

FAQs on SOP for AU/VU/TU/RU

S No	Issue in the query	Response
1.	What is the applicability of SOPs for AU/VU/TU/RU issued by NeAC/NaFAC prior to 3 rd August 2022?	SOP for AU/VU/TU/RU dated 3 rd August 2022 overrides all other SOP for AU/VU/TU/RU issued earlier by NeAC/NaFAC.
2.	What is the scope of Physical Verification by VU under Para B.3 of SOP for VU?	Para B.3 of SOP for VU refers to physical verification, regardless of the presence of digital footprint. This means physical verification may be done in respect of 'any other person' or the 'assessee'.
3.	How to generate notice on Insight to 'any other person' where no digital foot print is available, as email id field is mandatory?	Where VU is required to issue notice through Insight, to 'any other person' where no digital foot print is available, following email ID may be used to generate the notice: ndfp.nafac@incometax.gov.in
4.	Whether VU can change mode of compliance (email/ speed post) of notice u/s 133(6) in Insight Portal?	Where VU issues notice u/s 133(6) through Insight, the mode of response must be changed. There is space for adding free text in the notice. Mode of response by email or speed post should be mentioned alongwith VU's email ID and address for communication.
5.	Whether AU can mark references to VU for service of notices u/s 142(1) or SCN in non-responsive cases of assessee?	No. As per the SOP for AU dated 3 rd August 2022 Para D.3 deals with action to be taken where there is no response to the initial notice u/s 142(1) within the compliance date. Further Para G.3 refers to the Centralized communication to improve compliance of 142(1).
6.	Whether AU can mark references to VU for service of notices issued to 'any other person', which have not been responded to?	No. As per the SOP for AU dated 3 rd August 2022, Para J refers to only 3 instances where reference can be made to VU. This does not include service of notice. However, where the PCIT of the AU approves, AU may make a reference for verification to VU, under Para J.1.2. AU may seek any such verification mentioned in Para C of SOP for VU. VU.

7.	What action should VU take in the cases where approval of PCIT of the AU is missing in the reference?	Requirement of approval of PCIT of the AU in instances falling under Para J.1.2 and J.1.3 is mandatory. Any such reference, not communicating the approval of PCIT of the AU, may be returned with the remark "PCIT approval required, but not communicated". Mention of approval of the PCIT of the AU (indicating the date and time of approval obtained through email) in the reference would suffice.
8.	Whether only one SCN is sufficient for assessment to be completed ex-parte u/s 144?	No. Sec 144B mandates issue of SCN: <ul style="list-style-type: none"> • Under Section 144B(1)(ix) - Issue of SCN u/s 144 • Under Section 144B(1)(xii)(b) – Issue of SCN where any variation prejudicial to assessee is proposed.
9.	What should be done if due to any technical reasons the time provided to the assessee to respond falls short of the time mentioned in the SOP?	To meet the ends of principles of natural justice, if due to any technical reasons the time provided to the assessee to respond falls short of the time mentioned in the SOP, the AU may give additional time to comply, subject to the overall time barring date.
10.	Issue relating to withholding of refund u/s 241A	Para S.1 of the SOP for AU deals with the role of AU with reference to Sec 241A. It has been stated in Para S.1.4 that the power to withhold refund till the date of assessment vests with JAO. Further, Para S.1.2 requires that communication on the matter with respect to the relevant AY be made by the AU with the approval of the PCIT of the AU.
11.	How to handle cases where provisions of GAAR are to be invoked by AU?	Cases where provisions of GAAR are proposed to be invoked may be referred to NaFAC for transfer out to JAO u/s 144B(8).
12.	What needs to be done in cases of NRI, Search & Seizure, Survey or partly set aside?	Such cases are to be transferred out of faceless u/s 144B(2). Pending deployment of functionality on ITBA, following process is to be followed: <ul style="list-style-type: none"> • The list of cases must be duly verified by PCIT of the AU, and

