draft assessment order or final draft assessment order or revised draft assessment order is forwarded to the eligible assessee as per item (*A*) of sub-clause (*a*) of clause (*xxiii*) or item (*A*) of sub-clause (*a*) of clause (*xxv*), such assessee shall, within the period specified in sub-section (*2*) of section 144C, file his acceptance of the variations to the National Faceless Assessment Centre;

(*xxviii*) the National Faceless Assessment Centre shall,—

(*a*) upon receipt of acceptance as per clause (*xxvii*); or

(*b*) if no objections are received from the eligible assessee within the period specified in sub-section (*2*) of section 144C,

finalise the assessment within the time allowed under sub-section (*4*) of section 144C and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, along with the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(*xxix*) where the eligible assessee files his objections with the Dispute Resolution Panel, the National Faceless Assessment Centre shall upon receipt of the directions issued by the Dispute Resolution Panel under sub-section (*5*) of section 144C, forward such directions to the concerned assessment unit;

(*xxx*) the assessment unit shall in conformity of the directions issued by the Dispute Resolution Panel under sub-section (*5*) of section 144C, prepare a draft assessment order in accordance with sub-section (*13*) of section 144C and send a copy of such order to the National Faceless Assessment Centre;

(*xxxi*) the National Faceless Assessment Centre shall, upon receipt of draft assessment order referred to in clause (*xxx*), finalise the assessment within the time allowed under sub-section (*13*) of section 144C and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, along with the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(*xxxii*) The National Faceless Assessment Centre shall, after completion of assessment, transfer all the electronic records of the case to the Assessing Officer having jurisdiction over the said case for such action as may be required under the Act.

(*2*) The faceless assessment under sub-section (*1*) shall be made in respect of such territorial area, or persons or class of persons, or incomes or class of incomes, or cases or class of cases, as may be specified by the Board.

(*3*) The Board may, for the purposes of faceless assessment, set up the following Centres and units and specify their respective jurisdiction, namely:—

(*i*) a National Faceless Assessment Centre to facilitate the conduct of faceless assessment proceedings in a centralised manner, which shall be vested with the jurisdiction to make faceless assessment;

(*ii*) Regional Faceless Assessment Centres, as it may deem necessary, to facilitate the conduct of faceless assessment proceedings in the cadre controlling region of a Principal Chief Commissioner, which shall be vested with the jurisdiction to make faceless assessment;

(*iii*) assessment units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of making assessment, which includes identification of points or issues material for the determination of any liability (including refund) under the Act, seeking information or clarification on points or issues so identified, analysis of the material furnished by the assessee or any other person, and such other functions as may be required for the purposes of making faceless assessment;

(*iv*) verification units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of verification, which includes enquiry, cross verification, examination of books of account, examination of witnesses and recording of statements, and such other functions as may be required for the purposes of verification;

(*v*) technical units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of providing technical assistance which includes any assistance or advice on legal, accounting, forensic, information technology, valuation, transfer pricing, data analytics, management or any other technical matter which may be required in a particular case or a class of cases, under this section; and

(*vi*) review units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of review of the draft assessment order, which includes checking whether the relevant and material evidence has been brought on record, whether the relevant points

of fact and law have been duly incorporated in the draft order, whether the issues on which addition or disallowance should be made have been discussed in the draft order, whether the applicable judicial decisions have been considered and dealt with in the draft order, checking for arithmetical correctness of variations proposed, if any, and such other functions as may be required for the purposes of review.

(*4*) The assessment unit, verification unit, technical unit and the review unit shall have the following authorities, namely:—

(*a*) Additional Commissioner or Additional Director or Joint Commissioner or Joint Director, as the case may be;

(*b*) Deputy Commissioner or Deputy Director or Assistant Commissioner or Assistant Director, or Income-tax Officer, as the case may be;

(*c*) such other income-tax authority, ministerial staff, executive or consultant, as considered necessary by the Board.

(*5*) All communication among the assessment unit, review unit, verification unit or technical unit or with the assessee or any other person with respect to the information or documents or evidence or any other details, as may be necessary for the purposes of making a faceless assessment shall be through the National Faceless Assessment Centre.

