F.No. DGIT(S)/CPC(TDS)/NOTIFICATION/2016-17
Government of India
Ministry of Finance
Central Board of Direct Taxes
Directorate of Income-tax(Systems)
New Delhi.

Notification No. 12 /2016

New Delhi, 8th December, 2016

Subject: – Procedure for the purposes of furnishing and verification of Form 27BA for removing of default of Short Collection and/or Non Collection of Tax at Source - Reg.

1. As per first proviso to sub-section (6A) of section 206C of Income-tax Act, 1961, any person, other than a person referred to in sub-section (1D), responsible for collecting tax in accordance with the provisions of this section, who fails to collect the whole or any part of the tax on the amount received from a buyer or licensee or lessee or on the amount debited to the account of the buyer or licensee or lessee shall not be deemed to be an assessee in default in respect of such tax if such buyer or licensee or lessee—

   (*i*) has furnished his return of income under section 139;

   (*ii*) has taken into account such amount for computing income in such return of income; and

   (*iii*) has paid the tax due on the income declared by him in such return of income,

   and the person furnishes a certificate to this effect from an accountant in such form as may be prescribed.

2. As per sub-rule (1) of Rule 37J of Income-tax Rules, 1962, the certificate from an accountant under the first proviso to sub-section (6A) of section 206C shall be furnished in Form 27BA to the Director General of Income-tax (Systems) or the person authorised by the Director General of Income-tax (Systems) in accordance with the procedures, formats and standards specified under sub-rule (2), and verified in accordance with the procedures, formats and standards specified under sub-rule (2).

3. In exercise of the powers delegated by the Central Board of Direct Taxes (Board) under sub-rule (2) of Rule 37J of Income-tax Rules, 1962 the Principal Director General of Income-tax(Systems) hereby authorizes the Income-tax authorities mentioned at Col. No. 1 to receive the form-type mentioned in Col. No. 2 to be filed in the mode specified at Col. No. 3 for the assessment years mentioned at Col. No. 4 and pertinent to defaults under Sections of the Act mentioned at Col. No. 5:

1	2	3	4	5
Authorised A.O.	Form Type	Mode of furnishing Form	A.Y.	To be used exclusively for defaults under Section
Field Assessing Officer(TDS)[1]	27BA	Paper	Up to & including 2016-17	206(6A)
CPC-TDS	27BA	Electronic[2]	Up to & including 2016-17	206CB
CPC-TDS	27BA	Electronic[2]	Including & from 2017-18	206CB and/or 206(6A)

[1] The AO should ensure that interest on non-collection of the whole or any part of the tax or failure in payment after collection as required by or under this Act shall be paid before furnishing the statement in accordance with the provisions of the Act.

[2] Furnishing of Form 27BA in electronic shall be enabled with effect from 15.01.2017.

4. The procedure for electronic filing of Form 27BA is as follows:

    1.1 <u>Role of Collector:</u>

STEPS	PLACE OF ACTION	ACTION
1	TRACES Portal	**<u>Get Details of Short Collection</u>**: Collector needs to submit request to get details of short collection.
2.	TRACES Portal	**<u>Enter No Collection transactions</u>**: Collector needs to enter details of Non-Collection transaction at TRACES, if any and submit transaction details at TRACES in the rows provided for this purpose.
3.	TRACES Portal	**<u>Submit Request</u>**: On submitting request, a Unique Request Number will be generated for further reference. The Short- Collection and/or Non- Collection request so submitted will be processed by TRACES and the successful transaction will be displayed to the Collector after certain time. A unique DIN[3] will be generated by TDSCPC for unique Short Collection transaction. Similarly a unique Alpha-Numeric String (combination of TAN, PAN and F.Y.) will be generated for No- Collection transaction. Both of these unique numbers and strings will be displayed after successful processing by TRACES. These unique DINs and Alpha-Numeric Strings will be communicated electronically to E-Filing Portal and available for further action by Collector.
4.	Offline	The Collector will communicate the DINs and/or Alpha-Numeric Strings generated in step no. 3 for each of the Short- Collection and/or Non- Collection transactions to the accountant identified for certifying Annexure A and obtain the membership no. of such accountant to be used in step no. 5.
5.	E-Filing Portal (Login as Collector)	**<u>Locate DIN on which Form 27BA effect is to be given</u>**: Locate and select relevant DIN in menu driven option for which request for Form 27BA is to be submitted. **<u>Locate No Deduction Transactions on which Form 27BA effect is to be given</u>**: Locate and select No- Collection transaction for which request for Form 27BA is to be submitted.
6.	E-Filing Portal	**<u>Authorize Membership Number of Accountant</u>**[4]: Collector, after ascertaining the membership number of the accountant who is to certify Annexure A of Form 27BA, needs to authorize such accountant by entering his membership number in respect of each of the Short- Collection and Non- Collection transactions(in one or more sessions) and submit these authorizations.
7.	E-Filing Portal	**<u>Certification from Authorized Accountant</u>**: On successful authorization by Collector, the Accountant so authorized on E-Filing Portal may fill in the relevant details in Annexure A to Form 27BA with respect to the Buyer in question and certify by digitally signing Annexure A. The details of unique DINs and Alpha-Numeric Strings will become visible to the authorized accountant(when he logs into his own account as a registered accountant on E-Filing Portal) only when Collector has authorized such an accountant with respect to any Short- Collection and/or Non- Collection transaction.
8.	E-Filing Portal	**<u>Submit Digitally signed Form 27BA</u>**: Once registered Accountant/Accountants certify DINs and/or Alpha-Numeric Strings, Collector needs to digitally sign the form and submit its final request. Consequently, these submitted records will be shared with the FAOs concerned.
9.	TRACES Portal	**<u>View Modified Status of default</u>**: Once request has been processed, short Collection will be re-calculated and Late Collection Interest will be generated

