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DIRECTORATE OF INCOME-TAX (PR,PP&OL)
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Dated- 17 /11/2016

OFFICE MEMORANDUM

Sub:- Formation of Regional Evaluation Committees for selecting Best Orders/ Practices for the Ninth Volume of "Let Us Share".

The process for compilation of the Ninth Volume of "Let Us Share" commences with the issuance of this Office Memorandum. Wide publicity may be given to the process of selection and timeline so that the departmental officers and officials can participate in the compilation in a big way.

1. FORMATION OF REGIONAL EVALUATION COMMITTEES (REC) :

- (a) The constitution of the Regional Evaluation Committee (REC) is the first step in the process of compilation of "Best Practices and Orders" – Let Us Share – Volume-IX. As per the existing norm, the Regional Evaluation Committee will be constituted by the Cadre Controlling Pr. CCIT with him/her as the convener or any other CCIT nominated by him/her for this purpose. The convener, in turn, can co-opt one Pr. CIT/CIT as Member of the committee alongwith Pr. DIT (Inv.)/DIT(Inv), CIT (DR), CIT(Exemptions) as ex-officio members. The Addl. CIT (Hq.) in the Pr. CCIT office will act as the Member –Secretary of the REC for coordinating with ADG (PR, PP & OL), the nodal agency for the compilation.
- (b) Pr. CCIT (International Taxation) will set up an evaluation committee under him/her and work as the convener of the Regional Evaluation Committee in respect of Transfer Pricing and International Taxation cases & cases adjudicated by the Authority for Advance Ruling. Officers in the Commissionerate of Transfer Pricing and International Taxation will send their orders for evaluation to the office of Pr. CCIT (International Taxation) through their respective Commissioners.
- (c) Pr. DGIT, NADT will set up a Regional Evaluation Committee under him/her and work as the convener of the committee for selecting best practices at NADT and RTIs. Officers of NADT and RTIs will send their best practices to Pr. DGIT, NADT.

2. CATEGORIES UNDER WHICH ENTRIES ARE TO BE SENT:

The officers/officials may be asked to send their entries of orders passed/practices developed during the period from 01.04.2014 to 31.03.2016 to the convener of the REC in the following categories:-

1. Best Practices / Initiatives
2. Assessment Orders including Search & Seizure Assessment Orders.

3. Appellate orders including directions issued by DRP.
4. TDS Orders & Surveys
5. Search & Seizure Actions
6. Surveys including verifications carried out by the DGIT (Intelligence & Criminal Investigation).
7. Miscellaneous Orders including order u/s 263, 273A and any other order not specified elsewhere.
8. Representation before Tribunal & Courts.

The Convener of REC will also send the Status of Cases reported in 'Let Us Share' Vol. I, II, III, IV, V, VI, VII & VIII in respect of the cadre controlling region.

3. BROAD GUIDELINES APPLICABLE TO ALL CATEGORIES:-

- (a) Time period for consideration of orders/practices would be from 01.04.2014 to 31.03.2016 for the LUS, Vol.-IX and for the volume to be released in the year 2018 the period will be from 01.04.2015 to 31.03.2017.
- (b) More weightage should be given to the assessment orders where the relevant issues have been confirmed in the first appeal or where the taxpayer has not appealed against the issue adjudicated.
- (c) Regional Evaluation Committees (RECs), while forwarding the list of selected orders /practices would ensure that a self contained synopsis of not more than 1000 words for each entry, copies of relevant orders / practices, a note on the evaluation process and complete details of the orders / practices received by the Committee are enclosed. For example, for Representation before Tribunals, the orders of the ITAT, the order of the CIT (A) and the assessment order would need to be enclosed in the format of MS Word. The evaluation process will have to clearly spell out the criteria of evaluation and prepare an evaluation sheet containing all the entries received by the REC and scores/marks given to each entry in descending order. The evaluation sheet needs to be attached with the recommendation of REC. Incomplete submissions would not be forwarded to the National Evaluation Committee (NEC).
- (d) Regional Committees would also ensure that all the names, phone numbers (mobile and land line and email ids of the officers and officials associated with the orders/practices are correctly listed out in the synopsis. The full name & designation at the time of the passing the order etc. and as on date.
- (e) The focus would continue to be on an issue rather than the complete order. RECs should not forward routine cases and select cases of significance and of value for knowledge sharing.
- (f) Soft copy of the note along with the complete order would have to be forwarded and no hard copy would be entertained. The entries for consideration of National Evaluation Committee may be mailed to directorateofincometax@gmail.com or letusshare@incometax.gov.in.

