

**F. No. IT(A)/1/2020-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

Dated: 23rd March, 2021

Sub.: Clarifications on provisions of the Direct Tax Vivad se Vishwas Act, 2020 - reg.

With the objective to *inter alia* reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process, the Direct Tax *Vivad se Vishwas* Act, 2020 (hereinafter referred to as '*Vivad se Vishwas*') was enacted on 17th March, 2020.

2. Sections 10 and 11 of *Vivad se Vishwas* empower the Central Government / Central Board of Direct Taxes to issue directions or orders in public interest or to remove difficulties. In order to facilitate the taxpayers, clarifications under the said sections in form of answers to frequently asked questions (FAQs) were issued *vide* circular no. 9/2020 dated 22nd April, 2020 (covering FAQ 1-55) and circular no. 21/2020 dated 4th December, 2020 (covering FAQ no. 56-89).

3. FAQ no.70 of circular 21/2020 clarified eligibility for search case under *Vivad se Vishwas*. It was clarified that if the assessment order has been framed in the case of a taxpayer under section 143(3) / 144 of the Income-tax Act based on the search executed in some other taxpayer's case, it is to be considered as a 'search case' under *Vivad se Vishwas*.

4. Several representations have been received seeking further clarity with regard to the classification of a case as a 'search case' for the purposes of *Vivad se Vishwas*. The matter has been examined. In order to remove any uncertainty in this regard, and in exercise of powers under section 10 and 11 of *Vivad se Vishwas*, it is hereby clarified that a 'search case' means an assessment or reassessment made under sections 143(3) / 144 / 147 / 153A / 153C / 158BC of the Income-tax Act in the case of a person referred to in section 153A or section 153C or section 158BC or section 158BD of the Income-tax Act on the basis of search initiated under section 132, or requisition made under section 132A of the Income-tax Act. The FAQ no. 70 of circular 21/2020 stands modified to this extent.

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23/03/2021
(Shefali Singh)

Under Secretary to the Govt. of India

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