

Government of India
Ministry of Finance
Central Board of Direct Taxes
National e-Assessment Centre
New Delhi

Dated:19/11/2020

Subject: SOP for Assessment Unit under the Faceless Assessment Scheme, 2019 .

The Principal Chief Commissioner of Income Tax, National e-assessment Centre, with the prior approval of the Central Board of Direct Taxes, New Delhi, lays down the following SOP on the above subject:

A: Issue of Initial Questionnaire u/s 142(1)

1. The initial questionnaire u/s 142(1) of the Act shall ideally be issued by the AU within 30 days of allocation of case to the AU in limited scrutiny cases and within 45 days in complete scrutiny cases.
2. All internal data bases of the department in (360 degree in ITBA), Insight, E-filing AO Portal available to the AU shall be examined by the AU, before issuing the initial questionnaire.
3. The AU shall also examine the structured questions for each issue/scenario maintained by INSIGHT on the points of enquiry in the case, before issuing the initial questionnaire. The structured questions on the points of enquiry in the case can be used as it is without editing or after editing. Wherever the structured questions on the points of enquiry are used without editing, the reply of the assessee may be received in a structured form.
4. The questionnaire shall seek specific and focussed information and evidences on the points of enquiry as provided in the Issue/ Scenario/ specific ground in respect of which the case has been selected in Limited Scrutiny Cases or the specific grounds that led to reopening of the assessment u/s 148. In complete or compulsory scrutiny cases, specific information arising from return of income or information available on record should be called from the assessee and roving enquiry on points not directly connected with issue in question ought to be avoided.
5. The initial notice is to be drafted by the AU with due diligence and application of mind to the issues in the assessment, so that all the information related to the issue under

consideration is asked from the assessee in first notice itself and the questionnaire is complete in respect of verification and enquiry of a particular issue of assessment. Documents such as ITR, Tax Audit Report, and information available on record in the databases of the department with respect to the particular PAN etc should not ideally be called from the Assessee.

6. A question should be asked seeking PAN/ TAN, correspondence address, e-mail/ e-filing address and mobile number of the parties with whom transactions have been done by the assessee only in such cases where the assessment proceedings require such details for the purpose of verification and enquiry.
7. It is suggested that a structured question on whether the Assessee continues to exist in the same form and identity at the time of receipt of notice as during filing of return ought to be asked in appropriate cases. The question should seek information as to any Merger, Demerger or Amalgamation that may have taken place or the entity/person, filing the return is no longer in existence due to cessation, death or dissolution etc. Evidence of intimation of such an event to the department may also be sought in cases of occurrence of such events.
8. The AUs ought to know that structured questions may not be exhaustive nor self-contained. The respective AO, under the supervision of their Unit Heads needs to apply his mind to suitably add to or amend the suggested questionnaire inline with facts before the AO.
9. The AU may feel that a certain query/ question needs to be added to the structured question bank proposed in INSIGHT on a certain issue as it is relevant in a number of cases; it may be provided/updated through the designated feedback form in INSIGHT. The Structured Question Bank shall be updated every quarter through an approval process.
10. In short, it must be carefully noted for strict compliance that a focussed and issue specific questionnaire is a necessary prerequisite for framing a quality assessment order and it reduces the compliance burden on the Assessee. The quality of questionnaire must reflect the application of mind and due diligence of the AU.

B: Process of issuance of notice u/s 142(1)/ questionnaire

1. The Notice is to be sent to assessee, through the NeAC, with the approval of the Unit Head of the AU. Normally, a response time of 15 days may be given to the assessee for compliance with the notice u/s 142(1) from the date of issue of the notice. It is advisable that time may be reduced to 7 days for subsequent notices. However, these time guidelines must keep in view the limitation date for completing the Assessment.

C: Grant of adjournment to initial notice u/s 142(1) on request of taxpayer or a suo-moto adjournment

1. The assessee has an online option to seek adjournment during the pendency of the notice u/s 142(1). The AO of the AU may grant the adjournment normally for a period of 7 days or more to the assessee. The AO of the AU may also grant adjournment *suo-moto* without any request from the assessee, in case the AO is seeking any additional information before the filing of initial reply by the assessee.