(*6*) All communications between the National Faceless Assessment Centre and the assessee, or his authorised representative, or any other person shall be exchanged exclusively by electronic mode; and all internal communications between the National Faceless Assessment Centre, Regional Faceless Assessment Centres and various units shall be exchanged exclusively by electronic mode:

Provided that the provisions of this sub-section shall not apply to the enquiry or verification conducted by the verification unit in the circumstances referred to in sub-clause (*g*) of clause (*xii*) of sub-section (*7*).

(*7*) For the purposes of faceless assessment—

(*i*) an electronic record shall be authenticated by—

(*a*) the National Faceless Assessment Centre by affixing its digital signature;

(*b*) assessee or any other person, by affixing his digital signature if he is required to furnish his return of income under digital signature, and in any other case, by affixing his digital signature or under electronic verification code in the prescribed manner;

(*ii*) every notice or order or any other electronic communication shall be delivered to the addressee, being the assessee, by way of—

(*a*) placing an authenticated copy thereof in the assessee's registered account; or

(*b*) sending an authenticated copy thereof to the registered email address of the assessee or his authorised representative; or

(*c*) uploading an authenticated copy on the assessee's Mobile App,

and followed by a real time alert;

(*iii*) every notice or order or any other electronic communication shall be delivered to the addressee, being any other person, by sending an authenticated copy thereof to the registered email address of such person, followed by a real time alert;

(*iv*) the assessee shall file his response to any notice or order or any other electronic communication, through his registered account, and once an acknowledgement is sent by the National Faceless Assessment Centre containing the hash result generated upon successful submission of response, the response shall be deemed to be authenticated;

(*v*) the time and place of dispatch and receipt of electronic record shall be determined in accordance with the provisions of section 13 of the Information Technology Act, 2000;

21 of 2000.

(*vi*) a person shall not be required to appear either personally or through authorised representative in connection with any proceedings before the income-tax authority at the National Faceless Assessment Centre or Regional Faceless Assessment Centre or any unit set up under this sub-section;

(*vii*) in a case where a variation is proposed in the draft assessment order or final draft assessment order or revised draft assessment order, and an opportunity is provided to the assessee by serving a notice calling upon him to show-cause as to why the assessment should not be completed as per the such draft or final draft or revised draft assessment order, the assessee or his authorised representative, as the case may be, may request for personal hearing so as to make his oral submissions or present his case before the income-tax authority in any unit;

(*viii*) the Chief Commissioner or the Director General, in charge of the Regional Faceless Assessment Centre, under which the concerned unit is set up, may approve the request for personal hearing referred to in clause (*vii*) if he is of the opinion that the request is covered by the circumstances referred to in sub-clause (*h*) of clause (*xii*);

(*ix*) where the request for personal hearing has been approved by the Chief Commissioner or the Director General, in charge of the Regional Faceless Assessment Centre, such hearing shall be conducted exclusively through video conferencing or video telephony, including use of any telecommunication application software which supports video conferencing or video telephony, in accordance with the procedure laid down by the Board;

(*x*) subject to the proviso to sub-section (*6*), any examination or recording of the statement of the assessee or any other person (other than statement recorded in the course of survey under section 133A of the Act) shall be conducted by an income-tax authority in any unit, exclusively through video conferencing or video telephony, including use of any telecommunication application software which supports video conferencing or video telephony in accordance with the procedure laid down by the Board;

(*xi*) the Board shall establish suitable facilities for video conferencing or video telephony including telecommunication application software which supports video conferencing or video telephony at such locations as may be necessary, so as to ensure that the assessee, or his authorised representative, or any other person is not denied the benefit of faceless assessment merely on the consideration that such assessee or his

authorised representative, or any other person does not have access to video conferencing or video telephony at his end;

(*xii*) the Principal Chief Commissioner or the Principal Director General, in charge of the National Faceless Assessment Centre shall, with the prior approval of the Board, lay down the standards, procedures and processes for effective functioning of the National Faceless Assessment Centre, Regional Faceless Assessment Centres and the unit set up, in an automated and mechanised environment, including format, mode, procedure and processes in respect of the following, namely:—

(*a*) service of the notice, order or any other communication;

(*b*) receipt of any information or documents from the person in response to the notice, order or any other communication;

(*c*) issue of acknowledgement of the response furnished by the person;

(*d*) provision of "e-proceeding" facility including login account facility, tracking status of assessment, display of relevant details, and facility of download;

(*e*) accessing, verification and authentication of information and response including documents submitted during the assessment proceedings;

(*f*) receipt, storage and retrieval of information or documents in a centralised manner;

(*g*) circumstances in which proviso to sub-section (*6*) shall apply;

(*h*) circumstances in which personal hearing referred to clause (*viii*) shall be approved;

(*i*) general administration and grievance redressal mechanism in the respective Centres and units.