		<ul style="list-style-type: none"> The proposal is to be sent from the designation based email of PCIT of the AU, only to the following email ID: delhi.dcit2.2.neac@incometax.gov.in.
13.	Which case will fall within the exceptional category of legal heirs?	This category refers to cases where assessee expired after the issue of notice u/s 143(2), and assessment is to be completed by bringing the legal heir on record.
14.	Which case will fall within the exceptional category of Strike off companies?	This category refers to cases where the assessee company has been Struck-off by MCA.
15.	Which case will fall within the exceptional category of de-duplication of PAN?	<p>This category refers to cases where:</p> <ul style="list-style-type: none"> The assessee replies that it is using PAN other than the one on which notice was issued, or The AU ascertains that the assessee is using PAN other than on which notice was issued.
16.	Which case will fall under exceptional category of Business Restructuring/ Amalgamation/ Merger/ Demerger	This category refers to cases where the order for business restructuring affects merger/splitting of accounts of the assessee for the financial year relevant to the Assessment Year under scrutiny before AU.
17.	Action to be taken in cases falling in exceptional categories -Legal heir/ Business Restructuring/ Strike Off/ De-duplication of PAN	<p>Such cases are to be transferred out to JAO u/s 144B(8) by NaFAC with the approval of Board.</p> <p>Following process is to be followed:</p> <ul style="list-style-type: none"> The data of such cases is to be consolidated after due verification, at the level of CCIT, in the format shared by NaFAC. Upon receipt of email from NaFAC, the consolidated list of cases in the format shared by NaFAC, is to be sent from the designation based email of CCIT, only to the following email ID delhi.dcit2.1.neac@incometax.gov.in.
18.	How are cases with no digital footprint handled?	Such cases are handled from backend by NaFAC. AU is not required to share list of such cases.

19.	How to handle a case where, due to technical reasons, faceless assessment is not possible?	Details of such case, along with specific comments of PCIT of the AU and concerned CCIT, are to be shared on: delhi.cit.neac@incometax.gov.in and copy to delhi.addlcit1.neac@incometax.gov.in , delhi.dcit1.2.neac@incometax.gov.in , delhi.dcit2.1.neac@incometax.gov.in
20.	How to handle cases where emails have bounced?	Where emails bounce and assessee is non-responsive, AU is to take action as per Para D.3 of SOP of AU. In addition, in non-responsive case, a periodic centralized communication will be sent by Insight on directions of NaFAC as per Para G.3 of SOP of AU. Note: These cases do not fall in category of non-digital footprint cases because service is valid if notice is delivered on the registered account of assessee on the e-filing portal followed by a real time alert.
21.	Are AU required to report non-responsive cases for centralized communication under Para G.3 of SOP of AU?	No. NaFAC will identify non-responsive cases and run periodic cycles of such communication through Insight. All attributes of communication will be made available on the database accessible to AU on Insight.
22.	Is AU required to make reference to VU, under Para J.1.1 & J.1.2 of SOP of AU, in all cases where third party that does not have digital footprint or is non-responsive?	No. As per Para J.1 of SOP of AU, reference may be made only in cases where it is considered necessary.
23.	How is cross examination to be conducted in case of witness having digital footprint?	Cross examination may be conducted through VC. Summons may be issued to the witness with a copy to the assessee. In the event of no response by the witness, AU may take action J.1.2 of SOP of AU.
24.	Whether it is mandatory to refer legal issues to TU?	No. Para L.3.2 of SOP of AU states that legal issues covered by Jurisdictional HC or Supreme Court are not to be referred to TU. Legal references may be made to TU as per Para L.3 of SOP of AU.

25.	What should be done if the assessee fails to request for VC through the button on e-filing?	Another SCN may be issued, keeping in view the limitation date for completing the assessment. The SCN must specifically mention that it is being issued to enable the assessee to seek VC through the button on e-filing portal.
26.	Can AU make changes to ILDP once generated?	No changes can be made to ILDP once it has been generated.
27.	Can reference be made to TU/VU where RU has proposed modification?	Yes. If required and subject to the limitation date for completing the assessment, the AU may make a reference to TU/VU.
28.	The limitation date on ITBA has not changed even though the case was referred to TU for TP reference.	The limitation date will change automatically only after TU forwards the reference to TPO through TP reference tab on ITBA.
29.	The limitation date on ITBA does not automatically change even when the draft order is passed in case of eligible assessee.	Limitation date for passing the Final Order in case of eligible assessee u/s 144C will change on ITBA only when the AU captures the response or no-response of the assessee. Where the assessee files objections before DRP, date of receipt of DRP order is to be captured to get the final limitation date.
30.	Does AU need to attach any notice while making reference to VU?	No. VU will generate appropriate notice, as required, for conducting verification.
31.	Can the pre-set notice on Insight be edited by VU to change the mode of compliance / reply?	VU can edit the mode of reply mentioned in the pre-set notice, so that the assessee/third party can reply on designation based email of the VU or at the specified office address, instead of replying on the e-filing portal.