D: Procedure to be adopted in case of non-compliance of any notice u/s 142(1)& passing of best judgement assessment u/s 144 of the Act

1. The cases that do not require any verification and where returned income can be accepted on the basis of information available in internal data bases of the department on record, the returned income may be accepted under Section 144 of the Act without any initiation of penalty for non-compliance.
2. In other cases the following procedure is to be followed;
 - i) Issue of centralized reminder from NeAC.
 - ii) Where the notice issued in point (i) has not been responded to by the compliance date then the assessee can be issued show cause notice for levy of penalty for non-compliance.
3. The AU shall make request for physical verification to the designated VU after recording reasons in writing and obtaining the approval of Pr.CIT in the following circumstances:

- a. It is a high risk potential case
- b. The impugned PAN is a potential fraud PAN
- c. AU suspects a large tax evasion in the case

Whereas, in any other circumstances, the approval of CCIT (ReAC) shall be obtained. The request for obtaining approval for physical verification shall be in prescribed format.

Orders in such cases are to be passed only after receipt of report from designated VU.

4. After receipt of report from designated VU where no modification is proposed to the returned Income or to tax payable; and where returned income can be accepted on the basis of information available in internal data bases of the department or on record, the returned income may be accepted under Section 144 of the Act with no initiation of penalty for non-compliance.
5. After receipt of report from designated VU where tax payable and/or where modification to returned income is proposed then
 - (i) Show cause notice to be issued as to why assessment should not be framed ex-parte u/s 144 of the Income-tax Act mentioning the points of proposed additions.
 - (ii) If no reply received then DAO is to be framed with modified income and notices for penalty for non-compliance and/or any other penalty warranted by the facts of the case are to be issued.
6. In case the assessee stops responding after submitting only part reply or after seeking adjournment the AU should proceed with making ex-parte assessment u/s 144 of the Act in accordance with the process and procedure described above.
7. Order under section 144 to be passed by AU should be based on material available on record and estimation of income in accordance with law. High pitched assessments that are not supported by any evidence/document should be avoided.
8. Assessment procedure as laid down in other sections of this SOP for framing regular assessment u/s 143(3) of the Act is to be followed if reply of the Assessee is received at any stage.
9. The process for handling unresponsive, untraceable and for address verification are given in the annexures I1, I2 & I3

E : Issue of penalty notice & levy of penalty u/s 272A for non-compliance of 142(1) notice

1. The case would be treated as non-compliant where:
 - a. no response has been received from the assessee on or before the date mentioned in the notice.
 - b. Immediately thereafter a reminder to all known email IDs of the assessee that gives another 15 days to respond is to be issued by the AU.
 - c. An anonymized physical notice has been issued to the assessee through the INSIGHT on reference from NeAC, if no response is forthcoming even after electronic reminders.
 - d. SMS reminders have been issued first within 7 days of the issue of the notice; Secondly, on the day prior to the date of compliance of notice and thirdly on the date of compliance mentioned in the notice.
2. Physical verification may be conducted through the designated VU in cases enumerated in the SOP at Para D(3) after approval of the PCIT of the AU.
3. Where the assessee does not respond even after physical notice and/or physical verification and modification is proposed in income, then
 - a. The notice shall deemed to have been delivered in accordance with paragraph 10 of the CBDT's SO 3264 (E) which states that every notice or order shall be delivered to the addressee, being the assessee, by way of placing an authenticated copy thereof in the assessee's registered account; or sending an authenticated copy thereof to the registered email address of the assessee or his authorised representative; or uploading an authenticated copy on the assessee's Mobile App; and followed by a real time alert.
 - b. Show cause notice for levy of penalty for non-compliance u/s 272A(1) along with the Show Cause Notice for passing order u/s 144 with modified income shall be issued to the Assessee. Such notice ideally would give a time of 15 days for response.

