

Finance Act 2020 has introduced Section 285BB to the Income Tax Act, 1961 [the Act]. Section 285BB paves way for an Annual Information Statement [AIS] that shall be uploaded by the prescribed Income Tax Authority in the electronic filing account registered by the assessee at the designated income tax portal.

In consequence of this, the Central Board of Direct Taxes [CBDT] has notified Income Tax (11<sup>th</sup> Amendment) Rules, 2020 with effect from 01<sup>st</sup> June 2020. The recently notified rules have called for insertion of Rule 114-I to the Income Tax Rules, 1962. As per this rule, the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) or any person authorised by him shall, shall upload the following information in Form No. 26AS which is in his possession, within three months from the end of the month in which the information is received by him:

1.	Information relating to tax deducted or collected at source
2.	Information relating to specified financial transaction
3.	Information relating to payment of taxes
4.	Information relating to demand and refund
5.	Information relating to pending proceedings
6.	Information relating to completed proceedings

Further the CBDT has also given powers to the Tax Officers to include and upload the additional information received from any officer/ authority performing any function under any law or the information received under an agreement referred to in section 90 or section 90A of the Income-tax Act,1961 [DTAA or Tax Treaty] or the information received from any other person to the extent as it may deem fit in the interest of the revenue in the annual information statement.

**Analysis:**

**1. Information relating to TDS/TCS, payment of taxes, refunds issued, and demand adjusted:**

Such information was already being provided by the erstwhile Form 26AS. Therefore, such information shall be continued to be provided by the New Form 26AS also.

**2. Information relating to Specified financial Transactions:**

Under Section 285BA, 'specified persons' (like banks, registrar/ sub-registrars/ mutual funds/ postmaster general, companies issuing shares/ debentures, Authorised Persons under FEMA, etc.) are required to report the nature and value of transactions of their account holders if they are in excess of the thresholds provided under Rule 114E (Refer Annexure 1 for the nature and value of specified financial transaction). Currently, such information is being captured by the Income Tax Authorities by way of 'Specified Financial Transactions and Reportable Account' under section 285BA.

With the newly notified rules, such information shall also be incorporated by the new Form 26AS.

### 3. Information relating to pending/ completed proceedings:

Currently, the information relating to pending and completed proceedings is being provided at income tax e-filing portal by way of a separate 'e-Proceedings' tab. Similarly, the details of the outstanding demand are provided under the tab 'Worklist'.

Now, with the advent of new Form 26AS, such information shall also be provided under the single statement in Form 26AS.

Therefore, it can be seen that since the entire information relating to such diverse nature will be available at the single platform, it will benefit both the taxpayers as well as the tax authorities in assessing taxpayer's profile and bring better flow of information between them. Further, with all the information/details available at one place, it will also assist tax authorities doing e-Assessment.

**Contact Us:**

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**Delhi**  
A-15, Second Floor, Hauz Khas, New Delhi - 110016  
(India)  
Ph: +91,011 41655801, 41655802  
Fax: +91 11 26567540

<p style="text-align: center;"><b>Bangalore</b> No 605, Second Floor, 62nd Cross, 5th Block, Rajajinagar, Bangalore Karnataka - 560010 (India) Ph: +91 80 42064178</p>	<p style="text-align: center;"><b>Pune</b> Flat No- 2A, Gangotri Complex, Near Geeta Society, Camp, Pune 411001 (India) Ph: +91 020 30492191</p>
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E-mail: [snr@snr.company](mailto:snr@snr.company)  
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