

DGIT(S)/DIT(S)-3/AST/Paperless Assessment Proceedings/96/2015-1

Government of India
Ministry of Finance
Central Board of Direct Taxes
Directorate of Income Tax (Systems)

Notification No. 2/2016

New Delhi, 3rd day of February, 2016

Subject: Procedure, Formats and Standards for ensuring secured transmission of electronic communication - reg.

Sub-Section (1) of Section 282 of the Income Tax Act 1961, (the Act) provides that the service of a notice or summons or requisition or order or any other communication under the Act (hereafter in this section referred to as "communication") may be made by delivering or transmitting a copy thereof, to the person therein named,—

- (a) by post or by such courier services as may be approved by the Board; or
- (b) in such manner as provided under the Code of Civil Procedure, 1908 (5 of 1908) for the purposes of service of summons; or
- (c) in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000 (21 of 2000); or
- (d) by any other means of transmission of documents as provided by rules made by the Board in this behalf.

Further, Sub-Section (2) of Section 282 of the Income Tax Act 1961 provides that the Central Board of Direct Taxes(' Board') may make rules providing for the addresses (including the address for electronic mail or electronic mail message) to which the communication referred to in sub-section (1) of Section 282 may be delivered or transmitted to the person therein named.

2. Accordingly, Board vide Income-tax (18th Amendment) Rules, 2015 has notified Rule 127 for Service of notice, summons, requisition, order and other communication on 2nd December 2015 .

Sub-Clause (b) of Sub Rule (2) of Rule 127 states that:

For communications delivered or transmitted electronically-

- (i) email address available in the income-tax return furnished by the addressee to which the communication relates; or
- (ii) the email address available in the last income-tax return furnished by the addressee; or
- (iii) in the case of addressee being a company, email address of the company as available on the website of Ministry of Corporate Affairs; or
- (iv) any email address made available by the addressee to the income-tax authority or any person authorised by such income-tax authority."

3. Sub Rule (3) of Rule 127 of the Income Tax Rules 1962, states The Principal Director General of Income-tax(Systems) or the Director General of Income-tax(Systems) shall specify the procedure, formats and standards for ensuring secured transmission of electronic communication and shall also be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to such communication.

4. In exercise of the powers delegated by the Board as per Sub Rule (3) of the Income Tax Rules 1962, the Principal Director General of Income tax (Systems) specifies herein the procedure, formats and standards for ensuring secured transmission of electronic communication.

5. For the purposes of this notification, the expression,

i. "electronic communication" means electronic mail or electronic mail message or the display of an electronic record on the website of the Income Tax Department as may be specified.

ii. "electronic mail" and "electronic mail message" (hereinafter referred to as "email") shall have the meanings as assigned to them in Explanation to section 66A of the Information Technology Act, 2000 (21 of 2000).

iii. "electronic record" means data, record or data generated, image or sound stored, received or sent in an electronic form or micro film or computer generated micro fiche as defined in Clause (t) of Subsection (1) of Section 2 of Information Technology Act, 2000 (21 of 2000).

All other expressions shall have the meaning as defined in the Income Tax Act 1961.

6. The procedure, formats and standards for ensuring secured transmission of electronic communication is specified as under:

a. The email address of the assessee to be used for the purpose of electronic communication shall be as specified in Sub-Clause (b)(i) or(ii) or(iii) of Sub Rule 2 of Rule 127 of Income Tax Rules 1962.

b. The assessee may furnish a letter to the Assessing Officer (hereinafter referred to as "AO") providing any other email address as specified in Sub-Clause (b)(iv) of Sub Rule 2 of Rule 127 of Income Tax Rules 1962. The email address so provided shall be the primary email address for the purpose of issuing electronic communication under this notification once such letter is received by the AO. Otherwise, the existing email as per (a) above would be the primary email.

c. The email address to be used by the AO for the purpose of electronic communication under this notification shall be his official designation based email address under the domain @incometax.gov.in(hereinafter referred to as "designation email").

d. The AO shall issue all statutory notices/questionnaires including notice u/s 143(2) and notice u/s 142 (1) of the Income Tax Act 1961 from his designation email address to the assessee's email address.

e. For the purpose of electronic communication, the AO shall attach the scanned copy of the notice under section 143(2) or 142(1) bearing his/her signature in PDF format to the email being sent to the assessee.

f. In response to the notice, assessee shall, using his primary email address, submit the details called for, to the designation email address of the AO.