F: Analysis of Information submitted in response to questionnaire u/s 142(1)

1. The AU is to examine the reply of the taxpayer with reference to the issue involved in the case and cross verify it with the information available on record of the AU.
2. The AU shall decide whether reference to VU and/or TU is required and/or additional questionnaire u/s 142(1) is to be issued in the case as per SOP paragraph G. This action should ideally be done within 15 days of receipt of the reply of the Assessee.
3. (a) The AU shall issue additional questionnaire, if the information/ reply received from the Assessee differs or contradicts the information available on record and further clarification is required.
(b) An opportunity is to be given to the assessee before finalization of the assessment through an SCN if the assessee's reply conflicts with information on record of the AU, or the VU or the TU has given an adverse report against the assessee.
4. If the assessee contests the information available with the Department and version of the assessee is different, then such information or data ought to be re-verified from the reporting agency (RA) by the AU.

G: Issue of additional questionnaire u/s 142(1)

1. The AU shall issue additional questionnaire, if the information/ reply received from the Assessee differs from the information or the record of the assessee with AU or where any further information or clarification is required and such clarification/further information is not available on record or in department's databases or through the Reporting Agency.
2. The AU shall issue additional questionnaire in case a new point requiring examination arises from the reply filed by the Assessee in complete scrutiny cases.
3. In Limited Scrutiny Cases, the AU shall issue additional questionnaire, only after the PCIT(AU)'s approval, if a new point of dispute arises that is inextricably linked with the issue involved in the Limited Scrutiny,
4. The AU is to be ensure that principles of the natural justice are met and the assessee gets an opportunity to rebut any adverse finding against him before the AU finalizes the assessment.

H : Reference to Verification Unit for online enquiry/Verification.

1. Before making the reference, the AU has to analyse all the materials available on record that includes all replies as well as any other material available on INSIGHT or in public domain such, MCA and/or any other regulatory or research entities.
2. After examining the case records, the AU may decide to get specific enquiry/verification conducted from a Verification Unit. The reference should not be made for collection of information like bank statements or ROC data etc, but for an enquiry or investigation of on any issue in dispute.
3. The AU should endeavour to include all the requirements of further enquiry in the first reference itself. Any reference to VU, after two references have been made in an assessment cycle of the case is to be referred after prior approval from PCIT AU
4. Every reference shall be through a checklist, which has been made available on ITBA.
5. Every reference is to be uniquely identified so that follow up requests will be sent to the same VU by the System algorithm to maintain consistency and continuity in verification.

I : Sending reference to VU for field physical verification.

1. Physical verification can be conducted in select cases through the designated VU, where the assessee is non-compliant or where the third party from whom information/document/evidence is to be collected doesn't have a digital footprint. A reference for physical verification is to be approved as per D(3) of this SOP.
2. Designated VU means the Verification Unit physically located nearest to the location where physical verification is required. In the event of there being more than one VU nearest, the allocation shall be done by the Automatic Allocation Tool (AAT)

J : Sending reference to Technical Unit (TU)

1. All matters relating to advice of designated TU shall be sent to such TU in a standardized format containing facts of the case, section involved and the issue/point in dispute

2. The AU shall send a reference to the designated TU only in select cases, after obtaining permission from the PCIT (AU) or where specifically indicated in the SOP or wherever there is requirement in law for obtaining the approval of CIT/PCIT.
3. Reference to TU on issues other than those on legal issues, TP reference and FT&TR shall be in exceptional circumstances requiring technical or forensic advice.
4. Reference for advice of TU should ideally be made within 15 days of receipt of requisite information from the assessee and it is advisable that references within 60 days of the date of limitation of passing of the order are done in truly exceptional and rare circumstances.
5. Technical assistance may be called for in the following circumstances listed below:
 - A. Interpretation of law / legal issues
 - B. Analysis of Books of Accounts
 - C. Forensic Analysis of documents, data, device etc.
 - D. Special Audit/ Forensic Audit
 - E. Assistance for finding passwords and deciphering digital files, applications etc.
 - F. Valuation of tangible or intangible assets.
 - G. Determination of Armed Length Price and Fair Market Value.
 - H. Translation, transcription etc.
 - I. Assistance on trade related practises, technical or Management Issues
 - J. Other technical matters.

Each of the above listed circumstances are discussed below separately.

A. Legal Issues

As far as possible, legal interpretation and application/ distinction of case laws in settled and non-settled issued should be common within the NeAC -ReAC Eco-system and a common view on legal issue may be evolved.

