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CCEA Approves PAN 2.0 Project: A Major Leap in Digital Tax Governance

PAN 2.0 Project refers to a modernization initiative by the **Central Board of Direct Taxes (CBDT)** in India aimed at upgrading the existing **PAN (Permanent Account Number)** infrastructure and services. It focuses on eco- friendly, paperless processes while establishing PAN as a common identifier for all digital systems of specified government agencies.

Key aspects of PAN 2.0 project are stated as under:

- **Unified and modernized platform** for PAN services across the country. Currently, PAN-related services are spread across three different platforms: the 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.

- **Faster processing** of PAN applications (new, corrections, reissuance, PAN validation, PAN and Aadhar linking etc.).

- **Integrate PAN with other databases** (like Aadhaar, income tax filing, TDS etc.) to improve compliance and detect fraud.

- **Implement strong encryption**, secure authentication, and better audit trails.

Benefits of PAN 2.0 project:

- PAN will be issued free of cost, with quicker processing times.
- Enhanced ability for the Income Tax Department to monitor financial activity.
- Better compliance and reduced identity fraud.
- A dedicated call center and helpdesk to address user queries and issues.
- Reduction in paperwork and optimized costs.

However, this raises few important questions stated as under:

1. **Whether existing PAN CARD Holders will be required to apply for new PAN under the upgraded system?**
   No. The existing PAN card holders are not required to apply for new PAN under the upgraded system (PAN 2.0).

2. **If new PAN cards are QR code enabled, will older ones continue to function as it is?**
   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 eco-system as well as in the PAN 2.0.** On the other hand, Income tax department has not announced any specific date for the free PAN card upgrade under PAN 2.0, it is yet to be rolled out.

Pertaining to the same CBDT has issued comprehensive **FAQ document** regarding the **PAN 2.0 Project**, which was approved by the Cabinet Committee on Economic Affairs (CCEA) on **November 25, 2024.** These FAQ provides the required clarification for PAN 2.0 Project.

Source: CBDT Press Release dated 26-11-2024

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