(*8*) Notwithstanding anything contained in sub-section (*1*) or sub-section (*2*), the Principal Chief Commissioner or the Principal Director General in charge of National Faceless Assessment Centre may at any stage of the assessment, if considered necessary, transfer the case to the Assessing Officer having jurisdiction over such case, with the prior approval of the Board.

(*9*) Notwithstanding anything contained in any other provision of this Act, assessment made under sub-section (*3*) of section 143 or under section 144 in the cases referred to in sub-section (*2*) [other than the cases transferred under sub-section (*8*)], on or after the 1st day of April, 2021, shall be non-est if such assessment is not made in accordance with the procedure laid down under this section.

Explanation.—In this section, unless the context otherwise requires—

(*a*) "addressee" shall have the same meaning as assigned to it in clause (*b*) of sub-section (*1*) of section 2 of the Information Technology Act, 2000; 21 of 2000.

(*b*) "authorised representative" shall have the same meaning as assigned to it in sub-section (*2*) of section 288;

(*c*) "automated allocation system" means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial

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intelligence and machine learning, with a view to optimise the use of resources;

(*d*) "automated examination tool" means an algorithm for standardised examination of draft orders, by using suitable technological tools, including artificial intelligence and machine learning, with a view to reduce the scope of discretion;

(*e*) "computer resource" shall have the same meaning as assigned to it in clause (*k*) of sub-section (*1*) of section 2 of the Information Technology Act, 2000; 21 of 2000.

(*f*) "computer system" shall have the same meaning as assigned to it in clause (*l*) of sub-section (*1*) of section 2 of the Information Technology Act, 2000; 21 of 2000.

(*g*) "computer resource of assessee" shall include assessee's registered account in designated portal of the Income-tax Department, the Mobile App linked to the registered mobile number of the assessee, or the registered email address of the assessee with his email service provider;

(*h*) "digital signature" shall have the same meaning as assigned to it in clause (*p*) of sub-section (*1*) of section 2 of the Information Technology Act, 2000; 21 of 2000.

(*i*) "designated portal" means the web portal designated as such by the Principal Chief Commissioner or the Principal Director General, in charge of the National Faceless Assessment Centre;

(*j*) "Dispute Resolution Panel" shall have the same meaning as assigned to it in clause (*a*) of sub-section (*15*) of section 144C;

(*k*) "faceless assessment" means the assessment proceedings conducted electronically in 'e-Proceeding' facility through assessee's registered account in designated portal;

(*l*) "electronic record" shall have the same meaning as assigned to it in clause (*t*) of sub-section (*1*) of section 2 of the Information Technology Act, 2000; 21 of 2000.

(*m*) "eligible assessee" shall have the same meaning as assigned to in clause (*b*) of sub-section (*15*) of section 144C;

(*n*) "email" or "electronic mail" and "electronic mail message" means a message or information created or transmitted or received on a computer, computer system, computer resource or communication device including attachments in text, image, audio, video and any other electronic record, which may be transmitted with the message;

(*o*) "hash function" and "hash result" shall have the same meaning as assigned to them in the *Explanation* to sub-section (*2*) of section 3 of the Information Technology Act, 2000; 21 of 2000.

(*p*) "Mobile app" shall mean the application software of the Income-tax Department developed for mobile devices which is downloaded and installed on the registered mobile number of the assessee;

(*q*) "originator" shall have the same meaning as assigned to it in clause (*za*) of sub-section (*1*) of section 2 of the Information Technology Act, 2000; 21 of 2000.

