

Step by Step Process to Follow the Compliances for Section 206AB & 206AA

Finance Act 2021, Section 206AB, and 206CCA are inserted in the Income-tax Act, 1961 (effective from 1st July 2021). The government inserted these sections to trigger ITR filing among the defaulters.

Section 206AB is applicable on transactions with persons who have not filed ITR of immediately preceding two years for which due date U/S 139(1) has expired & aggregate of TDS is exceeding Rs50,000 in each of such preceding years [Except on the TDS to be deducted under following provisions 192, 192A, 194B, 194BB, 194LBC, 194N]. On Such transactions TDS to be deducted at higher of the following rates:

- Twice the rate specified in relevant provision
- Twice the rate or rate force
- 5 percent
- If 206AA is applicable to Such specified person then higher of
 - Tax rate as per this section
 - Tax rate as per section 206AA

Section 206CCA is applicable on transactions with persons who have not filed ITR of immediately preceding two years for which due date U/S 139(1) has expired & aggregate of TCS is exceeding Rs50,000 in each of such preceding years [Except Non-Resident person who does not have a permanent establishment in India]. On Such transactions TCS to be Collected at higher of the following rates:

- Twice the rate specified in relevant provision
- Twice the rate or rate force
- 5 percent
- If 206CC is applicable to Such specified person then higher of
 - Tax rate as per this section
 - Tax rate as per section 206CC

Complications in Applicability of these Sections & the New Functionality by Income tax department to overcome these Complications.

There was no system, process or procedure to determine the applicability of these sections, it was Very hard to verify that the person from whom TDS is to be deducted or TCS is to be Collected falls under the criteria of these sections or not.

To Help the the tax Deductors/collectors of TDS/TCS to follow the Compliances of these sections, the Income Tax Department has Launched a new Functionality **“Compliance Check for Section 206AB & 206CCA”** this new functionality enables the tax deductors/collectors to Verify the Specified person defined under these sections.

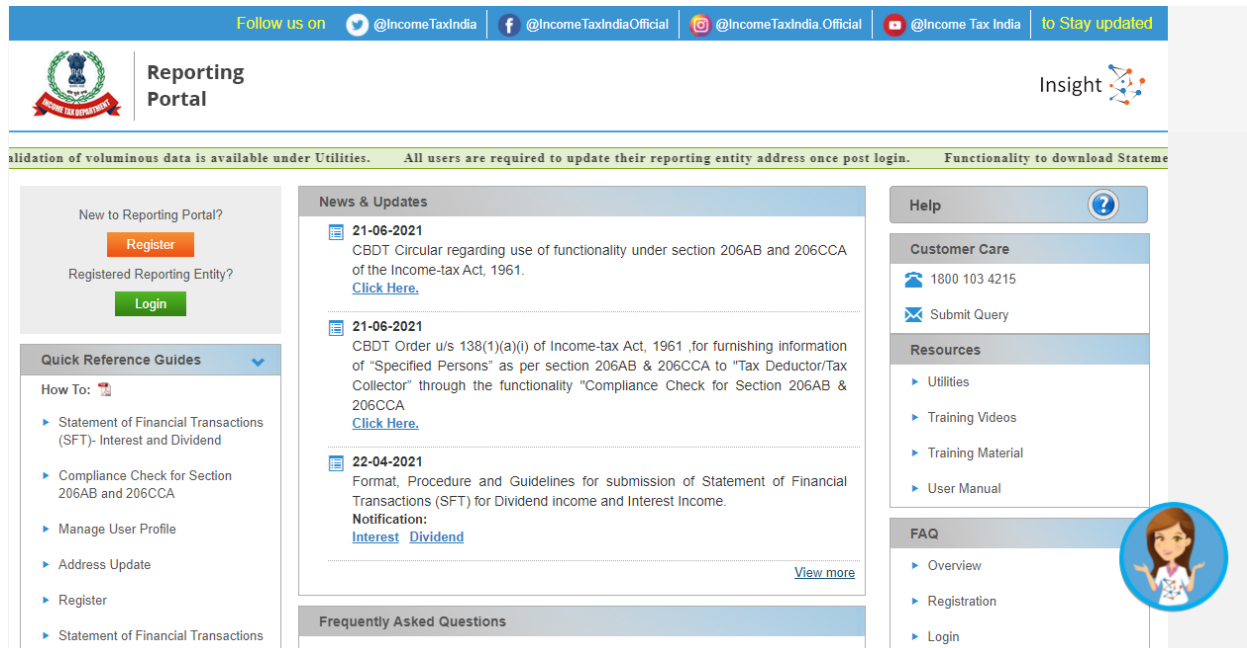
Step by step Guide to Register “Compliance Check for Section 206AB & 206CCA”

To access the New Functionality Tax deductors/Collectors will have to Register through TAN on the reporting portal of Income Tax Department. Go through the following steps for registration of TAN on the reporting portal.

