

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

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PRESS RELEASE

CBDT issues Circular on Frequently Asked Questions (FAQs) relating to Revised Guidelines for Compounding of Offences under Income-Tax Act, 1961 dated 17.10.2024– reg.

The revised Guidelines for Compounding of Offences under the Income-Tax Act, 1961 (hereinafter referred to as “the guidelines”) were issued on October 17, 2024. These guidelines supersede all existing guidelines on the subject and are applicable to all pending as well as new applications from the date of their issuance.

The guidelines have been simplified compared to the previous version, inter alia, by eliminating the categorization of offences, removing the limit on the number of occasions for filing applications, allowing fresh applications upon curing of defects, permitting the compounding of offences under sections 275A and 276B of the Act, and removing the existing time limit for filing applications, which was previously set at 36 months from the date of filing of the complaint.

Following the issuance of the guidelines, queries were received from stakeholders seeking clarifications on various provisions. Based on these queries, the CBDT has issued Circular No. 04/2025, dated March 17, 2025, in the form of answers to frequently asked questions (FAQs). These FAQs provide the necessary clarifications on the scope of the guidelines, eligibility for filing applications, the mode of filing compounding applications and payment of fees, terms for compounding, compounding charges and procedures for payment, time limits, and other related aspects.

The FAQs are available on the official website of the Income Tax Department at <https://incometaxindia.gov.in/news/circular-no-04-2025.pdf>

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