

DEWAN P.N. CHOPRA & Co.



Amendment of rules for quoting of PAN for specified transactions
Purchase & Sale of Goods or Services

Central Board of Direct Taxes (CBDT) introduced certain changes in the existing requirements of quoting of PAN w.e.f. 1st January 2016.

In addition to certain changes made in the monetary limits of the existing transactions, the government introduced **purchase or sale of goods or services of any nature other than specified transactions as an additional transaction** to which requirement of quoting of PAN shall apply. Accordingly, w.e.f. 1st January 2016, **any person selling goods or providing services exceeding INR 2 lakhs (Rupees Two Lakhs) per transaction has to quote PAN of buyer in the invoice raised in terms of Rule 114B of Income Tax Rules, 1962**

It may be noted that the aforesaid **requirement of quoting PAN is regardless of the mode of payment made by buyer of goods or services**. Thus, whether the payment is made in cash, or by account payee cheque/bank draft, or by RTGS, or by any other mode, the requirement to quote PAN shall uniformly apply in all cases, if the amount per transaction (i.e. the amount of invoice) exceeds INR 2 lakhs (Rupees Two Lakhs).

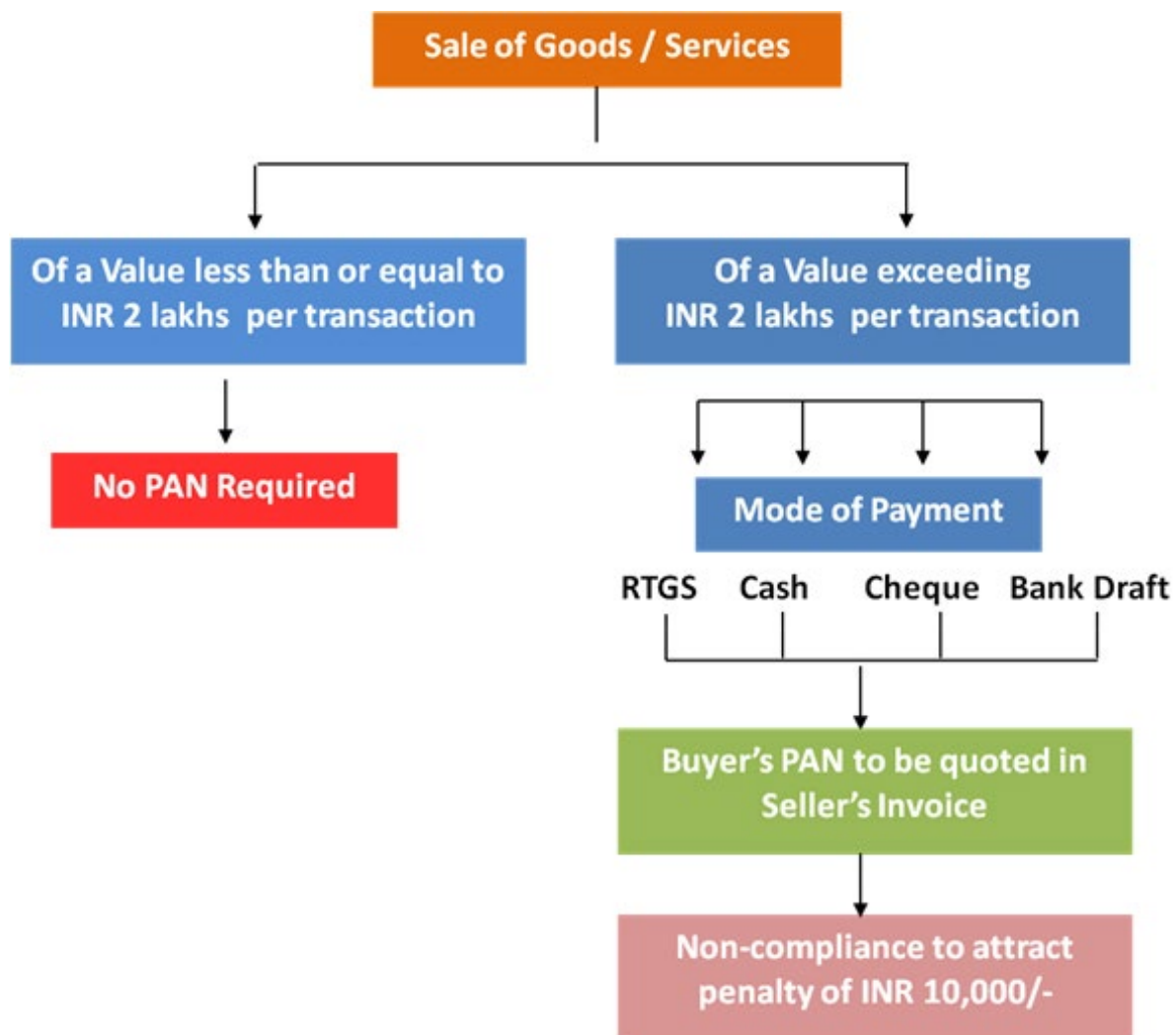
Non-compliance of above provisions shall attract a penalty of INR 10,000/- (Rupees Ten Lakhs) as per section 272B of the Income Tax Act, 1961 (the Act).

Therefore, assessee should strictly adhere to the above requirement of quoting PAN.

Amendments in the requirements of quoting the PAN were brought in by the Income-tax (Twenty Second Amendment) Rules, 2015, w.e.f. 1-1-2016 by virtue of substitution of the existing provisions of Rules 114B, 114C & 114D of Income Tax Rules, 1962 by new Rules 114B, 114C & 114D respectively. It may be noted

that the provisions of the aforesaid rules and section 272B of the Act are to be read in context of Section 139A(5) of the Act.

The aforesaid requirement of quoting PAN in case of sale of goods or services can be summarized as under:



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