

## Govt: 10 million notices sent to investors in cryptocurrencies

BY GIREESH CHANDRA PRASAD  
gireesh.p@livemint.com

NEW DELHI

**T**raders paying goods and services tax (GST) on a quarterly basis under a concessional flat rate scheme and investors in cryptocurrencies are suspected of tax evasion, finance ministry officials said on Tuesday.

Finance secretary Hasmukh Adhia said at an industry meet that of the one million businesses that signed up for the GST composition scheme during the July-September period, about seven lakh filed GST returns for the quarter. Of the seven lakh assesseees, five lakh filed returns for the quarter showing annual turnover of less than Rs5 lakh.

"Now we are wondering why did they register then? Up to Rs2 million (annual turnover) there is no need to register in GST," Adhia said.

At a separate event, Central Board of Direct Taxes (CBDT) chairman Sushil Chandra said nearly 10 million notices have



Surveys have been done on cryptocurrency exchanges to find out how many people were regular contributors, says CBDT chairman Sushil Chandra.

PRADEEP GAUR/MINT

been sent to people who have invested in cryptocurrencies like bitcoin and have not declared it in their income tax returns.

"People who have made investments (in cryptocurrency) and have not declared income while filing taxes and have not paid tax on the profit earned by investing, we are sending them notices as we feel that it is all taxable," Chandra was quoted as saying in a statement issued by industry lobby Associated Chambers of Commerce & Industry of India (Assocham).

Chandra said surveys have

been done on cryptocurrency exchanges to find out how many people were regular contributors, how many had registered themselves and how many traded on these platforms.

He said that the department had found that there was no clarity on investments made by many people, which implied they had not declared them.

"As per income tax laws, whatever money one is investing (in cryptocurrency), it would be taxable if it is unexplained. Besides, even the profit gained on the same is taxable," he said.

TAX | STORY

■ Minor discrepancies between Form-16 &amp; 26AS to be ignored

# Salaried class gets relief from notices

AGE CORRESPONDENT  
with agency inputs  
NEW DELHI, FEB. 6

The Budget 2018-19 has given a pleasant relief to salaried class as from now on they will be spared from demand notice for minor mismatch between returns filed by tax payer and data collected by the income-tax department.

"A policy decision has been made not to issue tax demand notices in case of minor mismatch in these instances. We trust the taxpayer and the step is aimed to make easy the processing of income tax

returns," CBDT chairman Sushil Chandra told *PTI*.

The measure, introduced in the latest Financial Bill, is aimed to provide relief to small and salaried class of taxpayers and aims to ease out issues of small discrepancies that sometimes crop up between the information on Form-16 (provided by the employer) and Form-26AS (tax credit statement received by the tax department).

He said the policy measure will be enforced in respect of any return furnished for the upcoming assessment year (2018-19) commencing from April 1.

■ The CBDT chief said the policy measure will be enforced in respect of any return furnished for the assessment year 2018-19 commencing from April 1.

Addressing an Assocham post-Budget seminar, he said income-tax department is issuing notices to people who invested in crypto currencies like bitcoin but did not declare income or 'profits earned' from them.

"People who have made investments (in crypto currency) and have not declared income while filing taxes and have not paid tax on the profit earned by investing, we are sending them notices as we feel that it is all taxable," said Mr Chandra.

He said that the income tax department had conducted various surveys on crypto currency exchanges to find as to how many people are regular contributors, how many have registered themselves and how many have done trading on that platform.

"We found out that there

is no clarity on investments made by many people which means that they have not declared it properly," said Mr Chandra.

"We have informed all the directors general of income-tax across India, they are issuing notices and so that would be taxed," the top tax official added.

The CBDT chairman further said that as per income tax (laws), whatever money one is investing (in crypto currency), it would be taxable if it is unexplained. Besides, even the profit gained on the same is taxable.

# I-T dept's notices to crypto currency investors: Chandra

PTI ■ NEW DELHI

The tax department is issuing notices to people who invested in crypto currencies like bitcoin but did not declare income or 'profits earned' from them, CBDT chairman Sushil Chandra said on Tuesday.

The department has found that there is no clarity on investments made by many people, which means they have not declared them properly, he said.

"People who have made investments (in crypto currency) and have not declared income while filing taxes and have not paid tax on the profit earned by investing, we are sending them notices as we feel that it is all taxable," he said on the sidelines of an event here.

Chandra said that the I-T department has informed all the DGs (Director Generals of Income Tax) across India and they are issuing notices.