- All supporting documents shall be submitted as attachment in Portable Document Format (PDF) to the email being sent to the AO.

- In case the total size of the attachments exceed 10 MB then the assessee shall split the attachment and send in as many emails as may be required to adhere to the limit of attachment size of 10 MB per email. However, in each such attachment, assessee shall specifically clarify the corresponding Notice Number and date in the footer to which the attachment relates and number the pages in continuation for all attachments to ensure proper linkage.

g. Any email, in response to the notice issued by the AO, received from the primary email address of the assessee shall be considered as a valid response to the notice.

h. For the purpose of keeping an audit trail of notices/questionnaire issued by AO to assessee and the assessee's response with supporting documents as attachments, a copy of the email shall be marked to e-assessment@incometax.gov.in with the subject line as under:

- Subject in email From AO to assessee – should be in the format: "PAN (egXXXXX1234X)- AY (eg-AY201314)- Notice u/s -N" (N is the serial number of the notice. eg. Notice u/s -1, Notice u/s -2 etc.).

- Subject in email from assessee to AO- should be in the format: "PAN (egXXXXX1234X) – AY (eg-AY201314)-Reply-N" (N is the serial number of the notice eg.Reply-1, Reply-2 etc.).

i. In case of non-delivery of email on the primary email address, the notices shall be sent to other email addresses of the assessee available with the department as mentioned in Sub Rule (2) of Rule 127.

j. In a case where a notice is not sent by email due to any reason including technical reasons such as email failure or mailbox full etc., but sent by other valid mode of service as prescribed in the IT Act 1961, the same shall constitute valid service. The AO shall record reasons in writing for not serving notice by email.

- A copy of the email error message as received by the AO will be forwarded to the email ID e-assessment@incometax.gov.in with the Subject line in email as: "PAN (egXXXXX1234X)- AY (egAY201314)-Error"

k. In a case where a reply by taxpayer is not sent by email due to technical reasons such as email failure or mailbox full etc., but sent or delivered physically to the AO, the same shall be treated as adequate compliance.

- A copy of the email error message as received by the taxpayer will be forwarded to the email ID e-assessment@incometax.gov.in with the Subject line in email as: "PAN (eg-XXXXX1234X)- AY (egAY201314)-Error"

l. All emails sent or received as per this procedure shall be stored in the ITD database and the communication status shall be displayed the assessee's "My Account" on the E-filing portal-<https://incometaxindiaefiling.gov.in> which can be accessed by the assessee after login (if the taxpayer has registered with the E-Filing website'

m. For the purpose of this notification, the time and place of dispatch and receipt of electronic record or electronic communication shall have the same meaning as provided in Section 13 of the Information Technology Act, 2000 (No.21 of 2000).

n. The AO shall pass the order and attach the scanned copy of the order u/s 143(3) bearing his/her signature in PDF format to the email sent to the assessee and/or cause the order u/s 143(3) to be served as specified in Section 282 of the Income Tax Act, 1961.

o. The AO shall place a hard copy of all emails and supporting documents on the relevant assessment file for record purposes.

7. The aforementioned procedure is applicable to the assessment proceedings in respect of select non-corporate assesseees as a part of the pilot project on paperless assessment proceedings and can be extended to other assesseees or other proceedings as may be notified by the Board subsequently.

(Nishi Singh)

Pr. DGIT (Systems), CBDT