(*r*) "real time alert" means any communication sent to the assessee, by way of Short Messaging Service on his registered mobile number, or by

way of update on his Mobile App, or by way of an email at his registered email address, so as to alert him regarding delivery of an electronic communication;

(*s*) "registered account" of the assessee means the electronic filing account registered by the assessee in designated portal;

(*t*) "registered e-mail address" means the e-mail address at which an electronic communication may be delivered or transmitted to the addressee, including—

(*i*) the e-mail address available in the electronic filing account of the addressee registered in designated portal; or

(*ii*) the e-mail address available in the last income-tax return furnished by the addressee; or

(*iii*) the e-mail address available in the Permanent Account Number database relating to the addressee; or

(*iv*) in the case of addressee being an individual who possesses the Aadhaar number, the e-mail address of addressee available in the database of Unique Identification Authority of India; or

(*v*) in the case of addressee being a company, the e-mail address of the company as available on the official website of Ministry of Corporate Affairs; or

(*vi*) any e-mail address made available by the addressee to the income-tax authority or any person authorised by such authority.

(*u*) "registered mobile number" of the assessee means the mobile number of the assessee, or his authorised representative, appearing in the user profile of the electronic filing account registered by the assessee in designated portal;

(*v*) "video conferencing or video telephony" means the technological solutions for the reception and transmission of audio-video signals by users at different locations, for communication between people in real-time.';

(*XXV*) in section 144C, after sub-section (*14A*), the following sub-sections shall be inserted with effect from the 1st day of November, 2020, namely:—

"(*14B*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of issuance of directions by the dispute resolution panel, so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the dispute resolution panel and the eligible assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a mechanism with dynamic jurisdiction for issuance of directions by dispute resolution panel.

(*14C*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*14B*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*14D*) Every notification issued under sub-section (*14B*) and sub-section (*14C*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXVI*) after section 151, the following section shall be inserted with effect from the 1st day of November, 2020, namely:—

Faceless assessment of income escaping assessment.

"151A. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of assessment, reassessment or re-computation under section 147 or issuance of notice under section 148 or sanction for issue of such notice under section 151, so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authority and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based assessment, reassessment, re-computation or issuance or sanction of notice with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXVII*) after section 157, the following section shall be inserted with effect from the 1st day of November, 2020, namely:—

Faceless rectification, amendments and issuance of notice or intimation.

"157A. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of rectification of any mistake apparent from record under section 154 or other amendments under section 155 or issue of notice of demand under section 156, or intimation of loss under section 157, so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authority and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based rectification of mistakes, amendment of orders, issuance of notice of demand or intimation of loss, with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*)

shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXVIII*) in section 196D, after sub-section (*1*), the following sub-section shall be inserted with effect from the 1st day of November, 2020, namely:—

"(*1A*) Where any income in respect of securities referred to in clause (*a*) of sub-section (*1*) of section 115AD, not being income by way of interest referred to in section 194LD, is payable to a specified fund [referred to in clause (*c*) of the *Explanation* to clause (*4D*) of section 10], the person responsible for making the payment shall, at the time of credit of such income to the account of the payee, or at the time of payment thereof by any mode, whichever is earlier, deduct the income-tax thereon at the rate of ten per cent.:

Provided that no deduction shall be made in respect of an income exempt under clause (*4D*) of section 10.";

(*XXIX*) after section 197A, the following section shall be inserted and shall be deemed to have been inserted with effect from the 14th day of May, 2020, namely:—

Lower deduction in certain cases for a limited period.

"197B. In case the provisions of sections 193, 194, 194A, 194C, 194D, 194DA,194EE, 194F, 194G, 194H, 194-I,194-IA, 194-IB, 194-IC, 194J, 194K,194LA, sub-section (*1*) of section 194LBA, clause (*i*) of section 194LBB, sub-section (*1*) of section 194LBC, sections 194M and 194-O require deduction of tax at source during the period commencing from the 14th day of May, 2020 to the 31st day of March, 2021, then notwithstanding anything contained in these sections the deduction of tax shall be made at the rate being the three-fourth of the rate specified in these sections.";

(*XXX*) in section 206C, after sub-section (*10*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 14th day of May, 2020, namely:—

"(*10A*) In case the provisions of sub-sections (*1*) [except the goods referred at serial number (*i*) in the TABLE], (1C), (1F) or (1H) require collection of tax at source during the period commencing from the 14th day of May, 2020 to the 31st day of March, 2021, then, notwithstanding anything contained in these sub-sections the collection of tax shall be made at the rate being the three-fourth of the rate specified in these sub-sections.";

(*XXXI*) after section 230, the following section shall be inserted with effect from the 1st day of November, 2020, namely:—

Faceless collection and recovery of tax.

