

CBDT released FAQs relating to revised guidelines for compounding of offences

CBDT on 17-10-2024, issued revised guidelines for Compounding of Offences vide notification F. No.285/08/2014-IT (Inv V)/ 163. It was regarding simplification for compounding of offences u/s 279(2) read with section 2(15A) and 2(21) of Income Tax Act 1961. It provides that offence under Chapter XXII may either before or after the institution of proceedings be compounded by the Pr. CCIT/CCIT/Pr. DGIT /DGIT.

The revised guidelines were simplified by eliminating categorization of offences, removing the limit on number of occasions for filing applications, allowing fresh application upon curing of defects, which was not permissible earlier, allowing compounding of offences under section 275A and 276B, removing the existing time limit for filing application viz 36 months from the date of filing of complaint, etc.

Post issuance of the guidelines various queries were received from stakeholders seeking clarification on various provisions. Based on those

queries CBDT has issued FAQ's vide circular no 04/2025 dated 17-03-2025.

These FAQ provides the required clarification on the scope of the guidelines, eligibility for filing applications, the mode of filing compounding applications, payment of fees, terms of compounding and its charges, procedure of payment, time limits and other various queries.

Source: CBDT Circular No 4/2025 dated March 17, 2025



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