

F. No. 142/22/2009-TPL (Pt. II)
Central Board of Direct Taxes,
Department of Revenue,
Ministry of Finance,
Government of India,
New Delhi 110001

20th January 2010

The Director General of Income-tax (International Taxation),
Room No. 406, Drum Shape Building,
i. P. Estate, Delhi.

**Subject : Clarification regarding filing of Objections before Dispute Resolution Panel
(DRP) - reg**

A new section 144C was inserted in the Income-tax Act, 1961 vide Finance (No. 2) Act of 2009. Section 144C provides for constitution of a Dispute Resolution Panel (DRP) to decide cases of an eligible assessee as defined in sub-section (15) of section 144C of the Income-tax Act. The Dispute Resolution Panel Rules were notified vide SO No. 2958 (E) dated 20th November 2009.

2. A query has been raised as to whether it is compulsory for an assessee to file an objection before the DRP or whether he can choose to file an appeal through the normal appellate channel of CIT (Appeals).
3. The provisions of sub-section (2) to sub-section (5) of section 144C are quite clear that a choice has been given to the assessee either to go before the DRP or to prefer the normal appellate channel. It is again clarified that it is the choice of the assessee whether to file an objection before the Dispute Resolution panel against the draft assessment order or not to exercise this option and file an appeal later before CIT (Appeals) against the assessment order passed by the Assessing Officer.
4. This position may also be brought to the notice of taxpayers at large.

C. S. Kahlon,
Member (L&C).