Only in instances where there are adverse views of the jurisdictional high court to the view of the NEAC; the AU may have to take the jurisdictional high court's view while also mentioning the departmental view / TUs view clearly in the Assessment Order

For Legal Issues following SOP is prescribed

- i. The AUs may seek advice of the designated TU on any legal issue before them in respect of the pending assessment.

- ii. The reference to TU shall be in a template that includes facts of the case and the point of dispute on which opinion is sought.
- iii. The subject on which assistance is sought should be clearly specified.
- iv. The name of jurisdictional High Court must be communicated. The jurisdictional High Court will be determined from the location of the assessee.
- v. Any High Court decision (especially jurisdictional) on the subject need to be mentioned giving standard citation.
- vi. The assistance should be sought by the AU only after the approval of the unit head.

B. Analysis of Books of Account

The AU may seek assistance of the TU for the analysis of the Books of Account requisitioned in a machine readable format in the following format, mode, process and procedure in cases of Complete Scrutiny.

- i. Only the books of account or structured seeking of accounting data called for in a predetermined XML/JSON format by the AU may be referred to the designated TU through National E Assessment Centre.
- ii. The accounts on which assistance is sought should be clearly specified by the AU while referring the analysis to the TU through National E Assessment Centre.
- iii. The reference for analytics on books shall be made after prior approval of the PCIT in circumstances of large transaction, complexity of books or of identified mismatch.

C. Forensic Analysis

The AU may seek assistance of the TU for the forensic analysis of documents, data, device etc or for Forensic Audit. The following format, mode, process and procedure are specified

- i. The relevant documents, data, device etc. should be forwarded by the AU to the designated TU through National E Assessment Centre
- ii. The assistance should be sought by the AU only after the approval of the PCIT (AU)

D. Assistance for finding passwords and deciphering digital files, applications etc.

- i. The relevant digital data files, messages, applications etc. should be forwarded by the AU to the TU through National E Assessment Centre.

E. Valuation of tangible or intangible assets.

The AU or VU may seek assistance of the Designated TU for the Valuation of tangible or intangible assets; the following the following format, mode, process and procedure are specified

- i. The details of the tangible or intangible asset to be valued should be specified by the AU for the TU through National E Assessment Centre in a prescribed format.
- ii. The format of making references for the valuation of different assets from the TU under different sections of the Act are separately prescribed for
 - a. valuation of immovable property u/s 50C
 - b. valuation of shares, jewellery, artwork etc u/s 56,
 - c. valuation of tangible or intangible asset u/s 43(1),
 - d. valuation of any asset, property or investment u/s 142A,
 - e. valuation of the net assets u/s 115TD and similar requirement in other sections of the Act.
- iii. Designated TU shall obtain valuation reports from departmental valuers, empaneled valuation experts, designated experts etc. to evaluate the tangible or intangible assets as per law.
- iv. The assistance should be sought by the AU only after the approval of the PCIT

F. Determination of Arms Length Price and Fair Market Value.

The AU may seek assistance of the Designated TU for the Determination of Arm's Length Price and Fair Market Value. The following format, mode, process and procedure are specified

- i. The details of international transaction or domestic transaction between two or more associated enterprises maybe specified by the AU for the TU through National E Assessment Centre in a prescribed format.
- ii. The TU to ask the Transfer Pricing Officer to determine the arms length price in case of international transaction as per sections 92B or specified domestic transactions as per section 92BA between two or more associated enterprises and as per the extant instructions issued in this regard.
- iii. The TU may empanel valuation experts to determine the Fair Market Value of various goods, services or assets which are required under various sections of the Act eg, 9, 17, 28(via), 40A(2), 45, 49, 50CAetc.

G. Assistance in Translation, transcription etc.

The AU or VU may seek assistance of the Designated TU for the Valuation of tangible or intangible assets; the following the following format, mode, process and procedure are specified

- i. The document which is required to be translated or the recording which is required to be transcript should be uploaded by the AU for the designated TU through National E Assessment Centre.
- ii. The language of document or the language of recording should be clearly communicated to the TU. The language to be translated into should also be specified.
- iii. The TU may have empanel manpower/ agency to translate the documents or to make transcripts in translation.
- iv. The assistance should be sought by the AU only after the approval of the unit head.
- v. Submissions and documents received in AU/VU in vernacular language are to be ideally forwarded to the designated TU through NeAC for translation within 5 days of receipt.

