

MINISTRY OF FINANCE**(Department of Revenue)****(CENTRAL BOARD OF DIRECT TAXES)****NOTIFICATION**

New Delhi, the 13th December, 2021

(INCOME-TAX)

S.O. 5187(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 135A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme, namely:—

- 1. Short title and commencement.**— (1) This Scheme may be called the e-Verification Scheme, 2021.
(2) It shall come into force on the date of its publication in the Official Gazette.
- 2. Definitions.**— (1) In this Scheme, unless the context otherwise requires,—
 - (a) “Act” means the Income-tax Act, 1961 (43 of 1961);
 - (b) “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);
 - (c) “authorised representative” shall have the same meaning as assigned to it in sub-section (2) of section 288 of the Act;
 - (d) “automated allocation system” means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources;”
 - (e) “Commissioner of Income –tax (e-Verification)” means the prescribed income - tax authority under section 133C of the Act read with rule 12D of the Income-tax Rules,1962;
 - (f) “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);
 - (g) “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);
 - (h) “designated portal” means the web portal designated as such by the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be;
 - (i) “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);
 - (j) “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);
 - (k) “e-mail” 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;
 - (l) “Prescribed Authority” shall mean any income-tax authority working in the Directorate of Income-tax (Intelligence and Criminal Investigation), who is authorised by the Board to act as such authority for the purposes of this Scheme;
 - (m) “registered account” of the assessee means the electronic filing account registered by the assessee in designated portal;
 - (n) “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 the 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;
- (o) “registered mobile number” of the addressee means either or both of—
- (i) 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;
 - (ii) in the case of addressee, being an individual who possesses the Aadhaar number, the mobile number available with the database of Unique Identification Authority of India.
- (p) “risk management strategy” means an algorithm for standardised examination of information, by using suitable technological tools, including artificial intelligence and machine learning, with a view to reduce the scope of risk, as decided by the Board from time to time;
- (q) “rules” means Income-tax Rules, 1962;
- (r) “scrutiny assessment” means assessment under section 143 or section 144 or section 147 or section 153A or section 153C of the Act;
- (s) “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.

(2) Words and expressions used herein and not defined but defined in the Act shall have the meaning respectively assigned to them in the Act.

3. Scope of the Scheme.- (1) The scope of the Scheme shall be in respect of:

- (i) calling for information under section 133 of the Act;
- (ii) collecting certain information under section 133B of the Act;
- (iii) calling for information by the prescribed income-tax authority under section 133C of the Act;
- (iv) exercise of power to inspect registers of companies under section 134 of the Act; and
- (v) exercise of power of Assessing Officer under section 135 of the Act.

(2) The Scheme shall be applicable to exercise the functions referred to in sub-paragraph (1) for processing or utilisation of the information which is,—

- (i) in possession of the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be; or
- (ii) made available to the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be, by-
 - (a) the Director General of Income-tax (Intelligence and Criminal Investigation);
 - (b) the Commissioner of Income-tax in charge of the Centralised Processing Centre for processing of returns;
 - (c) the Commissioner of Income-tax in charge of the Centralised Processing Centre (TDS) for processing of statement of tax deducted at source; or
 - (d) any other authority, body or person.

4. Electronic Collection and Verification.—(1) The Commissioner of Income-tax (e-Verification) shall collect the information referred to in sub-paragraph (1) of paragraph 3, in accordance with the procedure laid down by the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be.

(2) The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be, shall make available the information referred to in sub-paragraph (2) of paragraph 3, to the Commissioner of Income-tax (e-Verification)-

(i) which was uploaded to the registered account or sent on the registered mobile number, wherever available, of the assessee and not accepted by him or in a case where no response has been received from the assessee within ninety days;

(ii) in respect of which no registered e - mail account or mobile number is on record.

(3) The Commissioner of Income-tax (e-Verification) shall process the information made available to it for initial e-verification.

(4) The initial e-verification by the Commissioner of Income-tax (e-verification) shall be through an automated issuance of communication to the source from where the information is received and the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be, shall enable such automated communication.

(5) In cases where the mismatch between the amount accepted by the assessee and the amount reported by the reporting entity persists, the information after such initial e-verification shall be run through a risk management strategy laid down by the Board and the information found to be no or low risk on such risk criteria, where no further action is required, shall be processed for closure.

(6) The remaining information shall be transferred electronically by the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be, to the Prescribed Authority through a process of automated allocation system.

