

F.No.173/165/2020 -ITA-I
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, dated 14th August, 2020

To,

All PrCCsIT,

Subject: Guidelines for the implementation of Faceless Assessment Scheme, 2019 reg:

The Income Tax Department has embarked on the journey of Faceless Tax Administration. The Faceless Assessment Scheme, 2019 has been announced by the Central Government. Further, the Central Board of Direct Taxes (CBDT) has notified the National e-Assessment Center (NeAC) at Delhi and various Regional e-Assessment Centers (ReACs) across 20 cities in the country for implementation of the Scheme. In view of the above, I am directed to provide the detailed guidelines for the implementation of the Scheme and role of residual charges in this regard.

2. Functions of the Faceless Hierarchy:-

The NeAC/ReACs hierarchy will be tasked with management of Faceless Assessment proceedings and will be broadly responsible for functions listed below. All these functions will be through electronic means for which the NeAC will be the gateway and will function as such for all the flow of information. The officers and the staff in the ReACs will perform the functions relating to the assessment and verification function under

the Income Tax Act, but all communications from the department to the taxpayer/assessee/third-party for the purposes of the Act will be in the name of the NeAC. No communication of any nature such as above will be made by any of the ReACs. The functions of the NeAC, ReACs [Assessment Unit (AU), Verification Unit (VU), Review Unit (RU) and Technical Unit (TU)] will be delineated in detail separately by the NeAC in consultation with the Board. Broadly the functions are as under:

- Assessment proceedings u/s 143, 144, 148 read with 143(2)/ 142(1) by the AUs
- Verification related to assessment by the VUs.
- Verification related to centralized dissemination of information by the Directorate of Systems, by the VUs.
- Review of draft orders by the RUs.
- Technical support by the TUs.
- Passing and dispatch of the final orders by the NeAC.

3. **Functions of the field formations outside the NeAC/ReACs Hierarchy**

The Pr.CCsIT will be the cadre controlling authorities for all the officers and staff in their area of jurisdiction in respect of all field formations including ReACs, Central Charges, International Tax and Transfer Pricing Charges, Investigation Directorate, Exemption Charges etc. The field formations outside the NeAC/ReACs Hierarchy will perform the following functions in faceless manner to the extent possible:-

- Taxpayer outreach and taxpayer education.
- Taxpayer facilitation.
- Rectification proceedings.
- Grievance handling.
- Demand Management.

- Collection and Recovery of taxes.
- Audit functions including handling matters pertaining to Revenue and Internal Audit and taking remedial actions.
- Judicial functions including giving effect to the appellate orders of CsIT (A), ITAT, High Court, Supreme Court, Settlement commission; preparing scrutiny reports and filing of appeal wherever considered necessary; defending writ petitions; recommendation of SLPs etc.
- Statutory powers under section 263 / 264 of the IT Act, 1961.
- Prosecution and compounding proceedings and related court matters.
- Administrative, HRD and cadre control matters including related court matters.
- Custody and management of Case records.
- Management and control of infrastructure.

3.1 Wherever communication under the income tax proceedings is required to be made with the taxpayer/assessee/third-party, the same shall be made through electronic means using the ITBA/ Department Portal.

3.2 The power of survey u/s 133A of the Act henceforth will be exercised by the Investigation Directorates and the TDS charges only. In cases of surveys of the International Taxation charge or any other charges, the same will be conducted in collaboration with the Investigation Directorates.

3.3 In order to implement the scheme, the Board has diverted the existing manpower at all levels of the department to the Faceless Assessment charges. The hierarchy in faceless scheme will work with 30 CCsIT, 154 PCsIT, 565 Addl/Joint CsIT, 645 DCsIT/ACsIT, 2830 ITOs and attendant staff. The Board has diverted these posts vide order No.149 of 2020 dated 13.8.2020, as a result of which the residual jurisdiction will now

rest with 32 CCsIT, 96 PCsIT, 252 Addl/Joint CsIT, 261 DCsIT/ACsIT, 1274 ITOs and attendant staff.

4. **Approach adopted for restructuring**

The overall manpower strength of the NeAC/ReACs consists of 30 CCsIT, 154 PCsIT, 565 Addl./Jt., 645 DCs/ACsIT and 2830 ITOs. The Office order for setting up of NeAC and ReACs has already been issued. The following norm has been adopted for creation of hierarchy in each ReAC:

- Each ReAC (AU) will have 1 PCIT, 4 Addl./Jt.CsIT, 4 DCs/ACsIT and 20 ITOs
- Each ReAC (VU) will have 1 PCIT, 4 Addl./Jt.CsIT, 4 DCs/ACsIT and 20 ITOs
- Each ReAC (RU) will have 1 PCIT, 3 Addl./Jt. CsIT., 6 DCs/ACsIT and 9 ITOs
- Each ReAC (TU) will have 1 PCIT, 3 Addl./Jt.CsIT, 6 DCs/ACsIT and 9 ITOs