H. Special Audit u/s 142(2A).

The AU or VU may seek assistance of the Designated TU for the Special Audit in case u/s 142(2A); the following format, mode, process and procedure are specified

- i. The details of the case whose books of accounts are to be subjected to Special Audit should be specified by the AU for the TU through National E Assessment Centre in a prescribed format. (
- ii. Designated TUs to have a database of approved Auditors for Special Audit.
- iii. The assistance should be sought by the AU only after the approval of the PCITT of AU or VU.

I. Reference for Other Technical Support

The AU or VU may seek assistance of the designated TU for issues beyond those mentioned above. The reference under this clause shall be made after approval of the PCIT, AU or VU. The following format, mode, process and procedure are specified

- i. The AU should clearly specify the technical matter other than those listed above, on which it requires the assistance of the TU through the National E Assessment Centre.

- ii. The purpose of seeking this advice and its reference to the assessment of income is to be made a part of the reference.
- iii. The assistance should be sought by the AU only after the approval of the PCIT (AU)

K: Handling Re-assessment under section 148 of the Act

1. The cases u/s 148 shall be assigned to respective AUs and the notice issued u/s 148 along with reasons/supporting documents shall be made available on the ITBA. Ideally, the sharing of notices/reasons/supplementary documents and evidence with NeAC would take place within 30 days of the issue of notice.
2. Where in the assigned cases to the AU, the return of income has not been filed in response to notice under section 148 and notice under section 142(1) has been issued by the JAO, the AU shall proceed in the case for assessment as per SOP for non-compliance of notice u/s 142(1) cases given at para D above.
3. During the course of proceedings before AU, if the assessee files objections to the notice issued under section 148, the AU would dispose of the objections by passing and communicating a speaking order as per law.
4. The response of the AU to the objections shall be shared with Assesee through NeAC. Thereafter, the AU would proceed to complete assessment in accordance with law and as per the applicable paragraphs of this SOP.

L : Handling approval for withholding of refunds u/s 241A of the Act

1. The power to withhold refund till the date of assessment vests with the Jurisdictional Assessing Officer and it is to be exercised with the approval of CIT/PCIT.
2. The data relating to cases, where refunds become due to the Assessee during the pendency of the faceless assessment shall be made available by the ITBA to the NeAC, which would send it to the Assessment Units where such cases are assigned.
3. The AU shall record the reasons in writing along with specific recommendation for withholding of refund or otherwise as per provisions of section 241A for approval of PCIT(AU).

4. The PCIT (AU) shall consider the proposal and give his approval or otherwise ideally within 15 days of receipt of proposal.
5. The decision of PCIT(AU) along with the proposal shall be shared with jurisdictional Assessing Officer through ITBA, who shall take necessary action to withhold the refund under section 241A of the Act and intimate the assessee.

M : Handling of revised return cases:

1. A Return of Income may be Revised by the taxpayer either prior to the case being assigned for Faceless Assessment or during the pendency of the Faceless Assessment.
2. In all such cases the Revised Return shall be made available to the Assessment Unit on ITBA and E-Filing AO Portal for consideration during Assessment proceedings. Ideally the sharing with AU may take place within 7 days of the revision of the return.

N: Handling of unverified return cases

1. This pertains to cases assigned to AUs where Returns of Income are filed in CPC but have not been verified either through E-verification or through ITR-Vs.
2. Such instances are to be reported to the NeAC through the PCIT AUs

O: Handling of cases with CPC related defect issues

1. This pertains to cases assigned to AUs where CPC has marked the Return as 'defective' for processing .
2. Such instances are to be reported to the NeAC through the PCIT AUs

P : Handling of reference for attachment u/s 281B of the Act Need to make reference to Board for amendment after reading New scheme)

1. Where during the course of pendency of assessment proceedings, AU is of the opinion that for the purpose of protecting interest of the revenue, it is necessary to do so, it would submit proposal for provisional attachment under section 281B to PCIT(AU) through the workflow on Systems.

