

**Press Information Bureau**  
**Government of India**  
**Ministry of Finance**  
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**CBDT issues Revised Guidelines for stay of demand at the First Appeal Stage; Decision of the Board to provide significant relief to the taxpayers in matters relating to grant of stay and recovery of demand by reducing arbitrariness in the disposal of stay petitions where the tax demand is contested at the First Appellate stage.**

With a view to streamline the process of grant of stay of demand when the case of the taxpayer is pending before Commissioner (Appeals) and to standardize the quantum of lump-sum payment required to be made by the assessee as a pre-condition for stay of demand disputed, the Central Board of Direct Taxes (CBDT) has issued fresh guidelines to the field authorities of the Income Tax Department.

Under the revised guidelines, where the outstanding demand is disputed before Commissioner (Appeals), the assessing officer shall grant stay of demand till disposal of first appeal on payment of 15% of the disputed demand. In case, any deviation from the standard pre-payment of 15% is proposed by the Assessing Officer, he shall refer the matter to the administrative Principal Commissioner or Commissioner, who after considering all relevant facts shall decide the quantum/ proportion of demand to be paid by the assessee as lump sum payment for granting a stay of the balance demand. In a case, where stay of demand is granted by the Assessing Officer on payment of 15% of the disputed demand and the assessee is still aggrieved, he may approach the jurisdictional administrative Principal Commissioner or Commissioner for a review of the decision of the assessing officer.

This decision of the Board is expected to provide significant relief to the taxpayers in matters relating to grant of stay and recovery of demand by reducing arbitrariness in the disposal of stay petitions where the tax demand is contested at the First Appellate stage.

The Office Memorandum dated 29.02.2016 issued in this regard is available on the website of the Department [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in).

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