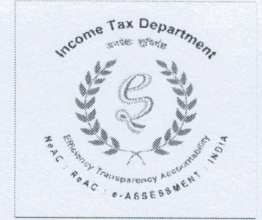




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F.No. CIT (NeAC)-2/2020-21/ 85

Date: 15.01.2021

To

All Chief Commissioner of Income Tax (ReAC)
All Pr. Commissioner of Income Tax (Review Unit)

Sir/Madam,

Sub: Clarification of scope of work of Review Unit under FAS-2019.

I am directed to inform you that Instances have been observed wherein the Review Unit Report appears to be not in consonance with the scope of work assigned to Review Units in FAS-19 as per CBDT notification dated 13.08.2020 issued vide SO 2746 (E) and the SOPs issued by NeAC in this regard.

2. It is again emphasized that Review Reports must be within the scope and mandate of scrutiny assessment under FAS-2019 and the SOP issued by NeAC on behalf of the CBDT vide F.No. Pr. CCIT/NeAC/SOP/2020-21 dated 19.11.2020. These needs to be scrupulously adhered to by all Review Units of ReAC.

3. The following clarifications with regard to use of functionality are being issued to facilitate RU and AU to properly execute their responsibilities envisaged under the Scheme: -

2.1 Review Unit has inter-alia been provided with the following functionalities: -

I. Calling for clarification from AU: - This functionality is to be used in situations where: -

- The RU needs clarification on any term(s), figure(s) or issue(s) discussed in the draft assessment order which is not ascertainable from record.
- The RU finds that any part of discussion is missing in the body of the DAO.
- RU finds that any issue(s) of selection of case has been completely omitted and the reasons thereof are not ascertainable from the DAO.

II. Suggestions: - The suggestion button in ITBA should be used by RU where it otherwise agrees with the Draft Assessment Order, but finds some minor mistakes which can be corrected without requiring substantive change in DAO. In case of such suggestions made by RU, the case shall not be reallocated to new AU, but the old AU may incorporate such suggestion(s) while drafting the final draft order. The suggestions in this category could be like: -

- Arithmetical mistakes in order.
- Spelling/grammatical mistakes or
- Drafting mistakes which change or confuse the intended argument.
- Suggestion to strengthen the arguments on an issue in DAO.

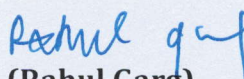
III. Modification: - Modification button should be used where RU does not concur with DAO and finds that it requires substantive modification. In such situations, the case, as per the SO, shall be assigned to a new Assessment Unit, which will then take decision considering the DAO and Review Report in accordance with the Scheme and SOP.

Please note that modification button may only be used when there is a substantive tax impact of the changes proposed in DAO and not in any other situation, which could be dealt with by suggestions or calling for clarifications from AU.

4. The PCIT (RU) may like to ensure that the review report(s) are as per mandate of FAS-2019 and SOP issued in this regard. It is again reiterated that the PCIT (RU) shall approve all Review reports recommending modification of DAO having potential tax impact of above Rs.1 crore.

5. This issues with the approval of Pr.CCIT(NeAC).

Yours faithfully,


(Rahul Garg)
CIT (NeAC)-2
New Delhi

Copy to :- All PCCIT's/PCIT(AU), PCIT(VU) and PCIT(TU)