(7) The verification of the information so allocated, shall be completed by the Prescribed Authority in the manner as per the procedure laid down in this regard by the Director General of Income-tax (Intelligence and Criminal Investigation), with the prior approval of the Board.

(8) The information verified as above, shall be sent back electronically in the form of a preliminary verification report for verification to the Commissioner of Income-tax (e-Verification).

(9) The Commissioner of Income-tax (e-Verification) shall match the preliminary verification report with the information in the return of income of the respective assessee, where such return is available electronically and prepare a final verification report.

(10) Based on the final verification report, the information found to be low risk in accordance with the criteria approved by the Board shall be considered for closure.

(11) The remaining information in the form of final verification report shall be processed in accordance with sub-paragraph 12.

(12) If the information referred to in sub-paragraph (11),—

(i) pertains to a pending scrutiny assessment, it shall be made available electronically to the Faceless Assessing Officer or Jurisdictional Assessing Officer, as the case may be.

(ii) does not pertain to a pending scrutiny assessment, it shall be utilised for further necessary action in accordance with the provisions of the Act.

5. Random Allocation of information.—The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall, with the approval of the Board, devise a process to randomly allocate or transfer the information, referred to in sub-paragraph (6) of paragraph 4, to the Prescribed Authority.

6. Issue and service of notice.— (1) For the purpose of verification of information, the Prescribed Authority shall issue notice to a person requiring him to furnish information or documents as necessary for such verification.

(2) The notice shall be issued under digital signature of the Prescribed Authority.

(3) The information or documents called for under sub-paragraph (1) shall be furnished on or before the date specified in the notice or as extended by the Prescribed Authority on the request made by the person.

7. Response to notice.—The Director General of Income-tax (Systems) shall in consultation with the Director General of Income-tax (Intelligence and Criminal Investigation)-

(i) shall specify the procedure, formats and standards for furnishing response to the notices; and

(ii) may specify a machine readable structured format for furnishing the information or documents by the person in response to the notice issued under paragraph 6.

8. No personal appearance.—(1) No person shall be required to appear personally or through authorised representative before the Prescribed Authority in connection with any proceedings.

(2) In exceptional cases, where personal appearance is requested by such person, the Prescribed Authority may allow personal appearance through video conferencing or video telephony, to the extent technologically feasible.

9. Communication exclusively by electronic mode.—For the purposes of this Scheme,-

(a) all communications between the Commissioner of Income-tax (e-Verification) and various authorities from whom the information is received, shall be in the electronic mode;

(b) all communications between the Commissioner of Income-tax (e-Verification) and the Director General of Income-tax (Intelligence and Criminal Investigation), shall be in the electronic mode;

(c) every notice or any other communication under this Scheme from the Prescribed Authority shall be delivered to the person or his authorised representative electronically, to the extent technologically feasible;

(d) the person or the authorised representative shall furnish his response to any notice or any other electronic communication, under this Scheme, to the Prescribed Authority electronically, to the extent technologically feasible;

(e) all communications between the Commissioner of Income-tax (e-Verification) and the Faceless Assessing Officer or the Jurisdictional Assessing Officer shall be conducted through the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be.

10. Authentication of electronic record.—For the purposes of this Scheme, an electronic record shall be authenticated by the –

(i) Commissioner of Income-tax (e-Verification) or the Prescribed Authority, as the case may be, by affixing its digital signature;

(ii) person or his authorised representative, by affixing his digital signature if he is required under the rules to furnish his return of income under digital signature, and in any other case, by communicating through his registered e-mail address.

11. Power to specify procedure and processes.- (1)The Director General of Income-tax (Intelligence and Criminal Investigation) shall, with the approval of the Board, specify from time to time, procedures and processes for effective implementation and functioning of this Scheme, with respect to the following matters:-

(a) Standard Operating Procedures and techniques of verification to be followed, by the prescribed authorities while verifying such information;

(b) managing administration functions such as receipt, scanning, data entry, storage and retrieval of information and documents in a centralised manner;

(c) grievance redressal mechanism for handling grievances under the Directorate of Income-tax (Intelligence and Criminal Investigation).

(2) The Director General of Income-tax (Systems) shall, with the approval of the Board, specify from time to time, procedures and processes for effective implementation and functioning of this Scheme, with respect to the following matters:-

- (a) mode and format for issue of acknowledgment of the response furnished by the addressee;
- (b) provision of web portal facility including login facility, tracking status of verification, display of relevant details, and facility of download;
- (c) call centre to answer queries and provide support services, including outbound calls and inbound calls seeking information or clarification.

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