2. The PCIT(AU) would recommend or reject the proposal on the workflow in Systems and if recommended for attachment, the recommendations alongwith the proposal shall be sent to the jurisdictional Assessing Officer (JAO) through NeAC.
3. The JAO may pass an order for provisional attachment under section 281B after approval from jurisdictional PCIT.

Q: Handling of Compulsory Scrutiny cases & Handling of Legacy Set Aside cases

1. The cases assigned to the NeAC shall be allocated to the respective AUs as per random allocation norms of NeAC. The AU shall proceed with these assessments in accordance with relevant provisions of this SOP.

R: Handling of PAN marked as fraud PAN.

1. In the case where PAN has been marked as fraud by ITBA and the case is under scrutiny, the AU shall refer the matter to verification unit for physical verification of assessee as per the SOP.
2. In case of Individual assessee, AU may ask VU to verify Aadhaar mapping with PAN.
3. After taking into account the report of VU, the AU would proceed to complete assessment in the case in accordance with various provisions of this SOP.

S: Preparation and Submission of draft assessment order.

1. The AU ought to ensure that the reasons on which the case is selected for scrutiny are duly examined and that all the information available on System pertaining to the issue is examined and utilized for the purpose of preparation of draft order. All notices issued to the assessee and the information sought on points in dispute ought to be mentioned in the DAO.
2. The AU shall diligently and timely identify appropriate cases where enquiry or verification is required from VU and technical assistance is required from TU and refer the cases to VU or TU at the earliest. Ideally reference may be made 90 days prior to the limitation period, except when RU recommends further enquiry or verification.

3. The draft assessment order ideally should be submitted for RMS within reasonable time and not later than 15 days of receipt of complete and final information required for submission of draft order. It is advisable that all references to RMS are made 45 days prior to the date of limitation of passing of order.
4. The AU shall ensure that draft assessment order is speaking, reasoned and judicious and all issues have been duly dealt with.

T: Issue of Show Cause Notice

1. The AU has to issue show cause notice wherever modification is proposed in return income or sum payable. The show cause notice, except in the case of order under section 144 of the Act shall accompany draft assessment order. As a corollary, the draft assessment order is required to be speaking, fair and judicious.
2. The AU is advised to issue show cause notice along with draft order as soon as SCN flag is raised in RMS and generally not be later than 5 days.
3. The AU should ensure that reasonable time is given in the show cause notice to the assessee so as to comply with the principle of natural justice.

U: Passing of Final Assessment Order

1. The AU is to invariably preview the assessment order to be issued to ensure that the assessment order has properly framed the issue in dispute and incorporated all facts relevant to the issue.
2. The AU while finalizing the assessment order is to ensure that penalty proceedings, if any required to be initiated for imposition by Jurisdictional Assessing Officer, are discussed in the body of order as well as initiated in the system through a specific format.
3. Draft assessment order is to be monitored to ensure that assessment order is passed well in time and without any delay. Any unwarranted delay shall be brought to the notice of the PCIT (AU).
4. Before passing the Assessment Order, the AU is to ensure that the feedback is filled for each item where feed-back is sought.
5. A feedback form to be filled by the assessee accompanying the assessment order to elicit the experience of the assessee on the faceless scheme.

V: Handling Clarifications sought by VU / TU

1. Any clarification sought by VU or TU or RU should be responded to within a reasonable time generally not later than 5 days of receipt.
2. The clarification by AU should be given in clear language, be specific and to the point

W: Handling of cases received by new AU after suggestion of modification by RU

1. The scope of assessment of the cases received by the new AU is to be restricted to consideration of the review report and its ramifications on the assessment order.
2. If, during the process of finalisation of draft order that takes into account the report of the RU, the new AU finds an additional fact or a point that arises from such examination and which is not mentioned in the Report of RU then the additional fact or point can be raised in the assessment proceedings. This action shall be initiated only after obtaining approval of the Pr.CIT (AU).
3. The factum of disagreement among various units on any issue should not be made part of the assessment order. The new AU would thoroughly discuss all the issues in the assessment and pass a speaking order as per the law and the facts before the new AU.

