

DESAI SAKSENA & ASSOCIATES

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Friday Tax Alert

From:

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Press Release:

PAN 2.0 Project of the CBDT receives CCEA Approval

The Cabinet Committee on Economic Affairs (CCEA) has approved the Income Tax Department's PAN 2.0 Project. This project aims to streamline and modernize the process of issuing and managing PAN and TAN, making it more user-friendly and efficient. With an existing PAN database of 78 crore PANs and 73.28 lakh TANs, the project addresses the requirements of taxpayers, focusing on the consolidation of multiple platforms/portals and efficient services to PAN/ TAN holders.

Currently, PAN-related services are spread across three different platforms:

- e- Filing Portal,
- UTIITSL Portal, and
- Protean e-Gov Portal.

With the implementation of PAN 2.0, all these services will be integrated into a single, unified portal. **This one-stop platform will handle comprehensively issues/matters related to PAN and TAN, including application, updates, corrections, Aadhaar-PAN linking, re-issuance requests, and even online PAN validation.** By doing so, the Income Tax Department endeavours to simplify processes, eliminate delays, and improve grievance redressal mechanisms.

The PAN 2.0 Project is also a significant step toward aligning with the Digital India initiative. It focuses on eco-friendly, paperless processes while establishing PAN as a common identifier for all digital systems of specified Government agencies.

Key features of PAN 2.0:

- A single portal for all PAN/TAN-related services to simplify access for users.
- Eco-friendly paperless less processes to reduce paperwork.
- PAN will be issued free of cost, with quicker processing times.
- Personal and demographic data will be protected through enhanced security measures, including a PAN Data Vault.
- A dedicated call center and helpdesk to address user queries and issues.

This upgrade is designed to enhance the overall experience for taxpayers by ensuring faster service delivery, effective grievance redressal, and better protection of sensitive data. The project will also make it easier for users to apply for PAN/TAN online, update their details, and validate PAN information digitally. By consolidating and reengineering these processes, the Income Tax Department has taken a significant move towards creating a seamless, transparent, and inclusive system for taxpayers.

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Frequently Asked Questions (FAQs) on PAN 2.0 Project:

➤ **What is PAN 2.0?**

PAN 2.0 Project is an e-Governance project of ITD for re-engineering the business processes of taxpayer registration services. The objective of the project is to enhance the quality of PAN services through adoption of the latest technology. **Under this project, ITD is consolidating all processes related to PAN allotment/updation and corrections. The TAN related services are also merged with this project.** Besides, PAN authentication/validation through online PAN validation service will be provided to user agencies such as financial institutions, banks, government agencies, central and state government departments etc.

➤ **How PAN 2.0 will be different from existing setup?**

- **Integration of Platforms:** Presently, the PAN related services are hosted on three different portals (e-Filing Portal, UTIITSL Portal and Protean e-Gov Portal). In the PAN 2.0 Project, all PAN/TAN related services will be hosted on a single unified portal of ITD. The said Portal would host all end-to-end services related to PAN and TAN like allotment, updation, correction, Online PAN Validation (OPV), Know your AO, AADHAAR-PAN linking, verify your PAN, request for e-PAN, request for re-print of PAN card etc.
- **Comprehensive use of technology for paperless processes:** Complete online paperless process as against prevailing mode.
- **Taxpayer facilitation:** Allotment/updation/correction of PAN will be done free of cost and e-PAN will be sent to the registered mail ID. For physical PAN card, the applicant has to make a request along with the prescribed fee of Rs 50 (domestic). For delivery of card outside India, Rs. 15 + India post charges at actuals will be charged to the applicant.

➤ **Whether existing PAN CARD Holders will be required to apply for new PAN under the upgraded system? Do you need to change your PAN number?**

No, the existing PAN card holders are not required to apply for a new PAN under the upgraded system (PAN 2.0).

➤ **Do people have an option to get corrections done on PAN, like name, spellings, address change etc?**

Yes, if existing PAN holders want to make any correction/updation of their existing PAN details such as email, mobile or address or demographic details such as name, date of birth etc, they can do so at free of cost after the PAN 2.0 Project commences. Till the time the PAN 2.0 project is rolled out, the PAN holders can avail the Aadhaar based online facility for updation/correction of email, mobile and address free of cost by visiting the below URLs:

- <https://www.onlineservices.nsd1.com/paam/endUserAddressUpdate.html>
- https://www.pan.utiitsl.com/PAN_ONLINE/homeaddresschange

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In any other cases of updation/correction of PAN details, the holders can do so using the existing process either by visiting physical centres or applying online on payment basis.

➤ **Do I need to change my PAN card under the PAN 2.0?**

No, the PAN card will not be changed unless the PAN holders want any updation/correction. The existing valid PAN cards will continue to be valid under PAN 2.0.

➤ **A lot of people have not changed their addresses and are continuing with old address. How will the new PAN be delivered? By when will the new PAN Card get delivered?**

No, new PAN card will be delivered unless the PAN holder requests for it owing to any updation/correction in their existing PAN. The PAN holders who want to update old address, they can do so free of cost using Aadhaar based online facility by visiting the below URLs:

- https://www.pan.utiitsl.com/PAN_ONLINE/homeaddresschange
- <https://www.onlineservices.nsdl.com/paam/endUserAddressUpdate.html>

Accordingly, the address will be updated in the PAN database.

➤ **If new PAN cards are QR code enabled, will older ones continue to function as it is? What will QR code help us with?**

- The QR code is not a new feature, and it has been incorporated in the PAN cards since 2017-18. The same will be continued under PAN 2.0 project with enhancements (dynamic QR code which will display latest data present in PAN database). PAN holders having an old PAN Card without QR code have an option to apply for a new card with QR code in existing PAN 1.0 ecosystem as well as in the PAN 2.0.
- The QR code helps in validating the PAN and PAN details.
- Presently, a specific QR reader application is available for verification of QR code details. On reading through the reader application, complete details, i.e., photo, signature, Name, Father's Name / Mother's Name and Date of Birth is displayed.

➤ **What is the "Common Business identifier for all business-related activities in specified sectors"?**

In the Union Budget 2023, it was announced that for the business establishments required to have a PAN, the PAN will be used as the common identifier for all digital systems of specified government agencies.

➤ **Whether Common Business identifier will replace the existing unique taxpayer identification number i.e. PAN?**

No, PAN itself will be used as a Common Business identifier.

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➤ **What does the “Unified Portal” mean?**

Presently, the PAN related services are hosted on three different portals. In the PAN 2.0 Project, all PAN/TAN related services will be hosted on a single unified portal of ITD. The said Portal would host all end-to-end services related to PAN and TAN like allotment, updation, correction, Online PAN Validation (OPV), Know your AO, AADHAAR-PAN linking, verify your PAN, request for e-PAN, request for re-print of PAN card etc, thereby further simplifying the processes, and avoiding delay in PAN services delivery, delay in redressal of grievances etc. caused by the presence of various modes of receipt of applications (online e-KYC /online paper mode/offline).

➤ **For people holding more than one pan, how will you identify and weed out the extra PAN ?**

As per the provisions of Income-tax Act, 1961, no person can hold more than one PAN. In case a person holds more than one PAN, he/she is obliged to bring it to the notice of the Jurisdictional Assessing officer and get the additional PAN deleted/deactivated.

In the PAN 2.0, with the improved systems logic for identification of potential duplicate requests for PAN and centralized and enhanced mechanism for resolving the duplicates would minimize the instances of one person holding more than one PAN.