- (g) As far as orders passed/practices initiated by officers working at NADT and DTRTIs are concerned, these may be sent through Pr. DGIT (NADT).
- (h) If an issue now submitted by an officer was originally adjudicated by a predecessor in earlier years, a copy of such order must invariably be attached, so that original contribution by the predecessor can also be acknowledged.
- (i) The Best practices initiated by all Directorates are to be sent directly to Addl. Director General of Income tax (PR, PP & OL) without routing them through the Regional Evaluation Committees, at the e-mail ID directorateofincometax@gmail.com or letusshare@incometax.gov.in.
- (j) The compilation process at the level of Pr. CCIT (CCA), the Convener of the REC, needs to be on continuous basis for timely publication of the compilation so that the same is released preferably during the Annual CCIT/DGIT Conference. A reporting mechanism needs to be put in place for regularly collecting best practices / initiatives and orders in the Pr. CCIT region by issuing appropriate instructions by the Pr. CCIT.

To facilitate the process, the office of Additional Commissioner of Income-Tax (Hq.) in the office of the Pr. CCIT is to be made the permanent secretariat of the REC with the Addl. CIT (Hq.) being the ex-officio Member-Secretary. He/She may keep on receiving copies of good orders throughout the year from officers & put them up before the REC in every quarter. .

4. CRITERIA FOR SELECTION OF ENTRIES UNDER VARIOUS CATEGORIES :

The following criteria, which are only illustrative in nature, may be considered by the Regional Committees for evaluating the entries under various categories:

- I. Criteria for selecting entries under the caption (a) Assessment Orders (b) Appellate Orders including directions issued by DRP & (c) Miscellaneous Orders (order u/s 263 and any other order not specified elsewhere).
 - Only assessment orders where relevant issues have been confirmed in the first appeal or where the taxpayer has not appealed against the issue will be considered.
 - Deliberation of an issue resulting in raising of additional demand of Rs. 20 Lakh in Non-Corporate charges and Rs. 50 Lakh in Corporate charges. The criterion may be suitably modified taking into account the nature of cases in a given jurisdiction.
 - Orders which have been passed by A.O., TPO, CIT (A), CIT/CCIT during the period 01.04.2014 to 31.03.2016.
 - As per para 3 of Board's instruction no. 6 of 2014 dated 02/09/2014 and para 3 of Board's instruction no. 8 of 2015 dated 31/08/2015, in order to ensure the quality of assessment being framed, Pr. CCIT/CCIT/Pr. DGIT/DGIT should evolve a suitable monitoring mechanism and by 30th April, such authorities shall send a report to respective Zonal Members with a copy to Member (IT) containing

details of at least 50 quality assessment orders from their respective charges. In this regard, the income tax authorities concerned must ensure that cases selected for publication in 'Let Us Share' are picked up only from the quality assessments as reported.

In view of the above, the respective Appraisal Committees constituted for 'Let Us Share' may examine the source material for Group I (Assessment Orders) and Group-II (International Taxation Orders) with reference to the criteria for evaluation of best assessment orders and cases fulfilling the criteria.

- Speaking orders having the following attributes:
 - (a) Relevant facts have been properly marshaled;
 - (b) Taxpayer's submission have been properly incorporated;
 - (c) Reasoned decisions have been taken considering the facts of the case, assessee's submissions and by proper appreciation of the relevant provisions of the Act and judicial pronouncements;
 - (d) Path-breaking interpretation to a legal issue having wider ramifications;
 - (e) Initiatives and investigation skills of the Assessing Officer;
 - (f) All orders confirmed by the CIT (A) and the ITAT during the period from 01.04.2014 to 31.03.2016 should be compulsorily sent for evaluation to the Regional Evaluation Committee if the monetary limits are satisfied;
 - (g) All the miscellaneous orders (like order u/s 263 etc.) which conform to the monetary limits.

II Criteria for inclusion of (a) Best search & seizure actions, (b) Survey operations and verifications carried out by the DGIT (Intelligence & Criminal Investigation)

- (a) Search, Seizure and Survey including verifications carried out by I&CI during the period 01.04.2014 to 31.03.2016;
- (b) New line of economic activity exposed;
- (c) Ingenuity in gathering of information and identification of modus operandi (pre-search);
- (d) Unearthing of such activity which involves more than one assessee in tax net having wider ramifications as it exposes not so well known activities;
- (e) Promptness of actions taken during the course of search regarding connected persons;
- (f) Detection of new mode of concealment of assets;
- (g) Quantum of undisclosed income detected not being less than Rs. 1 Crore in case of search/surveys (the criteria may be suitably modified in cases of Jurisdictions having smaller cases);
- (h) Post search investigation to confirm the concealment detected;
- (i) Tax paid by the assessee as a result of search/survey operation.