SOP for handling non-responsive cases

Background

1. Faceless Assessment Scheme, 2019 envisages different units to work in coordination for completing the assessment process.
2. ReAC unit may face a situation where the taxpayer is not responding to the notices being sent by ReAC. This SOP specifies the options available, and the steps needed to be taken to handle non-responsive cases.
3. The system will highlight the cases where the assessee has not responded to the notices, so that ReAC user can send reminders in such cases. Cases where there is no response even after the expiry of the due date mentioned in the reminder will also be highlighted by the system.

Sending email communication to other emails available in internal sources

4. In the first stage, the ReAC user will identify alternate email addresses available in Department databases. The ReAC user will be shown different email addresses of the taxpayer (refer Key Information in Insight Master Profile Views) captured in the system from various sources (IT Return, E-filing Profile, SFT etc.).
5. The ReAC user should send the communication to alternate emails available in internal data sources before proceeding to the next stage.

Sending SMS communication to other mobile numbers

6. A facility will be provided to send SMS communication on various mobile numbers related to the person informing them about pending proceedings and requesting them to respond on the portal.

Marking the person as Non-responsive

7. In cases where the notices and reminders are not being responded even after sending reminders on alternate contacts available within the system, the ReAC will be able to mark the person as non-responsive. The process of marking a person as non-responsive will require the approval of Range Head.
8. When a person is marked as non-responsive, following actions will be automatically triggered:
 - a. The non-responsive status of the person will be shown in the profile views.
 - b. In the profile view of related persons, red flag showing marking of person as non-responsive will be shown.
 - c. If the case is marked as non-responsive by Assessment unit, it will trigger a reference of non-responsive case to the verification unit through an automated allocation system.

Handling of non- responsive case by Verification Unit

9. The Verification unit will use the information available in Insight Profile Views and i-Search to identify additional contact information for the non-responsive taxpayer.

10. The VU user may send notice u/s 133(6) to collect contact information available with the information source (e.g. reporting entity). The SOP for collection of information from reporting entity may be referred for collecting contact details from reporting entity.
11. The VU user should send communication to alternate emails available from internal and external sources.
12. Cases where the notices and reminders are not being responded to even after sending reminders, can be referred for address verification. Please refer to SOP on handling Address verification request for more details.
13. In cases where the person could not be traced even after address verification, the person will be marked as untraceable by the verification unit conducting address verification. Please refer to SOP on handling untraceable cases for more details.
14. In case any person marked as unresponsive submits response on system, the non-responsive flag will be automatically deactivated.

Supervision and monitoring

15. The Pr. CIT (Verification Units) will supervise and monitor the non-responsive cases and will perform the following key activities:
 - a. Supervision and monitoring of verification units
 - b. Granting approval for additional information access rights
 - c. Review of feedback and result of verification
 - d. Marking of verification report as quality report
 - e. Review of Updation to Knowledge repository
 - f. Updation and Management of Verification Unit Assignment Matrix

SOP for handling Address Verification Requests

Background

1. Faceless Assessment Scheme, 2019 envisages different units to work in coordination for completing the assessment process.
2. ReAC unit may face a situation where the taxpayer is not responding to the notices being sent by ReAC. This SOP specifies the steps needed to be taken to handle Address Verification requests.

Preparation of reference for address verification

3. Cases where the notices and reminders are not being responded to even after sending reminders, can be referred for address verification. The reference of case for address verification will require the approval of Range head, VU. The following conditions need to be confirmed by the verification unit before marking the person is referred by the ReAC:
 - a. The person has already been marked as non-responsive. Please refer SOP of handling non-responsive cases for more details.
 - b. Notices and reminders are not being responded after sending communication at various email available in systems and information sources.
4. In addition to non-responsive case, address verification request can also be initiated in appropriate cases with the approval of Pr. CIT, ReAC. The Pr. CIT, ReAC should be satisfied that address verification is required in the case.

Allocation of reference for address verification

5. The reference for address verification will be allocated to the designated verification unit through an automated allocation system. The allocation will take into consideration the geographical location of the address to be verified (based on pincode mapping dictionary) and workload of the verification units.

