

F.NO.404/72/93-ITCC
(FTS:284146)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 31st July, 2017

OFFICE MEMORANDUM

Subject: Partial modification of Instruction No. 1914 dated 21.3.1996 to provide for guidelines for stay of demand at the first appeal stage.

Reference : Board's O.M. of even number dated 29.2.2016.

Instruction No. 1914 dated 21.3.1996 contains guidelines issued by the Board regarding procedure to be followed for recovery of outstanding demand, including procedure for grant of stay of demand.

Vide O.M. NO.404/72/93-ITCC dated 29.2.2016. revised guidelines were issued in partial modification of Instruction No 1914, wherein. inter alia, vide para 4 (A) it had been laid down that in a case where the outstanding demand is disputed before CIT(A), the Assessing Officer shall grant stay of demand till disposal of first appeal on payment of 15% of the disputed demand. unless the case falls in the category discussed in para (B) there under Similar references to the standard rate of 15% have also been made in succeeding paragraphs therein.

The matter has been reviewed by the Board in the light of feedback received from field authorities. In view of the Board's efforts to contain over pitched assessments through several measures resulting in fairer and more reasonable assessment orders, the standard rate of 15% of the disputed demand is found to be on the lower side. Accordingly, it has been decided that the standard rate prescribed in O.M. dated 29.2.2016 be revised to 20% of the disputed demand, where the demand is contested before CIT(A). Thus, all references to 15% of the disputed demand in the aforesaid O.M dated 29.2.2016 hereby stand modified to 20% of the disputed demand Other guidelines contained in the O.M. dated 29.2.2016 shall remain unchanged.

These modifications may be immediately brought to the notice of all officers working in your jurisdiction for proper compliance.

Amitabhendu Malhotra

31/7/17
(A.K. Sinha)

Director (ITCC)

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All Pr. Chief Commissioners/ Pr. Directors General of Income Tax/ Chief Commissioners/ Directors General of Income Tax

Copy to:

1. Chairman and all Members of CBDT.
2. All Joint Secretaries and Commissioners in CBDT.
3. Pr. DGIT(Systems), Pr. DGIT(NADT) and Pr. DGIT(Admn.).
4. Additional Directors General (Recovery) and (PR, P&P).
5. Web Managers of irsofficersonline.gov.in and incometaxindia.gov.in for placing on the respective portals.
6. Office of Comptroller & Auditor General of India (30 copies).