"231. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of issuance of certificate for deduction of income-tax at any lower rates or no deduction of income-tax under section 197, or deeming a person to be an assessee in default under sub-section (*1*) of section 201 or sub-section (*6A*) of section 206C, issuance of certificate for lower collection of tax under sub-section (*9*) of section 206C or passing of order or amended order under sub-section (*3*) or sub-section (*4*) of section 210, or reduction or waiver of the amount of interest paid or payable by an assessee under sub-section (*2A*), or extending the time for payment or allowing payment by instalment under sub-section (*3*), or treating the assessee as not being in default under sub-section (*6*) or sub-section (*7*) of section 220, or levy of penalty under section 221, or drawing of certificate by the Tax Recovery Officer under section 222, or jurisdiction of Tax Recovery Officer under section 223, or stay of proceedings in pursuance of certificate and amendment or cancellation thereof by the Tax Recovery Officer under section 225, or other modes of recovery under section 226 or issuance of tax clearance certificate under section 230 so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authority and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based issuance of certificate for deduction or collection of income-tax at lower rate, or for no deduction, or for deeming a person to be an assessee in default, or for passing of an order or amended order, or extending the time for payment, or allowing payment by instalment, or reduction or waiver of interest, or for treating the assessee as not being in default, or for levy of penalty or for drawing of certificate or stay of proceedings in pursuance of certificate and amendment or cancellation thereof, by, or jurisdiction of, Tax Recovery Officer or other modes of recovery or issuance of tax clearance certificate, with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXXII*) in section 253,—

(*a*) in sub-section (*1*), in clause (*c*),—

(*i*) for the words, figures and letters "under section 12AA or section 12AB", the words, figures and letters "under section 12AA" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2020;

(*ii*) for the words, figures and letters "under section 12AA", the words, figures and letters "under section 12AA or section 12AB" shall be substituted with effect from the 1st day of April, 2021;

(*b*) after sub-section (*7*), the following sub-sections shall be inserted with effect from the 1st day of November, 2020, namely:—

"(*8*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of appeal to the Appellate Tribunal under sub-section (*2*), so as to impart greater efficiency, transparency and accountability by—

(*a*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*b*) introducing a team-based mechanism for appeal to the Appellate Tribunal, with dynamic jurisdiction.

(*9*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*8*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

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(*10*) Every notification issued under sub-section (*8*) and sub-section (*9*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXXIII*) in section 263, in sub-section (*1*), in *Explanation* 1, in clause (*b*), and in *Explanation* 2, after the words "the Principal", the words "Chief Commissioner or Chief Commissioner or Principal" shall be inserted with effect from the 1st day of November, 2020;

(*XXXIV*) in section 264, in sub-section (*1*), in sub-section (*2*), in proviso to sub-section (*3*), in sub-section (*4*), in *Explanation* 1 and in *Explanation* 2, after the words "the Principal", the words "Chief Commissioner or Chief Commissioner or Principal" shall be inserted with effect from the 1st day of November, 2020;

(*XXXV*) after section 264, the following sections shall be inserted with effect from the 1st day of November, 2020, namely:—

Faceless revision of orders.

"264A. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of revision of orders under section 263 or section 264, so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authority and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based revision of orders, with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

Faceless effect of orders.

264B. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of giving effect to an order under section 250, 254, 260, 262, 263 or 264, so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authority and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based giving of effect to orders, with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*)

shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXXVI*) section 271K shall be omitted and shall be deemed to have been omitted with effect from the 1st day of June, 2020;

(*XXXVII*) after section 271J, the following section shall be inserted with effect from the 1st day of April, 2021, namely:—

Penalty for failure to furnish statements, etc.