Handling of address verification by Verification Unit

6. The request for address verification will be available to the designated verification unit as 'Address Verification Requisition form' containing details of address and person which is required to be verified.
7. During address verification following information is expected to be collected in a discrete manner:
 - Whether the address was found/not found/incomplete
 - Whether the specific person is currently staying at the address or shifted from the address.
 - In case the person has shifted and the new address is available, the new address of the person is required to be collected.
 - In case the details of person is not ascertainable, the details of person residing at the address may be collected.
8. In cases where the person could not be traced even after address verification, the person will be marked as untraceable by the verification unit conducting address verification. The marking of person as untraceable will require the approval of Pr. CIT, ReAC (VU). The

following conditions needs to be confirmed by the verification unit before marking the person as untraceable:

- a. Notices and reminders are not being responded after sending communication at various email available in systems and information sources.
- b. The person was not found at the communication address or the address was found to be incorrect/incomplete.
- c. The whereabouts of the person could not be ascertained during address verification.

9. Please refer to SOP on handling untraceable cases for more details.

Supervision and monitoring

10. The Pr. CIT (Verification Units) will supervise and monitor the reference for address verification and will perform the following key activities:

- a. Supervision and monitoring of verification units
- b. Granting approval for additional information access rights
- c. Review of feedback and result of verification
- d. Marking of verification report as quality report
- e. Review of Updation to Knowledge repository
- f. Updation and Management of Verification Unit Assignment Matrix

SOP for handling untraceable cases

Background

1. Faceless Assessment Scheme, 2019 envisages different units to work in coordination for completing the assessment process.
2. ReAC unit may face a situation where the taxpayer is not traceable. This SOP specifies the options available, and the steps needed to be taken to handle untraceable taxpayer.

Marking the person as untraceable

3. In cases where the person could not be traced even after address verification, the person will be marked as untraceable by the verification unit conducting address verification.
4. The marking of person as untraceable will require the approval of Pr. CIT, ReAC (VU). The following conditions need to be confirmed by the verification unit before marking the person as untraceable:
 - a. Notices and reminders are not being responded after sending communication at various email available in systems and information sources.
 - b. The person has already been marked as non-responsive. Please refer SOP of handling non-responsive cases for more details.
 - c. The whereabouts of the person could not be ascertained during address verification or the address was found to be incorrect/incomplete. Please refer SOP of address verification for more details.
5. When a person is marked as untraceable, following actions will be automatically triggered:
 - a. The untraceable status of the person will be shown in the profile views.
 - b. In the profile view of related persons, red flag showing marking of person as untraceable will be shown.
 - c. The case will automatically revert to the requesting verification unit for handling of untraceable person.
 - d. A reference of untraceable case will be sent to the designated verification unit through an automated allocation system

Handling of untraceable case

6. Once marked untraceable, the designated verification unit will use various measures to trace the person including the following:
 - a. The verification unit will review the details of related persons in the Profile Views and send notice u/s 133(6) to collect contact information available with related person. The SOP for collection of information from related person may be referred for collecting contact details.
 - b. The verification unit may also contact other authorities outside the department (such as CIBIL or regulators, according to the specifics of the case), which are likely to have the contact details of the person in question.
7. The designated verification unit will prepare a verification report on untraceable case consisting of following information:
 - a. Details of enquiries conducted to contact and trace the person.

- b. Details of related persons identified
 - c. Details of other information (assets etc.) identified
 - d. Proposed action
8. The verification report shall be approved by the range head before it is shared with the unit which had made the reference. The verification report will also be accessible to units which has issued any notice to the untraceable person.
9. In case any person marked as untraceable submits response on system, the non- traceable flag will be automatically deactivated and a new verification case will be generated and marked to designated verification unit by case allocation system to capture the complete details of the person and send necessary communications to related units.

Supervision and monitoring

10. The Pr. CIT (Verification Units) will supervise and monitor the online verification reference and will perform the following key activities:
- a. Supervision and monitoring of verification units
 - b. Granting approval for additional information access rights
 - c. Review of feedback and result of verification
 - d. Marking of verification report as quality report
 - e. Review of Updation to Knowledge repository
 - f. Updation and Management of Verification Unit Assignment Matrix

Format for proposal for physical verification

Brief description of enquiry/verification proposed to be assigned to designated VU by AU	
Verification proposed to be done in physical enquiry	
Justification for physical enquiry	