

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes (ITA.II)**

North Block, New Delhi, the 12th of July, 2019

Subject: Issues in respect of payment of third installment under the Income Declaration Scheme, 2016- clarification on certain procedural issues under section 195 of the Income Disclosure Scheme, 2016 read with section 119 of the Income-tax Act, 1961-reg.-

Under the Income Declaration Scheme, 2016 (IDS), declarants were required to pay their determined liability towards tax, surcharge and penalty pertaining to the third installment as per the Form-2 issued by the Pr. CIT/CIT, by 30th September, 2017. In this regard, several references have been filed by the stakeholders with the Central Board of Direct Taxes (the Board) regarding difficulties faced by the declarants while effecting payment of third installment of IDS around 30th September, 2017 due to closure of banks on account of holidays due to which they couldn't effect payment of third installment within the stipulated time. Hence, a request has been made to the Board under section 119 of the Income-tax Act, 1961 (Act) read with section 195 of the IDS to grant appropriate relief in such cases.

2. Bank Holidays towards the due-date for the third installment: A clarification has been sought by the stakeholders regarding the third installment stating that since 30th September, 2017 was a closed national holiday, whether the payments effected or completed on next working day of the banks would be treated as an on-time payment of the statutory liability towards the third installment. It is seen that 1st October, 2017 & 2nd October, 2017 were also closed bank holidays, therefore, regular banking transactions could take place only on 3rd October, 2017 after 30th September, 2017. Therefore, in accordance with provisions of **section 10 of the General Clauses Act, 1897**, the Board hereby directs that all payments made/effectuated by the declarants on 3rd October, 2017 shall also be deemed to have been paid by the due date for the third installment i.e. 30th September, 2017.

3. Delayed credit by the Bank while payment was tendered by the declarant in a timely manner: In some of the references, it is stated that payment through cheque, RTGS, electronic transfer etc. towards payment of liability was tendered in the bank on or before 30th September, 2017. However, on bank's endorsement, the date is mentioned after 30th September, 2017, which could render these declarations void. The genuine hardship of the declarants on account of procedural/technical issues with the banks has been considered. It has been decided that payments effected through cheque/RTGS/electronic transfer by the declarant by 3rd of October, 2017 (the deemed extended date for the third installment as per para 2 above) which were credited by the banks till 5th October, 2017 shall be deemed to have been paid by 30th September, 2017. In this regard, the concerned Pr. CIT/CIT shall furnish a report to the Pr. DGIT (Systems) after necessary verification; to treat such payments to have been paid by the due date for the third installment i.e. 30th September, 2017.

4. All actions which are to be completed as a consequence of this order either by the declarants or the departmental authorities are to be completed, by 31st August, 2019.

5. Hindi version to follow.

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(Rajarajeswari R.)
Under Secretary to Government of India

(F.No. 225/282/2017-ITA.II)

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