

INCOME TAX UPDATE

**CBDT apprises on
e-verification Scheme's
Process, Stats & Benefits**



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CBDT had notified a e-Verification Scheme, 2021 (the “Scheme”) on 13th December, 2021 to encourage voluntary tax compliance and to facilitate a transparent and non-intrusive tax administration.

The Department has been collecting information of financial transactions from multiple sources and the said information is now displayed/provided to the taxpayer through the Annual Information Statement (AIS). The said Scheme aims to share and verify such financial transaction information with the taxpayer which appears to be either unreported or under-reported in the Income Tax Return (ITR) filed by the taxpayer.

The entire process of e-Verification Scheme is digital, with notices issued electronically and responses by the taxpayers also submitted electronically. After the completion of the enquiry, a verification report is prepared electronically without any physical interface with the taxpayer.

According to the FAQs on the income tax department's website, the scheme will help:

- Correct inaccuracy in data/information provided by Source/Reporting Entity
- To inform the taxpayer about any transaction which could have been missed in computing income and taxes, and in filing Return of Income.
- To provide an opportunity to the taxpayer to correct any omissions in Return of Income by filing an updated return of Income and pay tax due

on the income missed in the original Return of Income.

- To provide an opportunity to the taxpayer to explain a transaction being verified before any further action by way of Assessment or Re-assessment is undertaken.

Now, CBDT vide Press release dated 13th March 2023 has highlighted the benefits of the said Scheme. It was further informed in the said press release that information of financial transactions relating to 68,000 cases pertaining to FY 2019–20 was selected for e-Verification on a pilot basis under the said Scheme and out of said 68,000 cases, e-Verification has already been completed for approximately 35,000 cases and remaining are under verification.

For details, please refer the following:

- e-Verification Scheme, 2021

<https://incometaxindia.gov.in/communication/s/notification/notification-137-2021.pdf>

- FAQs on e-Verification Scheme 2021

<https://incometaxindia.gov.in/news/faqs-everification-scheme2021.pdf>

- CBDT Press release dated 13th March 2023

<https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1129/e-Verification-Scheme-of-CBDT-is-another-initiative-facilitating-13-3-23.pdf>

DISCLAIMER: - The summary information herein is based on CBDT Press Release dated 13.03.2023, e-Verification Scheme, 2021 issued vide Notification no. 137/2021 dated 13.12.2021, FAQs on e-Verification Scheme 2021 available on Income Tax Department's website. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Readers should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.