Step: 1 Visit reporting portal at URL <https://report.insight.gov.in>

Step: 2 Click on Register, on the Left side of the homepage

Step: 3 you will be redirected to E- filing login page

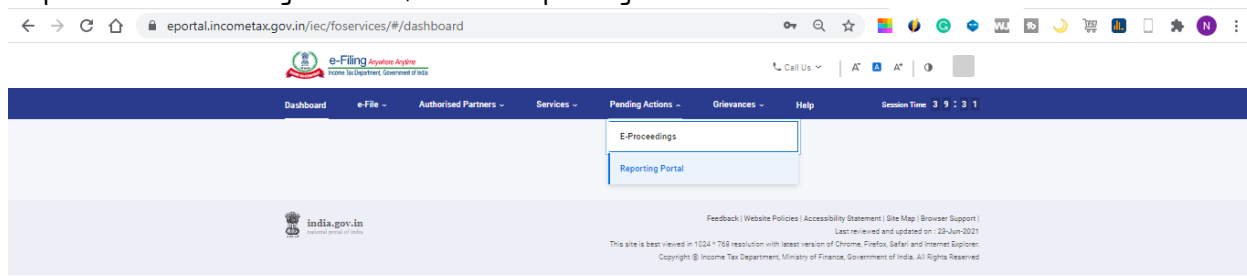


OR

Step: 3 Directly go to e-filing portal through <http://www.incometax.gov.in/>

Step: 4 Log in to e-filing using e-filing login credential of TAN.

Step: 5 Under “Pending Actions”, select “Reporting Portal”.



Step: 6 After being redirected to the Reporting portal, select New Registration option and click Continue.

Step: 7. Now select the Form type as Compliance Check (Tax Deductor & Collector). The Entity Category & Entity Category will be autofilled on the basis on which TAN is registered on E filing.



Form Type and Category	
Form Type*	Compliance Check (Tax Deductor & Collector) ▼
Entity Category*	Company ▼
<div>BackNext</div>	

Fields with * mark are mandatory

Step: 8 Enter relevant entity details on entity details page and click on “Add Principal Officer” button to add Principal Officer.

Enter Entity Details	
Entity Name*	Entity Name
Entity PAN*	Entity PAN
Flat/Door/Building*	Enter Flat/Door/Building
Road/Street	Enter Road/Street
Area/Locality*	Enter Area/Locality
Town/City/District*	Enter Town/City/District
Pin Code*	Enter Pin Code
State*	HARYANA ▼
Country*	INDIA ▼
<div>BackAdd Principal Officer</div>	

Step: 9 Enter Principal Officer details on the Principal Officer Details page.

Principal Officer Details - FORM 67A (Who is Principal Officer)	
Authorized Person Type	Principal Officer
PAN*	Enter PAN
Person First Name*	Enter First Name
Middle Name	Enter Middle Name
Last Name*	Enter Last Name
Designation*	Enter Designation
Access Type*	Operational ▼
Date Of Birth(DD-MM-YYYY)	Enter Date Of Birth
Mobile Number*	+91 Enter Mobile No
Email ID*	Enter Email Id
Alternate Email ID	Enter Alternate Email Id
Flat/Door/Building*	Enter Flat/Door/Building
Road/Street	Enter Road/Street
Area/Locality*	Enter Area/Locality
Town/City/District*	Enter Town/City/District
Pin Code*	Enter Pin Code
State*	Select State ▼
Country*	Select Country ▼
Upload Digital Signature	Choose file No file chosen
Back Add Designated Director Preview Submit	

Step: 10 Details of Nodal officer, Alternate Officer, Alternate Nodal Officer & other users if required to be registered. Then the details of such users can be continued or can be added later after registration.

Step: 11 Click on Preview button to view the entered entity and principal officer details.

Step: 12 Click on the Submit button to submit the registration request.

Step: 13 On the next screen you will see Acknowledgement receipt of registration request & it will also be provided on E-mail.