"271K. Without prejudice to the provisions of this Act, the Assessing Officer may direct that a sum not less than ten thousand rupees but which may extend to one lakh rupees shall be paid by way of penalty by—

(*i*) the research association, university, college or other institution referred to in clause (*ii*) or clause (*iii*) or the company referred to in clause (*iia*) of sub-section (*1*) of section 35, if it fails to deliver or cause to be delivered a statement within the time prescribed under clause (*i*), or furnish a certificate prescribed under clause (*ii*) of sub-section (*1A*) of that section; or

(*ii*) the institution or fund, if it fails to deliver or cause to be delivered a statement within the time prescribed under clause (*viii*) of sub-section (*5*) of section 80G, or furnish a certificate prescribed under clause (*ix*) of the said sub-section.";

(*XXXVIII*) in section 274, in sub-section (*2A*), in clause (*a*), for the words "Assessing Officer and the assessee in the course of proceedings", the words "income-tax authority and the assessee or any other person" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2020;

(*XXXIX*) in section 279, after sub-section (*3*), the following sub-sections shall be inserted with effect from the 1st day of November, 2020, namely:—

"(*4*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of granting sanction under sub-section (*1*) or compounding under sub-section (*2*), so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authority and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based sanction to proceed against, or for compounding of, an offence, with dynamic jurisdiction.

(*5*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*4*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*6*) Every notification issued under sub-section (*4*) and sub-section (*5*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(*XXXX*) after section 293C of the Income-tax Act, the following section shall be inserted with effect from the 1st day of November, 2020, namely:—

Faceless approval or registration.

"293D. (*1*) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of granting approval or registration, as the case may be, by income-tax authority under any provision of the Act, so as to impart greater efficiency, transparency and accountability by—

(*a*) eliminating the interface between the income-tax authorities and the assessee or any other person to the extent technologically feasible;

(*b*) optimising utilisation of the resources through economies of scale and functional specialisation;

(*c*) introducing a team-based grant of approval or registration, with dynamic jurisdiction.

(*2*) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (*1*), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:

Provided that no direction shall be issued after the 31st day of March, 2022.

(*3*) Every notification issued under sub-section (*1*) and sub-section (*2*) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.".

CHAPTER IV

AMENDMENTS TO THE DIRECT TAX *VIVAD SE VISHWAS* ACT

Amendment of section 3 of Act 3 of 2020.

5. In section 3 of the Direct Tax *Vivad Se Vishwas* Act, 2020,—

(*a*) in the opening portion, for the words, "under the provisions of this Act on or before the last date" the words "under the provisions of this Act on or before such date as may be notified" shall be substituted and shall be deemed to have been substituted;

(*b*) in the Table,—

(*i*) in third column, in the heading, for the figures, letters and words "31st day of March, 2020", the figures, letters and words "31st day of December, 2020 or such later date as may be notified" shall be substituted and shall be deemed to have been substituted;

(*ii*) in fourth column, in the heading, for the figures, letters and words "1st day of April, 2020", the figures, letters and words "1st day of January, 2021 or such later date as may be notified" shall be substituted and shall be deemed to have been substituted;

CHAPTER V

RELAXATION OF TIME LIMIT UNDER CERTAIN INDIRECT TAX LAWS

Relaxation of time limit under Central Excise Act, 1944, Customs Act, 1962, Customs Tariff Act, 1975 and Finance Act, 1994.

6. Notwithstanding anything contained in the Central Excise Act, 1944, the Customs Act, 1962 (except sections 30, 30A, 41, 41A, 46 and 47), the Customs Tariff Act, 1975 or Chapter V of the Finance Act,1994, as it stood prior to its omission *vide* section 173 of the Central Goods and Services Tax Act, 2017 with effect from the 1st day of July, 2017, the time limit specified in, or prescribed or notified under, the said Acts which falls during the period from the 20th day of March, 2020 to the 29th day of September, 2020 or such other date after the 29th day of September, 2020 as the Central Government may, by notification, specify, for the completion or compliance of such action as— 1 of 1944. 52 of 1962 51 of 1975. 32 of 1994. 12 of 2017.

