

SETTLEMENT COMMISSION

AMENDMENTS BY THE FINANCE (No.2) ACT, 2014

Increase in scope of definition of "Case" in respect of which an assessee can make an application to the Settlement Commission [Section 245A(b)]

Effective from: 1st October, 2014

(i) Section 245A(b) defining a "case" in respect of which an assessee may make an application to the Settlement Commission, specifically excluded from its scope –

- (1) a proceeding for assessment or reassessment or recomputation under section 147;
- (2) a proceeding for making fresh assessment in pursuance of an order under section 254 by the Appellate Tribunal or an order of revision under section 263 or section 264 by Commissioner, setting aside or cancelling an assessment.

(ii) This exclusion has now been removed by the Finance (No.2) Act, 2014. Therefore, the proceedings mentioned in (1) and (2) of (i) above now fall within the definition of "case" in respect of which an assessee can make an application to the Settlement Commission under section 245C.

(iii) The *Explanation* below the definition of case under section 245A(b) specifies the deemed date of commencement of the proceedings which are included in the definition of "case".

(iv) Consequent to inclusion of the proceedings mentioned in (1) and (2) of (i) above in the definition of "Case", the deemed date of commencement of such proceedings have been included in the said *Explanation* below the definition of "Case" under section 245A(b).

Proceeding	Deemed date of commencement
Assessment or reassessment or re-computation under section 147	Date on which notice under section 148 was issued
Fresh assessment in pursuance of an order under section 254 or section 263 or section 264, setting aside or cancelling an assessment	Date on which the order setting aside or cancelling the assessment was passed.

Note – Similar amendment has been made in the definition of "Case" under section 22A(b) of the Wealth-tax Act, 1957. Proceedings for assessment or reassessment under section 17 and proceedings for fresh assessment in pursuance of an order under section 23A by the

Commissioner (Appeals) or under section 24 by the Appellate Tribunal or a revision order under section 25, setting aside or cancelling an assessment, are now included in the definition of "Case" in respect of which an assessee can make an application to the Settlement Commission under section 22C.

Consequent to inclusion of such proceedings mentioned above in the definition of "Case", the deemed date of commencement of such proceedings have been included in the said *Explanation* below the definition of "Case" under section 22A(b).

Proceeding	Deemed date of commencement
Assessment or reassessment referred to in section 17, where a notice under the said section is issued, but not on the basis of search under section 37A or requisition under section 37B	Date on which notice under section 17 is issued
Fresh assessment in pursuance of an order under section 23A or section 24 or section 25, setting aside or cancelling an assessment	Date on which the order setting aside or cancelling the assessment was passed.