

MCQ on Faceless Appeal Class Date – 31.08.2025

1. Faceless Appeal Scheme was introduced under which section of the Income-tax Act?

- a) Section 246
- b) Section 250**
- c) Section 144B
- d) Section 153

2. The Faceless Appeal Scheme was first notified in which year?

- a) 2017
- b) 2019
- c) 2020**
- d) 2021

3. Under the faceless system, appeals against the orders of the Assessing Officer are filed before which authority?

- a) National Faceless Appeal Centre (NFAC)**
- b) Central Board of Direct Taxes (CBDT)
- c) Dispute Resolution Panel (DRP)
- d) Income-tax Settlement Commission

4. Which of the following is **not** a feature of the Faceless Appeal System?

- a) No physical interface between appellant and appellate authority
- b) Allocation of appeals through automated systems
- c) Appeal units located across India handle cases electronically
- d) Mandatory personal hearing in every appeal**

5. A personal hearing through video conference in the faceless appeal system is:

- a) Not allowed under any circumstances
- b) Allowed only with approval of Principal Chief Commissioner of Income Tax
- c) Allowed on request of the appellant, subject to approval of Chief Commissioner/Director General**
- d) Mandatory in all penalty cases

6. The Faceless Appeal Scheme provides that communication between the taxpayer and the Income-tax Department shall be through:

- a) Physical notices
- b) Emails from individual officers
- c) Electronic mode via assigned portal**
- d) Registered post

7. The main objective of the faceless appeal system is:

- a) To increase revenue collection
- b) To reduce litigation backlog
- c) To promote efficiency, transparency, and accountability**
- d) To reduce tax rates

8. The Faceless Appeal Scheme applies to appeals before:

- a) Commissioner (Appeals)**
- b) Income-tax Appellate Tribunal (ITAT)
- c) High Court
- d) Supreme Court

9. Which authority is responsible for assigning appeals to different Appeal Units?

- a) CBDT
- b) National Faceless Appeal Centre (NFAC)**
- c) Principal Commissioner of Income Tax (PCIT)
- d) Income-tax Officer (ITO)

10. An Appeal Unit may perform which of the following functions?

- a) Admit additional evidence
- b) Seek remand report from the Assessing Officer
- c) Conduct inquiries
- d) All of the above**