



## The Chamber of Tax Consultants

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To,  
Shri Sushil Chandra  
The Chairman,  
Central Board of Direct Taxes  
North Block,  
Delhi 110001.

3<sup>rd</sup> September, 2018

Respected Sir,

The Chamber of Tax Consultants (CTC), Mumbai was established in 1926. CTC is one of the oldest (about 92 years) voluntary non-profit making organizations in Mumbai formed with the object of educating and updating its members on Tax and other Laws. It has a robust membership strength of about 4000 professionals, comprising Advocates, Chartered Accountants and Tax Practitioners.

The CBDT has released Draft notification F. No. 370142/10/2018- TPL proposing an amendment to the Income tax Rules for making the process of issue of certificate for no deduction, lower deduction and collection of tax electronic and has invited suggestions on the proposed amendments to Rules 28, 28AA, 28AB, 37G, 37H and form 13.

We submit our suggestions as under:

We appreciate the effort to encourage making of applications online and also restricting the filing of data to the minimal.

### Recommendations

1. A separate protocol for online processing of applications may be laid down and made public for fast track clearance – for deductors wherein the application is repeated every year - for e.g. Trusts with a regular track record of expenditure on Charitable or Religious objects, a deductor having similar contract regularly as in the past.

2. Rule 28AA(2)(ii) – the proposal is to look at the tax payable for the last 4 years instead of 3 years. It is suggested that the period should actually be reduced to 2 years. In a dynamic situation, information related for 3 or 4 years may have no relevance to the current situation. The purpose of the same would be to evaluate whether a lower rate of deduction is justified and the same may be evaluated based on a reasonable past.
3. In part (vi) of Form 13 , the Clause related to Wealth tax payable may kindly be removed since it is irrelevant.
4. Issue of certificate is delayed because of the outstanding demands on the TRACES as well as on portal of CPC. The demands are not cancelled or reduced as the grievances (rectification, pending appeal effect, etc) are pending or solved but, the same are not uploaded by the concerned officer. Despite follow ups, the issues do not get resolved. The assessee should be able to file the submissions online related to the disputed demands. Since the certificate is to be issued for taxes to be paid in future, cases where the assessee has disputed the demand should be considered and should be ignored while issuing the certificate u/s 197. A column may therefore be inserted in the form 13 on whether or not the demand raised and shown on the portal are disputed.
5. In Annexure I – III, the option to modify/alter or add the TAN number should be made available to the assessee – subject to the maximum amount covered by the certificate is the same.

Very often the business with one party in whose name the certificate is issued has reduced and that business is shifted to another existing party or a new party. It becomes very difficult to obtain such certificate every time such a change occurs. The same situation is faced by charitable trusts – where an investment may mature during the year and the new investee may not be know at the beginning of the year itself.

If the maximum limit for which lower rate certificate is issued is maintained then the assesses will not have to file the application again. The assessee who obtains a certificate for a sum not exceeding Rs. XYZ, must be obliged to give the certificate number to the deductor who will mention it in his TDS Statements. This will make the process simpler and the total amount can be matched from the statement of TDS submitted by the deductors.

6. Nil deduction certificate is not being issued to Individuals / HUFs citing that the system does not permit it unless there is a positive amount of deduction. The system may kindly be amended to this effect to allow to issue Nil deduction certificates in deserving cases.

Thanking you in anticipation,

Sincerely,

Sd/-

CA Hinesh Doshi

President

Chamber of Tax Consultants

Sd/-

CA Mahendra Sanghvi

Chairman

Laws and Representation Committee

Sd/-

CA Apurva Shah

Co-Chairman