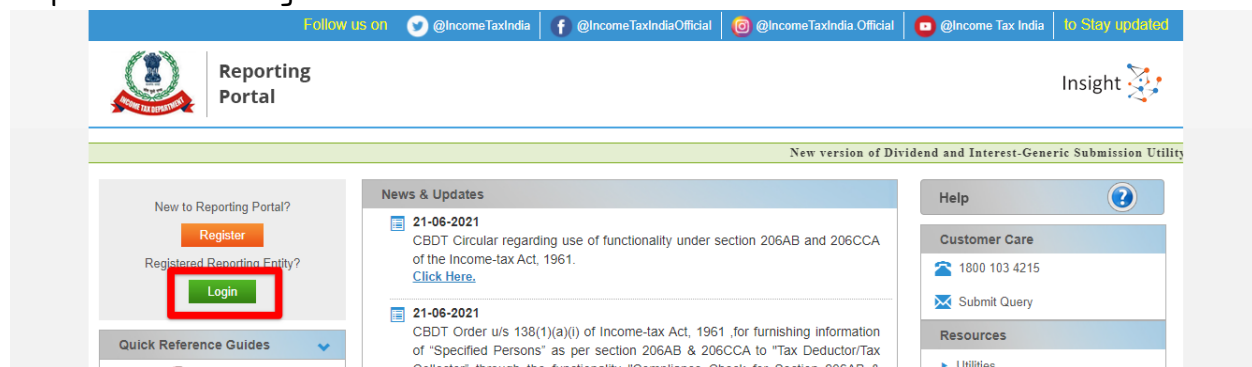
Reporting Portal		Insight
<p>Your details have been successfully submitted, Please find registration Request Number : REG0000006915. An email has been sent to registered email id.</p> <p>Download Acknowledgement PDF</p> <p>Continue to Login</p>		

Step: 14 Once the registration request is approved by the Income tax Department, email notification will be shared with the Principal Officer along with ITDREIN details and login credentials.

Step by step Guide to access the new functionality - by Principal officer

Step: 1 Visit reporting portal at URL <https://report.insight.gov.in>.

Step: 2 click the Login button.



Step: 3 Enter the required details (of Principal Officer) and click Login to continue.

Step: 4 If the Principal Officer's PAN is registered for multiple Forms & ITDREIN, he/she needs to select the Form type as Compliance Check (Tax Deductor & Collector) and associated ITDREINs from the drop-down.

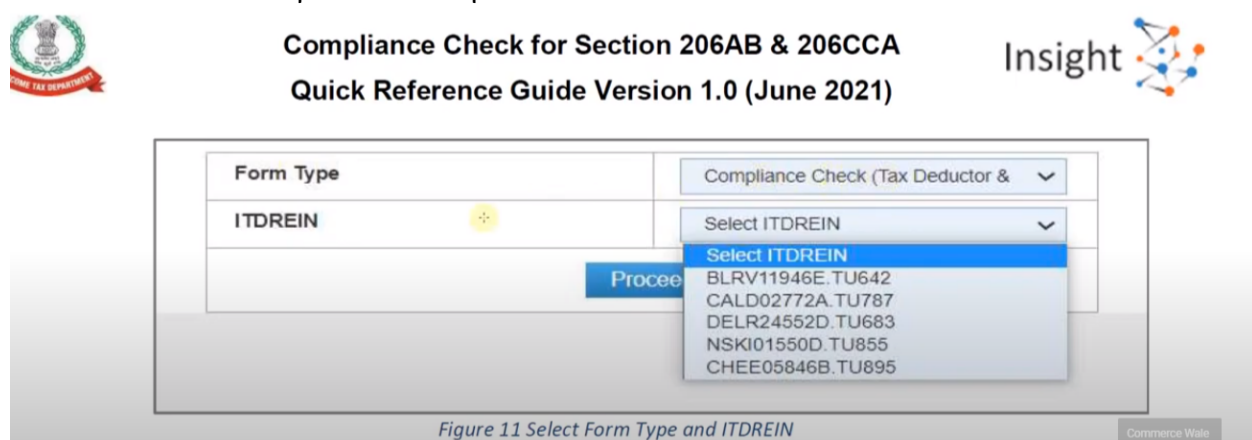


Figure 11 Select Form Type and ITDREIN

Step: 5 After successfully logging in, the home page of Reporting Portal appears.

Step: 6 Click on Compliance Check for Section 206 AB & 206CCA link provided as shortcut on left panel.

The screenshot shows the 'Reporting Portal' interface. The top navigation bar includes links for Home, Profile, Compliance Check, Requests, Messages, Resources, e-Campaign History, Help, and Feedback. A welcome message for KUSUM LATA, Principal Officer, is displayed. The left sidebar features a 'Compliance Check for Section 206AB & 206CCA' link, which is highlighted with a red rectangle. Below it is an 'FAQs' link. The main content area is divided into 'News & Updates' and 'Events'. The 'News & Updates' section lists three notifications from 30-04-2021: Mutual Fund Transaction Reporting, Depository Transaction Reporting, and SFT reporting guidelines. The 'Events' section lists two events: the Department of Revenue Pavilion set up by CBDT and the inauguration of the Taxpayer Lounge. The right sidebar contains a 'Current Poll' asking for user experience feedback with options: Need Improvement, Very Bad, Average, and Excellent. Below the poll is a 'Current Poll Result' section.

