



## How do I face Faceless Assessment?

Faceless Assessment is one of the biggest Direct Tax reforms in India based on key principles of Efficiency, Transparency and Accountability. Income-tax Department has brought about a paradigm shift in building the future with technology, by pioneering an ecosystem of assessments and appeals founded on Data and Artificial Intelligence(AI). Faceless Assessment is transforming direct tax administration in India.

## Salient features of the Faceless Assessment Provisions are:

- Use of technology for selection of cases for scrutiny using data analytics, Artificial Intelligence and risk assessment tools.
- Abolition of territorial jurisdiction: Return of a taxpayer from one city would be scrutinized anonymously by Assessment Unit(AU) in another city.
- Automated random allocation of cases to Assessment Units through computer.
- Centralized issuance of notices using unique **Document Identification Number (DIN)** through electronic modes.
- No human interface and no requirement to visit the Income Tax Office.
- All responses are to be submitted electronically.
- Team-based assessments and team-based review.
- Functional Specialization for specific parts of assessment by different specialized units.
- Only a single point of faceless contact between the taxpayer and the Department.
- Detailed 'Show Cause Notice', stating the points of variation prejudicial to the taxpayer in a standard format shall be provided to taxpayer for response before finalization of the assessment order.
- Dynamic Jurisdiction: Taxpayer based in one city, assessment order is drafted in a different city, review of assessment is done in yet another city.

Centralized issuance of notices using unique **Document Identification Number (DIN)** through electronic modes



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- Ease of tax compliance through exclusive electronic communication and no requirement of personal presence.
- Provision of personal hearing through video conferencing (VC) on request of taxpayer.
  - ▲ No human interface
  - ▲ Expeditious disposal of cases
  - ▲ Ease of compliance for taxpayers
  - ▲ Transparency and efficiency
  - ▲ Functional specialization
  - ▲ Improvement in quality of assessment

## How would you know that your case has been picked up for faceless assessment?

You will receive notice under section 143(2) of the Income-tax Act, digitally signed by Assessment Unit, in your registered account with e-filing ([www.efilingindia.gov.in](http://www.efilingindia.gov.in)) followed by a real time alert in the form of sms and email.

You will also receive an intimation from the National Faceless Assessment Centre (NaFAC) that assessment in your case shall be completed in a faceless manner as per section 144B of the Income tax Act.

## What should you do then?

- a. You should log in to your e-filing account on the portal:  
<https://www.incometaxindiaefiling.gov.in/home>.
- b. You are required to file your response to notice issued u/S 143(2). You should provide a comprehensive reply, as per the date and time specified in the notice, on the issues mentioned in the notice.
- c. Reply to notice is to be filed through your e-filing account only.

## What happens after I file my reply to the notice u/s 143(2)?

- a. If the Assessment Unit (AU) is satisfied with your reply, it will prepare an Income and Loss Determination Proposal (ILDLP), which will be subjected to a computer-run Risk Management Strategy (RMS) tool. RMS identifies cases that need to be reviewed by the Review Unit (RU). If there is

no review or if after review by RU there are no modifications, then a final assessment order shall be received by you.

- b. If the AU requires further information, then you will receive a notice u/s 142(1) of the Income-tax Act, along with a questionnaire in your e-filing account and also on your registered email id along with a real time sms alert. Please file reply to the questionnaire along with supporting documents wherever required or sought. If you want to seek adjournment, you may do so through the facility available in your e-filing account.

Faceless Assessment efficiency, transparency and accountability



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- c. If the AU is not satisfied with the reply, it shall issue a Show Cause Notice (SCN) to you before proposing any variation prejudicial to your interest in the assessment of your income. The SCN will clearly state the points of proposed variation. You need to file your reply to the SCN within the due date. Thereafter, you may request personal hearing through video conferencing (VC) by exercising the option in the e-filing portal. Personal Hearing will be conducted by the AU through VC only.
- d. After considering your reply to the SCN, the AU will prepare an Income and Loss Determination Proposal (ILDLP), which will be subjected to a computer-run Risk Management Strategy (RMS) tool. RMS identifies cases that need to be reviewed by the Review Unit (RU). If there is no Review or if after Review by RU there are no modifications, then a final assessment order shall be received by you.

## What to do if I am not satisfied with the Assessment made?

After completion of assessment, all the digital records in respect of your assessment is transferred to your Jurisdictional Assessing Officer (JAO), who would be responsible for post-assessment work.

If not satisfied with the assessment made by AU, you may