

DGIT(S)/DIT(S)-3/AST/Paperless Assessment Proceedings/96/2015-16

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

Notification No.4/2017

New Delhi, 3rd day of April, 2017

Subject: Procedure, Formats and Standards for ensuring secured transmission of electronic communication - introduction of E-Proceeding for communication between the Income Tax Department and Assessee- reg.

Reference may be made to Notification 2/2016 in even number dated 3rd February 2016.

2. Sub-Section (1) of Section 282 of the Income Tax Act 1961 provides that the service of a notice or summon or requisition or order or any other communication under this 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.

3. 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.

4. 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.

5. 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.

6. Accordingly, the Pr. DGIT (S) issued Notification 2/2016 in even number dated 3rd February 2016 to enable Email based Communication between the Department and the Assessee. Now the facility of electronic communication between the Department and the Assessee is being extended through the E-Proceeding functionality of the E-filing account of the Assessee on the Departmental website <https://incometaxindiaefiling.gov.in>.

7. Further, Section 282A provides for the authentication of electronic communication of notice or other document and Rule 127A prescribes the procedure in such cases:

Authentication of notices and other documents.

282A. (1) Where this Act requires a notice or other document to be issued by any income-tax authority, such notice or other document shall be ⁸*[signed and issued in paper form or communicated in electronic form by that authority in accordance with such procedure as may be prescribed]*.

(2) Every notice or other document to be issued, served or given for the purposes of this Act by any income-tax authority, shall be deemed to be authenticated if the name and office of a designated income-tax authority is printed, stamped or otherwise written thereon.

(3) For the purposes of this section, a designated income-tax authority shall mean any income-tax authority authorized by the Board to issue, serve or give such notice or other document after authentication in the manner as provided in sub-section (2).

8. Sub Rule (1) of the Rule 127A provides that:

(1) Every notice or other document communicated in electronic form by an income-tax authority under the Act shall be deemed to be authenticated-

a. In case of an electronic mail or electronic mail message issued, (hereinafter referred to as the e-mail), if the name and office of such income-tax authority-

i. is printed on the email body, if the notice or other document is in the email body itself; or

ii. is printed on the attachment to the email, if the notice or other document is in the attachment,

and the e-mail is issued from the designated e-mail address of such income-tax authority;

- b. In case of an electronic record , if the name and office of a designated income-tax authority-
- i. is displayed as a part of the electronic record, if the notice or other document is contained as text or remark in the electronic record itself, or
 - ii. is printed on the attachment in the electronic record, if the notice or other document is in the attachment,
- and such electronic record is displayed on the designated website.

9. E-Proceeding is a part of e-governance initiative to facilitate a simple way of communication between the Department and the taxpayer, through electronic means, without the necessity of the taxpayer to visit the Income Tax Office.

10. E-Proceeding offers the functionality for any Income Tax Authority to conduct various proceedings through online exchange of communication in form of notices/letters/questionnaire issued from the Income Tax Business Application (ITBA) of the Department to the taxpayer account in the e-Filing website – <https://incometaxindiaefiling.gov.in> and online response/submission from Assessee in compliance with such notices/letters/questionnaire, through E-Proceeding in the e-Filing website – <https://incometaxindiaefiling.gov.in>.

11. Accordingly, in exercise of the powers delegated by the Board as per Sub Rule (3) of Rule 127 and Sub Rule (2) of Rule 127 A of the Income Tax Rules 1962, the Principal Director General of Income tax (Systems) specifies herein the additional procedures, formats and standards for ensuring secured transmission of electronic communication and authentication of electronic communication of notice or other document through the E-filing account of the taxpayer on the Designated Website <https://incometaxindiaefiling.gov.in>.

12. 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") means a message or information created or transmitted or received on a computer, computer system, computer resource or communication device including attachments in text, images, audio, video and any other electronic record, which may be transmitted with the message.
 - 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.

13. The procedure, formats and standards for ensuring secured transmission of electronic communication using E-Proceeding is specified as under:

- a) All the notices/questionnaire/letters/Orders issued from ITBA modules by any Income Tax Authority will be visible to Assessee after login under "E-Proceeding" Tab in the E-filing website of the Department in <https://incometaxindiaefiling.gov.in>, hereinafter called 'E-filing website' and may also be sent by the designated e-mail address (email address based on the designation of the income tax authority under the domain @incometax.gov.in) to the registered e-mail address of the Assessee.
- b) A text message alerting the Assessee may also be sent on the mobile number registered on the E-filing website.
- c) The notice/questionnaire/Letter available over E-Filing website to the Assessee or sent by Email to the Assessee will be authenticated in the manner prescribed in Rule 127A of Income Tax Rules 1962 .
- d) The functionality to conduct E-Proceeding will be available for all types of notice/questionnaire/Letter issued under various sections of the IT Act. For example, hearing notice for assessment proceedings under sections 143(3), 147, 263 or 264 etc, proceedings under section 154, hearing under various sections for penalty, proceedings in First Appeal for Hearing notice, proceedings for granting/rejecting registration applications u/s 12AA, 80G under Exemptions, seeking clarification for resolving E-Nivaran grievances etc. can also be conducted using the E-Proceeding functionality using electronic communication of notice or any document by any Income Tax Authority and electronic submission of response by Assessee.
- e) Assessee will have the facility to opt out of E-Proceeding and such option has to be communicated to the Department through the e-Filing website.
- f) On delivery of the notice/questionnaire/Letter to the Assessee under "E-Proceeding" Tab in the E-filing website of the Department – <https://incometaxindiaefiling.gov.in>, the Assessee will be able to submit his response along with attachments on the e-Filing website.
- g) The notice/questionnaire/Letter issued to the Assessee and any submission of the Assessee response along with attachments, if any, will be accessible to the respective Income Tax Authority through the Income Tax Business Application (ITBA) system or any such software of the Department.
- h) In order to facilitate a final date and time for E-submission, the facility to submit a response will be auto closed 7 days prior to the Time-Barring (TB) date, if any. If there is no statutorily prescribed Time Barring date, then the Income Tax Authority can, on his volition, close the E-submission whenever the compliance time is over or when the

final order or decision is under preparation to avoid last minute submissions. However, Income Tax Authority can also re-enable the E-submission by Assessee in both TB or non TB situations.

- i) Once the proceeding is closed or completed in ITBA by the Income Tax Authority, E-submission will not be allowed from Assessee.
- j) Upon closure or completion of any proceeding under this procedure, the final Order, Letter or document will be delivered to the Assessee under "E-Proceeding" Tab in the E-filing website of the Department – <https://incometaxindiaefiling.gov.in>. If need be, the same may also be delivered by Post.
- k) Relevant e-proceedings can also be conducted manually, if an Assessee chooses not to opt for E-Proceeding. Manual mode can also be adopted for those Assesseees who are not registered on the E-filing website of The Income Tax Department or if the Income Tax Authority so decides with specific reasons recorded in writing and approved by the immediate supervisory authority.
- l) In case the assessee opts for manual mode in the middle of e-proceedings on the e-filing website, further proceedings shall be conducted in manual mode.
- m) The Assessee will be able to view the entire history of notice/questionnaire/Letter/Orders on the E-filing Website of the Department and of his responses, if the same has been submitted under this procedure.
- n) 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). Further, the registered account of the assessee on the e-filing website is deemed to be computer resource designated by the assessee in accordance with Section 13 of the Information Technology Act, 2000 (No.21 of 2000).
- o) For the purpose of this notification, the data including attachments, if any, delivered as a record in the "E-Proceeding" Tab to the Assessee's account in the E-filing website of the Department – <https://incometaxindiaefiling.gov.in> shall constitute an 'Electronic record' as defined in Clause (t) of Subsection (1) of Section 2 of Information Technology Act, 2000 (21 of 2000).
- p) For the purpose of this notification, the Assessee is the "Addressee" as defined in Clause (b) of Subsection (1) of Section 2 of Information Technology Act, 2000 (21 of 2000).

14. The aforementioned procedure is applicable to all proceedings under the Income Tax Act 1961 under this Notification as enabled from time to time.



(S S Rathore)

Pr. DGIT (Systems), CBDT

Copy to:-

1. PPS to the Chairman and Members, CBDT, North Block, New Delhi.
2. All Pr. Chief Commissioners/ Director Generals of Income tax - with a request to circulate amongst all officers in their regions/ charges.
3. JS (TPL)-I &II/Media coordinator and Official spokesperson of CBDT.
4. DIT (IT)/ DIT (Audit)/ DIT(Vig.)/ADG(System)1,2,3,4,5/ CIT(CPC) Bangalore, CIT(CPC-TDS) Ghaziabad.
5. ADG (PR. PP&OL) with a request for advertisement campaign for the Notification.
6. TPL and ITA Divisions of CBDT.
7. The Institute of Chartered Accountants of India, IP Estate, New Delhi.
8. Web Manager, "incometaxindia.gov.in" for hosting on the 'website.
9. Database cell for uploading on www.irsofficeronline.gov.in and in DG System's corner.
10. ITBA publisher for uploading on ITBA website.



(Ramesh Krishnamurthi)

Addl DG (Systems)-3, CBDT