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Government of India / Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

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PRESS RELEASE

India has entered into its third Tax Information Exchange Agreement (TIEA) with the British Virgin Islands. The Agreement was signed on 9th February 2011 by the High Commissioner of India to United Kingdom on behalf of India and the Deputy Premier on behalf of British Virgin Islands. The agreement provides for sharing information, including exchange of banking and ownership information, and also of past information in criminal tax matters. Earlier, India had signed similar TIEAs with Isle of Man and Bermuda.

In order to further reduce litigation, the Central Board of Direct Taxes (CBDT) has enhanced the limits for filing appeals against taxpayers in the Income Tax Appellate Tribunal, High Court and Supreme Court, from tax effect of Rs.2 lakh, Rs.4 lakh and Rs.10 lakh, respectively, to Rs.3 lakh, Rs.10 lakh and Rs.25 lakh, respectively.

In order to speed up refunds, TDS claims in all tax returns (ITR-1 to ITR-6) will be accepted without verification if the difference between the amount claimed in the return and the amount reflected in the TDS return (AS-26 statement) does not exceed one lakh rupees. This will enable the Income Tax department clear nearly 95 percent refunds without verifying each TDS claim. Cases with zero-matching, invalid TAN and difference exceeding Rs. 1 lakh will, however, be cleared only after due verification. This precaution is necessary to avoid refund frauds.

Earlier, the Chairman CBDT had directed all Chief Commissioners to upload necessary data so that the refunds can be issued expeditiously. It will be for the first time that most income tax refunds of the current assessment year will be dispatched to the taxpayers within the current financial year itself.

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