

E-NEWSLETTER

INTERIM ACTION PLAN OF FINANCE MINISTRY AND RECENT UPDATES

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Every year, the Central Board of Direct Taxes (CBDT) comes out with an Interim Action Plan for the first quarter of the Financial Year giving certain targets to the field formations in Key Result Areas. However, due to unprecedented situation arising out of Covid- 19 pandemic outbreak this year, relatively short interim action plan has been issued on 08th May, 2020. The main emphasis of the plan is getting internally organized and prepared for the work when normalcy returns and the target date set for such action plan is 30.06.2020. **The key highlight of the plan is that no communication with the assessees having adverse effect on them is to be done during this period till fresh guidelines in this regards are issued by the Board.**

ACTION PLAN IN KEY RESULT AREAS

1. Preparedness for **disposal of applications u/s 154** filed by the assessees for rectification and **giving appeal effects** in all eligible cases.

2. **Checking all the demands** PAN-wise and Year-wise from the systems or manual demands wherever remaining and **removal of all duplicate demands**.

3. **Reconciliation of brought forward cases of TDS** (as on 01.04.2020) reported by Account Identification Numbers (AINs) **with payment through OLTAS** based on **report available on TRACES portal** for TDS units.

4. **Identifying and transferring the cases** falling under the jurisdiction of CCIT (Exemptions) which are **still lying at incorrect jurisdictions** to their respective ones. However, **inter-city transfer of cases** should be **kept on hold**.

5. **Disposal of applications for grant of registration under Section 12AA/80G** of the Income Tax Act, 1961 **received up to 31st March, 2020**.

6. **Disposal of all petitions** filed up to 31st March, 2020 **seeking condonation of delay** in filing Form 10 and Form 10B.

7. **Completion of consequential rectification** by Assessing Officers in all cases **wherein condonation has been allowed** by the CIT for delay in filing of Form 10 or Form 10B.

8. **Disposal of at least 25% compounding applications pending** as on 01.04.2020.

KEY TAKEAWAYS & OUR VIEWS

1. It seems that the **CBDT wants to fast track all the pending applications** so that fresh matters can be taken up once the normalcy returns.

2. In order to reduce undue hardships, **a big relief to the taxpayers** have been given as no communications in the form of notices that might have an adverse effect on them shall be issued during this period. Thus, in our view, **notices for recovery of outstanding demands, calling of documents for scrutiny/appeal proceedings, etc.. cannot be issued** till further guidelines.

3. In the light of pandemic outbreak and nationwide lockdown, **the focus of the Government** has shifted from laying down targets and due dates for field offices to get **the house in order and be prepared for a swift action once normalcy is restored**.

RECENT UPDATES FOR NGOS

The CBDT has deferred the implementation of new procedures as announced in the Budget 2020, for approval and renewal of registrations u/s 12AA/80G/10(23C) from 01st June, 2020 to 01st October, 2020. This implies the NGOs can now apply up to 31st December, 2020 i.e. within 3 months of the extended implementation date under the new provisions prescribed under the Act.