

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

PRESS RELEASE

New Delhi, 18th August, 2016

Subject : The Income Declaration Scheme 2016- Rule amendment and issuance of FAQ

The Income Declaration Scheme, 2016 (the Scheme) provides an opportunity to persons who have not paid full taxes in the past to come forward and declare their undisclosed income and assets. Income Declaration Scheme Rules, 2016 (the Rules) were notified on 19.5.2016. Representations have been received from various stakeholders to provide an option to value the immovable property on the basis of the registered value. After due consideration of the representations, the Rules have been amended to provide that where acquisition of an immovable property is evidenced by a registered deed, an option shall be available with the declarant to declare the fair market value of such property by applying the cost inflation index to stamp duty value of the property.

Further, the fifth set of Frequently Asked Questions (FAQs) providing clarification on various issues under the Scheme has been issued and is available on the official website of the Income Tax Department i.e., www.incometaxindia.gov.in. Some of the important issues clarified therein are as under:

- (i) Where loans, creditors, advances received, share capital, payables etc. are disclosed in the audited balance sheet but are fictitious in nature and cannot be directly linked to acquisition of a particular asset, then such fictitious liabilities can be disclosed under the Scheme as such without linking the same with the investment in any specific asset.
- (ii) The income declared under the Scheme for an earlier assessment year can be taken into account to explain the related transactions of the subsequent assessment years in assessment proceedings pending before the Assessing Officer provided there is a nexus between the two.
- (iii) No adverse action shall be taken against the declarant by FIU or the income-tax department solely on the basis of cash deposits made in banks consequent to the declaration made under the Scheme.
- (iv) The period of holding of assets declared under the Scheme shall be taken on the basis of the actual date of acquisition of such asset and not from 1.6.2016 as clarified earlier.
- (v)

(Meenakshi J Goswami)
Commissioner of Income Tax
(Media and Technical Policy)
Official Spokesperson, CBDT.