

**MINISTRY OF FINANCE**

**(Department of Revenue)**

**(CENTRAL BOARD OF DIRECT TAXES)**

**NOTIFICATION**

New Delhi, the 5th April, 2022

**G.S.R 274(E).**—In exercise of the powers conferred by sub-sections (1) and (2) of section 245MA read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

1. **Short title and commencement.**— (1) These rules may be called the Income-tax (Seventh Amendment) Rules, 2022.

(2) They shall come into force with effect from the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), after PART IX-A, the following PART shall be inserted, namely:—

**‘PART IX-AA DISPUTE RESOLUTION COMMITTEE**

**44DAA. Constitution of Dispute Resolution Committee.**— (1) The Central Government shall constitute a Dispute Resolution Committee for every region of Principal Chief Commissioner of Income-tax for dispute resolution, as provided under the Chapter XIX-AA of the Act.

(2) Each Dispute Resolution Committee shall consist of three members, as under:—

- (a) two members shall be retired officers from the Indian Revenue Service (Income-tax), who have held the post of Commissioner of Income-tax or any equivalent or higher post for five years or more; and
- (b) one serving officer not below the rank of Principal Commissioner of Income-tax or Commissioner of Income-tax as specified by the Board.

(3) The members shall be appointed by the Central Government for a period of three years.

(4) The Central Government may fix a sum to be paid as fee to a member, who is retired officer, on a per case basis, along with a sitting fee, so decided by the Board.

(5) The decision of the Dispute Resolution Committee shall be by majority.

(6) The Central Government may, by recording reasons in writing and after giving an opportunity of being heard, remove any member from the Dispute Resolution Committee.

**44DAB. Application for resolution of dispute before the Dispute Resolution Committee.**— (1) An application to the Dispute Resolution Committee shall be made in Form No. 34BC by the person, who opts for dispute resolution under section 245MA of the Act in respect of dispute arising from any variation in the specified order in his case and who fulfills the specified conditions.

(2) Every application in connection with resolution of dispute shall be accompanied by a fee of one thousand rupees.

**44DAC. Power to reduce or waive penalty imposable or grant immunity from prosecution or both under the Act.**— (1) The Dispute Resolution Committee shall, upon receipt of intimation as per clause (xix) of sub-paragraph (1) of paragraph 4 of the e-Dispute Resolution Scheme, 2022, and subject to such conditions as it may think fit to impose for the reasons to be recorded in writing, grant to the person who made the application for dispute resolution under section 245MA of the Act, waiver of penalty imposable or immunity from prosecution or both, in respect of the order which is the subject matter of resolution, if it is satisfied that such person has,—

- (i) paid the tax due on the returned income in full if available; and
- (ii) co-operated with the Dispute Resolution Committee in the proceedings before it.

(2) Notwithstanding anything contained in sub-rule (1), no immunity shall be granted by the Dispute Resolution Committee in a case where the proceedings for the prosecution for an offence have been initiated before the date of receipt of the application, as referred to in clause (i) of sub-paragraph (1) of paragraph 4 of the e-Dispute Resolution Scheme, 2022.

(3) An immunity granted to a person under sub-rule (1) shall stand withdrawn, if such person fails to comply with any of the conditions subject to which the immunity was granted and thereupon the provisions of the Act shall apply as if such immunity or waiver had never been granted.

**44DAD. Definitions**

For the purposes of this sub-chapter,—

(i) “**Dispute Resolution Committee**” means the Dispute Resolution Committee constituted under section 245MA of the Act;

(ii) the “**specified order**” in relation to a dispute under section 245MA of the Act means:—

- (a) a draft order as referred to in sub-section (1) of section 144C of the Act;
- (b) an intimation under sub-section (1) of section 143 of the Act or sub-section (1) of section 200A of the Act or sub-section (1) of section 206CB of the Act, where the assessee or the deductor or the collector objects to the adjustments made in the said order;
- (c) an order of assessment or reassessment, except an order passed in pursuance of directions of the Dispute Resolution Panel;
- (d) an order made under section 154 of the Act having the effect of enhancing the assessment or reducing the loss; or
- (e) an order made under section 201 of the Act or an order made under sub-section (6A) of section 206C of the Act and in respect of which the following conditions are satisfied, namely:—
  - (A) the aggregate sum of variations proposed or made in such order does not exceed ten lakh rupees;
  - (B) the return has been furnished by the assessee for the assessment year relevant to such order and the total income as per such return does not exceed fifty lakh rupees; and
  - (C) the order in the case of the assessee is not based on,—
    - (I) search initiated under section 132 of the Act or requisition made under section 132A of the Act in the case of the assessee or any other person; or
    - (II) survey carried out under section 133A of the Act; or
    - (III) information received under an agreement referred to in section 90 or 90A of the Act.

*Explanation:* For the purposes of clause (e) of sub-rule (ii), the variation in the specified order relating to default in deduction or collection of tax at source, shall refer to the amount on which tax has not been deducted or collected in accordance with the Act.

(iii) the “**specified conditions**” in relation to a person who opts for dispute resolution under section 245MA of the Act, means a person in respect of whom:—

- (A) the conditions mentioned in sub-clause (I) of clause (a) of the *Explanation* to the section 245MA of the Act are satisfied;
- (B) proceedings under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015) have not been initiated for the assessment year for which resolution of dispute is sought.

(iv) the “**specified person**” for the purposes of section 245MA of the Act shall be a person who fulfills the specified conditions.

3. In the principal rules, in the Appendix-II, after Form No.34BB, the following FORM shall be inserted, namely:—