Finance Minister Arun Jaitley said in his Budget speech earlier this month that all crypto currencies, which



GOVT HAS CONSOLIDATED DIRECT TAX REFORMS, NO I-T OFFICIAL CAN PICK UP A CASE ON HIS OWN DISCRETION AND ONLY 0.5 PER CENT OF ALL CASES ARE PICKED UP FOR SCRUTINY BY THE INCOME TAX DEPARTMENT, SAYS CBDT CHAIRMAN SUSHIL CHANDRA

include bitcoins, are illegal and the Government will take all measures to eliminate their use.

Earlier, speaking at the Assocham event, Chandra said that a large number of taxpayers have been brought into the tax net taking the total base to 8 crore.

He said the Government has consolidated direct tax reforms. Chandra also said that no I-T official can pick up a case on his own discretion and only 0.5 per cent of all cases are picked up for scrutiny by the Income Tax Department.

"In direct taxes, lots of reforms have been done and we have consolidated direct tax reforms. Taxpayers net has gone up. We have added large number of taxpayers. Our taxpayers' base is now 8 crore," he said.

Noting that the I-T department is cutting down interface between taxman and assesses, Chandra said: "Your cases can't be picked up by the I-T official by his or her discretion. As the CBDT (Central Board of Direct Taxes) Chairman, even I can't pick up any case using discretion"

# Bitcoin investors in tight spot as I-T department issues one lakh notices

AGENCIES  
New Delhi

The Indian Income Tax Department has issued about one lakh notices to people who have invested in cryptocurrencies, like Bitcoin, and have not declared these in their income tax returns, a top official said on Tuesday. The revelation by Central Board of Direct Taxes (CBDT) Chairman Sushil Chandra at an Assocham event in the capital comes at a time when virtual currencies' values have been tumbling on worries about government regulation. "People who have made investments [in cryptocurrencies] and have not declared income while filing taxes, and have not paid tax on the profit earned by investing, we are



sending them notices as we feel that it is all taxable," he said at an Assocham post-Budget seminar. According to Chandra, the Income Tax (IT) Department had conducted various surveys on cryptocurrency exchanges to understand how many people were regular contributors, how many had registered themselves and how many have traded on exchanges. "We found out that

there is no clarity on investments made by many people which means that they have not declared it properly. "We have informed all the DGs (Director Generals of Income Tax) across India, they are issuing notices and so that would be taxed," he added.

In early trade on Tuesday, Bitcoin reportedly fell, to its lowest since November, to \$5,992 in the Hong Kong market. In India, Bitcoins have been trading at over Rs 10 lakh each, with people investing amounts ranging from Rs. 3,000 to several lakhs of rupees. In late December, cryptocurrency dealer Pluto Exchange announced the launch of India's first mobile application that enables transacting in virtual currencies.

# Reforms widened direct tax base to 8 crore: Chandra

FE BUREAU  
New Delhi, February 6

A LARGE NUMBER of taxpayers have been added taking the direct tax base to nearly 8 crore from the provisional number of just over 6 crore effective taxpayers in FY16, Central Board of Direct Taxes (CBDT) chairman Sushil Chandra said on Tuesday. The widening of tax base was a result of direct tax reforms, including demonetisation.

According to the I-T department, 6.26 crore people paid tax in FY16, which included those filing I-T returns as well as those where tax was deducted at source from the income of the taxpayer but the taxpayers did not file the returns.

Further, underlining the reduction in discretion employed by department's assessing officials, Chandra said the a miniscule proportion of total returns filed are picked up for scrutiny. "Of the 5.28 e>Returns filed in FY17, the department only scrutinised about 2 lakh of them, which is 0.5 of the total returns," Chandra said while addressing an industry body.

On the customs duty hike in the Budget, Central Board of Excise and Customs chairperson Vanaja Sarna said the move was

The CBDT chairman said the widening of tax base, from the provisional number of just over 6 crore in FY16, was a result of direct tax reforms, including demonetisation

purely intended to encourage domestic value addition and manufacturing rather than increased revenue collection.

The government raised customs duty on 45 items, which included smartphones, LED TVs, among others. It's expected to collect about ₹6,000-7,000 crore from the increase in import duty along with the new health and education cess. "We have carefully picked up the items (for customs duty hike) as we have the ability to make them in domestically. This has been done for MSME primarily to allow them to come to the market," Sarna said.

She said customs duty on parts and sub-parts on finished goods attracted nil duty so that local manufacturers can make the final products locally. Allaying fears that the move could be inflationary or affect the masses, she said these items weren't consumed by large section of the population.