5. The notification for diversion of existing posts of CCIT, PCIT and CIT to NeAC/ReACs has already been issued. In furtherance of the same, it is important that the Pr. CCsIT now issue orders for diversion of posts of Addl. CIT/Jt. CIT, DCIT/ACIT, ITO upto all levels of staff to the newly created NeAC/ReACs in their jurisdiction. An exercise has been carried out to identify posts which can be diverted to NeAC/ReACs. The following guidelines have been adopted in identification of the posts for diversion:

- At least one office in every building is retained in the residual hierarchy to ensure continued ownership and responsibility of case records.
- The jurisdiction of AOs posts selected for diversion to NeAC/ReACs hierarchy is proposed to be given to another AO/(s) (not diverted) in the same building to avoid any transfer of case records between buildings.
- In the residual hierarchy, each Range will have at least one DC/ACIT. The average number of ITOs in residual hierarchy is 4-5 per Range. The

actual number of ITOs have been increased or decreased depending on the number of ITOs and buildings in jurisdictions that have been merged.

- While merging the jurisdictions, there might be shortages / excesses depending upon the charge and manpower management as per the enclosed list.
- In case of excesses / shortages in the rank of Addl. CIT/ JCIT/ DCIT/ACIT, the same may be added to / drawn from Special Ranges and headquarters.
- In case of excesses / shortages in the rank of ITO, the same may be added to / drawn from TRO and headquarters.
- Renumbering of the residual charges *in seriatum* will be done at a later date once the new jurisdiction settles down and to facilitate easy retrieval of records in the interim period.
- In case of 3 LTUs which have been diverted from Delhi, Mumbai and Chennai, the cases will be transferred vide order u/s 127 by the Pr. CCIT transferring the cases to one particular charge.

6. The detailed list of posts identified for diversion are enclosed along with list of residual charges required to be merged. It is very important that the orders for transfer of jurisdiction and diversion of posts at the level of Addl. CIT/Jt. CIT, DCIT/ACIT, ITO to NeAC/ReACs units are issued expeditiously. **It must be ensured that the attached PDF list for diversion of posts of Addl. CIT / JCIT / DCIT / ACIT/ ITO is strictly adhered to and the summary sheet enclosed with the list is to be referred to for detailing purpose while passing the diversion order.** It is also submitted that while diverting and mentioning that a particular Addl. CIT / JCIT / DCIT / ACIT / AO is converted to a particular AU/ VU/RU/TU, if the Principal CCsIT is of the opinion that the proposal needs modification, they may suggest changes

giving reasons for the same and submit to the Board before 12 Noon on Monday, 17th August, 2020.

6.1 While finalizing the diversion of posts to ReACs, following guidelines may be followed to achieve administrative efficiency and optimization of resources:-

1. The technical and review units may be kept together (to the extent possible) in bigger buildings.
2. The verification units may be spread out to cover large geographical area.
3. All the orders should be passed with effect from 13.8.2020.
4. The following orders may be passed by the field charges latest by 19th August, 2020 in order to give effect to the changes:-
 - i) Diversion of posts from the Addl. / Jt. CsIT upto the level of ITOs by the O/o Principal CCIT.
 - ii) Order u/s 120 to be passed by PCIT (Residual) giving jurisdiction to Range Heads (Template of order u/s 120 and the list of residual offices of Ranges is enclosed; rest are to be merged with the residual ranges)
 - iii) Order u/s 120 to be passed by Range Head (Residual) giving jurisdiction to AOs. (Template of order u/s 120 and the list of residual AO charges is enclosed; rest are to be merged with the residual AOs).
 - iv) Posting orders of officers.

7. Board has issued the following notifications and orders which are also available on either the irsofficersonline or incometaxindia websites of the department. We are also attaching these PDF files as zip files :-

1. SO 2745/46 – TPL Gazette Notification.
2. SO 2755 - PCIT merger residual charges (Gazette Notification)

3. SO 2754 - CCIT residual charges (Gazette Notification)
4. SO 2756 - NeAC Notification - New Jurisdiction of NeAC (Gazette Notification)
5. SO 2757 - ReAC Notification - New Jurisdiction of ReAC (Gazette Notification)
6. SO 2758 - PCIT (VU) Notification - Prescribed Authority under Section 133C(Gazette Notification)
7. Office Order – 1 – Setting up of NeAC
8. Officer Order – 2 – Setting up of ReAC
9. Order u/s 119 – Power of survey u/ 133A
10. Order u/s 119 – *Non est* order outside faceless assessment.

8. Further, I am directed to request you to communicate to the Board any discrepancy or omission in respect of any order / notification of ReAC / residual hierarchy / jurisdiction etc. latest by 12:00 Noon 17/8/2020, so that any corrigendum / amendment to the notification / order can be passed without any further delay.

Encls : As above in the individual email id
of respective Pr. CCsIT

Yours faithfully,


(Prajna Paramita)
Director ITA-1