



### **CBDT notifies Faceless Appeal Scheme, 2021**

Vide notification No. 139/2021, CBDT has notified the Faceless Appeal Scheme, 2021. Key features of the Scheme are as highlighted hereunder:

#### **Faceless Appeal Centers**

National Faceless Appeal Centre (NFAC) & Appeal units may be setup by the Board. Communications shall be through NFAC. Appeal units to have one Commissioner of Income-tax Appeals (CIT-A) and other authorities as considered necessary to assist the CIT-A

#### **Procedure**

- NFAC will assign the appeal for disposal to a CIT-A. The CIT-A, through NFAC may condone delay in filing of appeal, ask for submissions, send copy of notice (directly or through NFAC) to Assessing Officer (AO), obtain further documents or evidence, obtain report from AO (directly or through NFAC)
- The appellant will furnish response to notice within date and time specified or within extended date and time as allowed on basis of application made in this behalf
- Additional grounds of appeal can be filed through NFAC by the appellant specifying reason for omission in appeal. Where additional ground is filed:

- The CIT-A through NFAC shall send the additional ground to AO for his comments.
- The AO (directly or through NFAC) shall furnish their comments within date and time allowed or within extended time period as allowed.
- The NFAC on receipt of comments or no response from AO will inform the CIT-A accordingly.
- CIT-A may or may not admit the additional grounds of appeal.
- Clause 5(vii) and (viii) provide for similar provisions in case of receipt of additional evidence. Opportunity would be provided to the Assessing Officer to examine evidence or cross examine the witness, power of rebuttal and furnishing a report thereof.
- Where the CIT-A intends to enhance an assessment or penalty or reduce the amount of refund, provisions of a show-cause notice containing reason for enhancement or reduction has been proposed to be sent through NFAC. Appellant to furnish response against which the CIT-A shall prepare the appeal order under section 251 of the Act stating the points for determination, decision thereon and reasons for decision and send the order after signing to NFAC along with details of

penalty proceedings if any, to be initiated therein. NFAC shall communicate the order to the appellant, Pr-CCIT, CCIT or Pr-CIT as per Section 250(7) and to the AO. Where penalty has been recommended in the order, a notice of show cause will be served on the appellant.

### **Penalty Proceedings**

The CIT-A may, in course of appeal proceedings, for non-compliance of any notice, direction or order by the Appellant, send a notice through NFAC initiating penalty proceedings on the Appellant. The Appellant will respond to the show cause notice within the date and time specified therein, through NFAC. The CIT-A after taking cognizance of the reply, either prepare a penalty order, or drop the penalty after recording reasons, under intimation to NFAC. Order dropping penalty shall be communicated to the Appellant through NFAC only.

### **Rectification Proceedings**

With a view to rectifying any mistake apparent from the record the Commissioner (Appeals) may amend any order passed by it in accordance with the provisions of the Act, by an order to be passed in writing. Application for rectification may be filed with NFAC by the Appellant, the CIT-A or the AO. Whenever received, the NFAC shall assign the application to the CIT-A through an automated allocation system. Opportunity of representation shall be granted to the other party to respond on the application received, calling upon him to show cause as to why rectification of mistake should not be carried out. Response will be furnished through NFAC. The CIT-A thereafter, by an order in writing, may rectify the mistake or reject the application for rectification citing reasons thereof. Order will be communicated to the appellant and the AO via NFAC.

- **Appellate Proceedings**

Appeal against order passed by CIT-A shall lie before Income Tax Appellate Tribunal (ITAT) having jurisdiction over the jurisdictional AO of appellant assessee. Further, an order set-aside and remanded back to CIT-A by ITAT, High Court or Supreme Court shall be assigned by NFAC to the CIT-A in accordance with the provisions of the current Scheme.

### **Exchange of communication exclusively by electronic media**

All communications between NFAC and appellant or his AO and all internal communications between NFAC, AO and appeal units shall be exchanged exclusively by electronic mode.

### **Authentication of electronic record**

The electronic records shall be authenticated by:

- CIT-A by affixing his digital signature on appeal, penalty and rectification order passed under the Scheme
- NFAC by affixing DSC of authorized signatory on its behalf for communications other than the above, made on behalf of CIT-A
- Appellant by affixing DSC or EVC or by logging into his registered account in the designated portal.

- **Delivery of electronic record**

Every notice, order or electronic communication under the Scheme will be delivered to the addressee, being the appellant, by way of:

- Placing an authenticated copy in appellant's registered account
- Sending an authenticated copy to the registered email address of appellant
- Uploading an authenticated copy to the mobile App following by a real time alert

### **No personal appearance in Centers or Units**

A person shall not be required to appear in person or through authorized representative in connection with any proceedings under this Scheme. Personal hearing may be requested through NFAC via video conferencing or video telephony or telecommunication application software which supports video conferencing to extent technologically feasible. Suitable facilities the hearing will be established by the Board to ensure that the appellant is not denied benefit of the Scheme merely on ground that such appellant could not have access to video conferencing or telephony at his end.

### **Power to specify format, mode, procedure and processes**

Standards, procedures and processes for effective functioning of the National Faceless Appeal Centre and the appeal unit set-up under this Scheme, shall be laid down by specified authorities, in an automated and mechanized environment, including format, mode, procedure and processes.

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