



KAMARAJ IAS ACADEMY
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Central Board of Direct Tax

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Why is in news? CBDT makes some offenses under Income Tax Act compoundable

- CBDT has issued **Revised Guidelines for compounding of offences under the Income-tax Act, 1961.**
- CBDT has taken this step in conformity with the Government's policy of **facilitating Ease of Doing Business and decriminalisation of offences.**
- Some of the major changes made for the benefit of taxpayers include making offence punishable **under Section 276 of the Act as compoundable.**
- The scope of eligibility for compounding of cases has been relaxed where case of an applicant who has been convicted with imprisonment for less than 2 years being previously non-compoundable, has now been made compoundable.
- The discretion available with the competent authority has also been suitably restricted.
- The time limit for acceptance of compounding applications has been relaxed from the earlier limit of 24 months to 36 months now, from the date of filing of complaint.
- Procedural complexities have also been simplified.
- **Compoundable offences** are those that can be compromised, i.e. the complainant can agree to take back the charges levied against the accused, whereas, **non - compoundable offences** are the more serious offences in which the parties cannot compromise
- The Central Board of Direct Taxes (CBDT) is a **part of Department of Revenue**, Ministry of Finance, is a **statutory authority.**
- Central Board of Revenue bifurcated and a separate Board for Direct Taxes known as **Central Board of Direct Taxes (CBDT)** constituted **under the Central Board of Revenue Act, 1963.**
- CBDT provides essential inputs for **policy and planning of direct taxes in India**, at the same time it is **also responsible for administration of direct tax laws** through the Income Tax Department.
- The officials of the Board in their ex-officio capacity also function as a Division of the Ministry dealing with matters relating to levy and collection of direct taxes.

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