

## **CBDT pushes for quick data sharing**

Updated: 02 May 2022, 01:10 AM IST

The income tax department has directed its officials to respond to all queries from investigating agencies within 15 days of getting a request.

The move is part of an action plan that aims to foster closer cooperation between agencies such as the Central Bureau of Investigation (CBI), the police, the Enforcement Directorate (ED), the Securities and Exchange Board of India, and the Serious Fraud Investigation Office (SFIO). The goal is to ensure stricter enforcement.

The department also asked income tax officers to identify cases where seized assets were due for release and complete the process by 30 June.

Every year, the Central Board of Direct Taxes (CBDT) releases a central action plan (CAP) directing tax officials on targets and deliverables for the year ahead. The interim action plan is rolled out in April before the CAP is finalized within a few months. According to the interim action plan, all information submission requests pending as on 31 March 2022 must be submitted by 15 May. All information requests received after 1 April must be submitted within a fortnight. Mint has seen a copy of the action plan.

The Directorate General of Income Tax (Systems) exchanges information with 10 government agencies through the National Intelligence Grid or NATGRID, an integrated intelligence master database. These include the CBI, ED, Directorate of Revenue Intelligence (DRI), Intelligence Bureau (IB), Central Board of Indirect Taxes and Customs (CBIC), and the Directorate General of GST Intelligence (DGGI), among others. The sharing of information is aimed at enabling the agencies to perform their functions under the respective laws.

Data sharing between agencies and departments has become a key tool for the government to detect mismatches and zero-in on transactions that must be investigated. This, along with the push towards the use of digital payments, disincentivising cash usage, and deducting tax at source, have helped boost tax compliance. The prompt sharing of information by the income tax department with other agencies will improve regulatory efficiency and compliance, according to experts.

"Often, law enforcement agencies seek crucial information from the income tax department, which may include information procured from foreign tax counterparts regarding the assets or investment held outside India, material found during search and seizure operations, and details of unaccounted money and money laundering," said Om Rajpurohit, director, corporate and international tax, AMRG & Associates, an accounting firm.

"Strict instructions to provide information within 15 days, where information is sought after 1 April, will help early access to information allowing agencies to act more quickly as an unnecessary delay may not be counterproductive," Rajpurohit said.

**Making Corporate India Comply**

The department, which introduced a new tax return filing portal last year, has issued strict deadlines to field officers to meet various regulatory actions aimed at timely disposal of cases.