Step: 7 Compliance check

- Single PAN search - Select pan search tab > enter valid Pan & Captcha code

The screenshot shows the 'Compliance Check for Section 206AB & 206CCA' page. The 'PAN Search' tab is selected. The form fields include PAN (with an 'ENTER' button), Captcha Code (displaying '9 2 2 7 5'), and Enter Captcha Code (with an 'ENTER' button). A 'Search' button is at the bottom.

On entering Valid details following Result will be displayed:

- Current Financial year
- PAN of the Person
- Name of the person
- Pan allotment date
- Pan-aadhar link status

- Home

Profile

Compliance Check

Requests

Messages

Resources

e-Campaign History

Help

Feedback

Welcome KUSUM LATA, Principal Officer

Logout

Home

Compliance Check for Section 206AB & 206CCA

Compliance Check for Section 206AB & 206CCA

PAN Search

Bulk Search

PAN *

AQYPD2469N

Captcha Code

86149

Enter Captcha Code *

ENTER

Search

Search Result of PAN : AQYPD2469N on 18-06-2021 (Financial Year 2021-22)

Name	PAN Allotment Date	PAN-Aadhaar Link Status	Specified Person u/s 206AB & 206CCA
SXXXXXP DXXXXA	07-06-2021	Linked	No

- Compliance Check for Section 206AB & 206CCA

Compliance Check for Section 206AB & 206CCA

PAN Search **Bulk Search**

Refresh

	Upload Date	Financial Year	Request ID	Records	User Name	Status	Last Activity Date
1	14-06-2021	2021-22	1366	7	KUSUM LATA	Downloaded	14-06-2021
2	14-06-2021	2021-22	1365	7	KUSUM LATA	Downloaded	14-06-2021
3	14-06-2021	2021-22	1364	7	KUSUM LATA	Available	14-06-2021

Page 1 of 3

View 1 - 10 of 26

Download CSV Template **Upload CSV**

-
- The screenshot displays the Microsoft Excel interface. The top ribbon is set to the 'Home' tab, showing various tool groups such as Font, Alignment, Styles, Cells, and Editing. The worksheet area below the ribbon shows a grid of cells. The cell A6 is selected, and its content, 'ATYPD8789K', is visible in the formula bar. The worksheet also contains other text in column A, including 'PAN', 'AVVWP1234K', 'ABCDE3344G', 'AFEPT3454T', and 'AXPKC6767G'.

- Upload the CSV file.

Upload CSV

ITDREIN

VPND00827B.TU531

Entity Name

Test Nam

User Name

KUSUM LATA

User Role

Principal Officer

Entity Category

Company

Financial Year*

2021-22

Choose File

No file chosen

Submit

Cancel

- Uploaded file will start reflecting with Uploaded status. The status will be as follows:
 - Uploaded - The CSV has been uploaded and pending for processing.
 - Available - Uploaded CSV has been processed and results are ready for download.
 - Downloaded - The user has downloaded the output results CSV.
 - Link Expired - Download link has expired.

Compliance Check for Section 206AB & 206CCA

PAN Search

Bulk Search

Refresh

	Upload Date	Financial Year	Request ID	Records	User Name	Status	Last Activity Date
1	14-06-2021	2021-22	1366	7	KUSUM LATA	Downloaded	14-06-2021
2	14-06-2021	2021-22	1365	7	KUSUM LATA	Downloaded	14-06-2021
3	14-06-2021	2021-22	1364	7	KUSUM LATA	Available	14-06-2021

Page 1 of 3

10

View 1 - 10 of 26

Download CSV Template

Upload CSV

- Output CSV file will have FY, PAN, Name of the PAN holder (masked), PAN Allotment Date, PAN-Aadhaar link status and Specified Person u/s 206AB & 206CCA status.
- On entering Valid details following Result will be displayed:
 - Current Financial year
 - PAN of the Person
 - Name of the person
 - Pan allotment date
 - Pan-aadhar link status
 - Yes or no response of Specified Person U/s 206AB & 206CCA

Compliance Check for Section 206AB & 206CCA					
Search Result on 18-06-2021 (Financial Year 2021-22)					
#	PAN	Name	PAN Allotment Date	PAN-Aadhaar Link Status	Specified Person u/s 206AB & 206CCA
1	AAAPA1234A	SXXXL AXXXV	18-08-2001	Not Linked	No
2	BBBPB1234B	Invalid PAN	-	-	-
3	CCCCC1234C	CCCCXXA PXXXXR LTD	12-06-1982	Not-Applicable	Yes
4	DDDFD1234D	DXXXXXXXXXO KXXU LLP	10-12-2002	Not-Applicable	No
5	EEEP1234E	NXXXX KXXR EXXXA	08-10-1935	Exempt	No
6	FFFP1234F	LXXA CXXXXXXXXT FXXXXK	06-08-1996	Linked	Yes
7	GGGPG1234G	AXXXD KXXR GXXV	13-02-1995	Linked	No