RECs while forwarding the synopsis in Search & Seizure cases will ensure that these are vetted by the concerned Addl. DIT/DIT (Inv.).

III The following criteria may be considered by the committee for selecting (a) Best TDS Surveys and orders for inclusion in the Compilation.

- (a) Surveys Operations conducted during 01.04.2014 to 31.03.2016.
- (b) New Line of economic activity detected.
- (c) Ingenuity in gathering of information and identification of the modus operandi.
- (d) Identification of issues having wider ramifications.
- (e) Tax effect of Rs. 50 Lakhs or more. The criterion may be suitably modified taking into account the nature of cases in a given jurisdiction.
- (f) Criteria relating to Best orders would apply for orders under this category as well.

IV The following criteria may be considered by the committee for selecting Best Practices for inclusion in the Ninth Volume of "Let Us Share". A brief note must be attached of not more than 1000 words detailing the problems faced prompting initiation of the practice and discussing the impact after bringing about the new practice.

- (a) Best practices implemented during the period 01.04.2014 to 31.03.2016.
- (b) New practice resulting in substantial efficiency in work and adding value.
- (c) Resulting in reduction of expenses.
- (d) Reducing grievances of taxpayers and work force.
- (e) Possibility of replication elsewhere.

V The following criteria may be considered by the committee for selecting Best representation before various authorities for inclusion in the Compilation.

- (a) Representation made during the period 01.04.2014 to 31.03.2016.
- (b) Putting up the facts of the case, relevant judicial pronouncements and effectively meeting the points raised by the taxpayers' representatives.
- (c) Affording excellent support to the departmental counsel in the High Court/Supreme Court / ITAT.
- (d) Orders upheld by the Supreme Court / High Court / ITAT.
- (e) In exceptional cases where issues have been adjudicated in an outstanding manner which have wider ramifications can be considered by the Committee even if the above mentioned criteria are not fully satisfied.

Order forming basis of the appeal & the order passed by the higher judicial authority on the basis of the representation must be enclosed.

VI GRADING OF BEST ORDERS/PRACTICES/REPRESENTATIONS:

For selecting the final orders/practices/representations for inclusion in the Eighth volume of 'Let Us Share' the Committees will grade the order/ practices/ representations. Scores are to be assigned to the orders/ practices/representations in the scale of 1 to 10 by each of the members for each of the criteria. Maximum score of 10 can be given as the best grade for a particular criterion decided by the Committee. The Committee may also consider assigning higher weightage to the central issues in the orders/practices/ representations which have wider ramifications while calculating the total grades. The sum total of scores for all the criteria given by all the members will decide the rank of a particular order/ practice/representations.

5. TIMELINES FOR EVALUATION COMMITTEES/EDITORIAL BOARD:

The following timelines may be strictly followed by the Evaluation Committees/ Editorial Board to ensure timely release of 'Let Us Share Vol. IX: -

S No	Action Points	Proposed Dates
1.	Formation of RECs	By 02/12/2016
2.	Intimation to ADG (PR,PP&OL) regarding the formation of RECs mentioning the names & designations of all the members and Member Secretary and contact details (phone numbers - mobile & land line and email id) (within 5 days in case of change in constitution)	By 09/12/2016
3.	Submission of orders / practices by officers/ officials to the RECs (for the orders passed/practices adopted during the period from 01.04.2014 to 31.03.2016)	By 23/12/2016
4.	Evaluation by RECs	By 17/02/2017
5.	Forwarding of the selected entries by RECs to ADG (PR,PP&OL)	By 27/02/2017
6.	Forwarding of selected entries by ADG (PR,PP&OL) to NECs	By 06/03/2017
7.	Evaluation by NECs and submission of selected cases/practices to ADG (PR,PP&OL)	By 24/03/2017
8.	Forwarding of the selected cases by ADG (PR,PP&OL) to the Editorial Board	By 31/03/2017
9.	Finalization of the content by the Editorial Board	By 14/04/2017
10.	Finalization of cover design, technical specification by Editorial Board	By 21/04/2017
11.	Compilation ready for printing handed over to approved printer	By 05/05/2017

5.1 The formation of RECs and timely evaluation by RECs is critical as the work of NECs can start only when the evaluation by RECs is completed and respective entries are forwarded to the NECs.

5.2 Similarly, timely evaluation by NECs is imperative as the work of Editorial Board will commence once the NECs complete their evaluation and entries are forwarded to the Editorial Board. Hence, it is requested that time limitations must be strictly adhered to.

This issues with the approval of Member (R & TPS), CBDT.



(Surabhi Ahluwalia)

ADG (PR, PP & OL), New Delhi