

F.No. 285/90/2013 IT(Inv.V) / 212
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Direct Taxes)

E-2, ARA Centre, Jhandewalan Extn.,
New Delhi-110055.

Dated: 04th September, 2015

To

All Pr.CCsIT/CCsIT/Pr.DGsIT/DGsIT

Sir/Madam,

Subject: Guidelines for Compounding of Offences under Income Tax Act, 1961/Wealth tax Act, 1957 in cases of persons holding undisclosed foreign bank accounts/assets –reg.

Doubts have been expressed by the field formation as to whether offences relating to undisclosed foreign bank accounts/assets could be compounded as per the extant guidelines of the Board dated 23.12.2014. The matter has been examined in consultation with the Special Investigation Team (SIT).

2. In this regard, the undersigned is directed to convey the following:

- (i) Such cases can be compounded only after filing the Prosecution complaint(s) and shall not be compounded at the stage of show cause notice and/or without filing the complaint in the court.
- (ii) The cases in which the assessee has not admitted the foreign bank account(s)/assets and/or has not cooperated with the Department in the assessment, penalty & recovery proceedings shall not be compounded.
- (iii) The cases in which the assessee has admitted accounts/assets either fully (all accounts with which he is associated) or partially (only a few accounts out of all accounts with which he is associated), paid taxes and penalty and cooperated with the Department may be considered for compounding as per the guidelines dated 23.12.2014, only after filing the complaints.

3. This clarification is issued in continuation to the Board's guidelines for compounding of offences dated 23.12.2014. The Pr.CCsIT/CCsIT/Pr.DGsIT/DGsIT are requested to circulate the same among all the officers of their region for necessary action.

4. It is clarified that there is no provision for compounding of offences under the newly enacted Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. Consequently, the above clarifications will not apply to cases coming under the purview of this Act.

Yours faithfully,



(Rajat Mittal)

Under Secretary (Inv.V),
CBDT, New Delhi