(*a*) completion of any proceeding or issuance of any order, notice, intimation, notification or sanction or approval, by whatever name called, by any authority, commission, tribunal, by whatever name called; or

(*b*) filing of any appeal, reply or application or furnishing of any report, document, return or statement, by whatever name called,

shall, notwithstanding that completion or compliance of such action has not been made within such time, stand extended to the 30th day of September, 2020 or such other date after 30th day of September, 2020 as the Central Government may, by notification, specify in this behalf:

Provided that the Central Government may specify different dates for completion or compliance of different actions under clause (*a*) or clause (*b*).

CHAPTER VI

AMENDMENT TO THE CENTRAL GOODS AND SERVICES TAX ACT, 2017

Insertion of new section 168A in Act 12 of 2017.

7. After section 168 of the Central Goods and Services Tax Act, 2017, the following section shall be inserted, namely:—

Power of Government to extend time limit in special circumstances.

'168A. (*1*) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, by notification, extend the time limit specified in, or prescribed or notified under, this Act in respect of actions which cannot be completed of complied with due to *force majeure*.

(*2*) The power to issue notification under sub-section (*1*) shall include the power to give retrospective effect to such notification from a date not earlier than the date of commencement of this Act.

Explanation.—For the purposes of this section, the expression "*force majeure*" means a case of war, epidemic, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature or otherwise affecting the implementation of any of the provisions of this Act.'.

CHAPTER VII

AMENDMENT TO THE FINANCE (NO. 2) ACT, 2019

Amendment of section 127 of Act 23 of 2019.

8. In section 127 of the Finance (No.2) Act, 2019,—

(*i*) in sub-section (*1*), for the words "within a period of sixty days from the date of receipt of the said declaration", the words, figures and letters "on or before the 31st day of May, 2020" shall be substituted;

(*ii*) in sub-section (*2*), for the words "within thirty days of the date of receipt of the declaration", the words, figures and letters "on or before the 1st day of May, 2020" shall be substituted;

(*iii*) in sub-section (*4*), for the words "within a period of sixty days from the date of receipt of the declaration", the words, figures and letters "on or before the 31st day of May, 2020" shall be substituted;

(*iv*) in sub-section (*5*), for the words "within a period of thirty days from the date of issue of such statement", the words, figures and letters "on or before the 30th day of June, 2020" shall be substituted.

CHAPTER VIII

AMENDMENT TO THE FINANCE ACT, 2020

Amendment of Act 12 of 2020.

9. In the Finance Act, 2020, in section 2, with effect from the 1st day of April, 2020,—

(*i*) in sub-section (*6*),—

(*A*) in clause (*a*), for the words "being a non-resident", the words, figures and letter "being a non-resident, except in case of deduction on income by way of dividend under section 196D of the Income-tax Act" shall be substituted and shall be deemed to have been substituted;

(*B*) after clause (*a*), the following clause shall be inserted and shall be deemed to have been inserted, namely:—

"(*aa*) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the Income-tax Act, being a non-resident, in case of deduction on income by way of dividend under section 196D of that Act, calculated,—

(*i*) at the rate of ten per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be

paid and subject to the deduction exceeds fifty lakh rupees but does not exceed one crore rupees;

(*ii*) at the rate of fifteen per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;";

(*ii*) in sub-section (*9*), in the third proviso, in clause (*aa*),—

(*A*) in sub-clause (*iii*), for the words "excluding the income", the words "excluding the income by way of dividend or income" shall be substituted and shall be deemed to have been substituted;

(*B*) in sub-clause (*iv*), for the words "excluding the income", the words "excluding the income by way of dividend or income" shall be substituted and shall be deemed to have been substituted;

(*C*) in sub-clause (*v*), for the words "including the income", the words "including the income by way of dividend or income" shall be substituted and shall be deemed to have been substituted;

(*D*) in the proviso, for the words "any income", the words "any income by way of dividend or income" shall be substituted and shall be deemed to have been substituted.

Power to remove difficulties.

10. (*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the end of the month in which this Act has received the assent of the President.

(*2*) Every order made under this section shall be laid before each House of Parliament.

Repeal and savings.

11. (*1*) The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 is hereby repealed. Ord. 2 of 2020.

(*2*) Notwithstanding such repeal, anything done, any notification issued or any action taken under the said Ordinance, shall be deemed to have been done, issued or taken under the corresponding provisions of this Act.

———

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.

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