		accordingly, which can be viewed by Collector.
10.	NSDL\TRACES Portal	**Make payment for Modified Late Collection Interest:** Collector needs to pay Late Collection Interest amount, according to the modified computation.

[3] DIN is unique identification number of single buyer row.

[4] Accountant shall have meaning assigned to it in the Explanation to sub-section (2) of section 288 of the I.T. Act, 1961.

4.2 Role of Accountant at E-Filing:

1. Accountant has to get himself registered at E-Filing Portal and share his membership number with the collector desiring to authorize him with respect to Short- Collection and/or Non- Collection.
2. Receive DINs and/or Alpha-Numeric Strings with respect to each of the Short- Collection and/or Non- Collection from the Collector.
3. After being so authorized by Collector and upon receiving DINs and/or Alpha-Numeric Strings from Collector; login to E- Fling Portal with Accountant credentials.
4. Use DINs and/or Alpha-Numeric Strings to identify the buyer rows which are to be verified.
5. Complete Annexure A to Form 27BA with respect to the concerned Buyer.
6. Submit the Annexure A so completed by digitally signing it.

4.3 Role of e-filing:

For Collector	Validations	TRACES
1.Provide view of Short- Collection and/or Non- Collection transactions to Collector as communicated to E-Filing Portal electronically by CPC-TDS.	**Check mandatory Compliance:** ITR of buyer(PAN) should have been filed u/s 139 and no demand should be payable at the time of assessment.	Share digitally signed Form 27BA with CPC-TDS.
2.Allow Collector to locate and select Short- Collection and/or Non-Collection transactions and authorize Accountant(s) with respect to each of these transactions by entering membership number of Accountant(s).		
3.Allow Accountants so authorized to view Annexure A to Form 27BA on the basis of DIN and/or Alpha-Numeric String; complete the Annexure; and submit it by digitally signing it.		
4. Allow Collector to view Form 27BA including Annexure A to Form 27BA so submitted by authorized Accountant(s) and submit this Form 27BA by digitally signing it.		

4.4 Role of TRACES:

For Collector	Backend Processing
1. Display identified Short- Collection transactions for viewing of Collector.	**Processing the request:** Once Collector submits request of Form 27BA, TDSCPC will reprocess the statement and Short Collection will be modified.
2. Provide option of adding Non-Collection transactions to Collector.	

3. Provide DIN and/or Alpha-Numeric String for each transaction after submission by Collector as per Step 3 of Para 4.1.	
4. Display updated status of submitted Form 27BA as received from E-Filing Portal.	

(Ps. Thuingaleng)
Dy. Commissioner of Income Tax (CPC-TDS)
O/o The Pr. Director General of Income-tax (Systems)

Copy for kind information to:

1. PPS to the Chairman and all Members, CBDT, North Block New Delhi.
2. All Pr. Chief Commissioners/ Pr.Director Generals of Income-tax/ Chief Commissioners of Income-tax /Pr. Commissioners of Income-tax/ Commissioners of Income-tax / Commissioners of Income-tax(TDS) – with a request to circulate amongst all officers in their regions/charges.
3. JS(TPL)-I&II / Media coordinator and Oficial spokesperson of CBDT.
4. ADG(IT)/ADG(Audit)/ ADG (Vig.)/ ADG (Systems) 1,2,3,4,5 /ADG(TPS) 1,2/CIT(CPC-ITR)/ Bangalore,CIT(CPC-TDS) Ghaziabad
5. ADG (PR, PP &OL) with a request for advertisement campaign for the notification.
6. TPL and ITA Divisions of CBDT
7. The Institution of Chartered Accountant of India, IP Estate, New Delhi.
8. The Web Manager, 'incometaxindia.gov.in' for hosting on the website.
9. Database cell for uploading on www.irsofficersonline.gov.in and in DGIT(Systems) corner.
10. ITBA publisher for uploading on ITBA Portal

(Ps. Thuingaleng)
Dy. Commissioner of Income Tax (CPC-TDS)
O/o The Pr. Director General of Income-tax (Systems)

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