

STATEMENTS SHOWING STATUS OF RECOMMENDATION OF TARC (ACCEPTED & UNDER IMLEMENTATION)

	Customer Focus	STATUS
1.	There is an urgent need to revisit the present citizen's charter to make it more meaningful and customer focused. The citizen's charter should be renamed the taxpayer's charger to focus on all categories of taxpayers. (Section II.6.c)	ACCEPTED & UNDER IMPLEMENTATION
	Structure and Governance	
2.	The tax administration needs to have greater functional and financial autonomy and independence from governmental structures, given their special needs. (Section III.7)	ACCEPTED & UNDER IMPLEMENTATION
3.	A functional orientation would promote specialization in the respective area of tax administration. For these reasons, specialization should be encouraged by selecting suitable officers and providing them sufficient tenures to develop specialized knowledge in key sectors. (Section III.5.d)	ACCEPTED & UNDER IMPLEMENTATION
	People Function	
4.	A system of limited departmental competitive examinations should be introduced by earmarking 33 per cent of the vacancies in the promotions quota in Group B as well as Group A, so that relatively more meritorious and younger officers in the feeder grades can get a fast track in promotions. (Section IV.3.c)	ACCEPTED & UNDER IMPLEMENTATION
5.	Recruitment needs to be made on the basis of carefully drawn recruitment plans that balance the short and long term needs and career aspirations of officers. (Section IV.3.c)	ACCEPTED & UNDER IMPLEMENTATION
6.	The CBEC needs to develop a human resource management system, as has been done by the CBDT; collaboration and knowledge exchange between the two DGs (HRD) will enable CBEC to get such a system going in shorter time. (Section IV.3.b)	ACCEPTED & UNDER IMPLEMENTATION
7.	To facilitate renewal of talent and professional growth, officers should be allowed to move outside the departments for defined periods of time. (Section IV.3.d).	ACCEPTED & UNDER IMPLEMENTATION
8.	In view of a different promotion system being recommended, the UPSC should be consulted for exempting these promotions in the IRS from their purview like some other services, e.g., the Indian Foreign Service, Indian Railway Services and Indian Audit and Accounts Services are exempted. However, if the UPSC is willing to be associated with the altered promotion scheme, that option should be considered. (Section IV.3.d)	ACCEPTED & UNDER IMPLEMENTATION
9.	The transfer and posting policy should be recast to promote specialization and accommodation of individuals' choices in professional growth and should bring about predictability, stability and certainty to placements. Personal difficulties of officers	ACCEPTED & UNDER IMPLEMENTATION

	should receive due consideration. (Section IV.3.e)	
10.	A code of ethics needs to be developed, congruent with the values in the vision and mission statement. (Section IV.4.a)	ACCEPTED & UNDER IMPLEMENTATION
11.	CVC should have a Member who has been an officer of either of the IRSs and there should at least one Joint Secretary/Additional Secretary level officer posted in the secretariat of CVC. (Section IV.4)	ACCEPTED & UNDER IMPLEMENTATION
	Dispute Resolution	
	Key Internal Process	
12.	Scrutiny in direct taxes and audit in indirect taxes There should be specialization in scrutiny/audit work as recommended in Chapters III and IV of the report. Capability should be developed through training and re-training. The two Boards should also develop a standard audit protocol, with clear emphasis that the AOs must follow the principles of natural justice and respect the taxpayer rights to privacy and dignity.	ACCEPTED & UNDER IMPLEMENTATION
13.	Refunds Refunds arising after a favourable appeal should be paid in time or the tax payer should be allowed to set-off the advance tax liability or self assessment tax liability of the subsequent years against the refund due. (Section VI.6.d)	ACCEPTED & UNDER IMPLEMENTATION
14.	Tax collections (VI.18 g) The power to write off dues should be raised at different levels of the organization and made uniform for both direct and indirect taxes. Full powers should be vested in the respective Principal DGs in charge of recovery in the respective Boards. Write off should be done in concurrence with the CFO at the headquarters level and his nominee at the regional/zonal level.	ACCEPTED & UNDER IMPLEMENTATION
15.	Trade and business facilitation (VI.18 i) As a trade facilitation measure, on-site post clearance audit should be developed fully to enable Indian customs to move closer to international best practices. Intervention in the cargo clearance should be made on the basis of a risk matrix.	ACCEPTED & UNDER IMPLEMENTATION
16.	Enforcement Administration (VI.18 j) There should be a dedicated structure for prosecution matters for more focused attention to this important area so that the unexploited potential for creating deterrence against tax evasion is realized.	ACCEPTED & UNDER IMPLEMENTATION
	Information and Communication Technology	
17.	Project planning and approvals must include the required number and quality of human resources.	ACCEPTED & UNDER IMPLEMENTATION
18.	Movement of personnel should have a linkage with project implementation and there should be a process of knowledge transfer.	ACCEPTED & UNDER IMPLEMENTATION
19.	HR policies must be aligned with the need for specialization and officers should be allowed to grow in the areas in which they specialize. Routine transfers should be avoided.	ACCEPTED & UNDER IMPLEMENTATION

20.	DG (Systems) should have authority and funding to depute officers for specialized courses, seminars and events and engage with professional networks and academic institutions	ACCEPTED & UNDER IMPLEMENTATION
Second Report – Customs Capacity Building		
21	The Risk Management Division should be strengthened. The risk management module for container selection needs to be integrated with the CBEC's other operational systems. The CBEC should progressively move away from a local approach in risk management to a strong national approach and move towards setting up a national targeting facility such as the ones set up in the US, Australia and New Zealand. (Section VIII.4.d)	ACCEPTED & UNDER IMPLEMENTATION
22	The CBEC should move to a model of centralized assessment for compliance verification, adopting the centres of excellence concept. There needs to be a thrust on full digitisation of the processes, dematerialisation of the documents and documents management system. (Section VIII.4.e)	ACCEPTED & UNDER IMPLEMENTATION
23	The regime of advance filing needs to be effectively implemented ensuring high data quality. (Section VIII.4.e)	ACCEPTED & UNDER IMPLEMENTATION
24	The automation of international express cargo and international post-offices should be expedited. (Section VIII.4.e)	ACCEPTED & UNDER IMPLEMENTATION
25	Greater capacity needs to be built in customs to counter trade based money laundering by greater use of analytics and strong co-ordination among the DRI, RMD, FIU and Directorate of Enforcement. (Section VIII.4.e)	ACCEPTED & UNDER IMPLEMENTATION
26	To motivate officers in anti-smuggling operations in remote areas, a package of special facilities should be developed. (Section VIII.4.o)	ACCEPTED & UNDER IMPLEMENTATION
27	Specialised training facilities for anti-smuggling operations, tailored to specific requirements, should be created. (Section VIII.4.o)	ACCEPTED & UNDER IMPLEMENTATION
28	There is need for greater infusion technological and analytical capacities in enforcement functions. Stronger focus is required on prosecutions in cases of commercial frauds. (Section VIII.4.o)	ACCEPTED & UNDER IMPLEMENTATION
29	The CBEC should commence work on building a new generation system to replace the current ICT systems. There should be extensive reliance on service oriented architecture in designing the new system and it should ensure interoperability of customs and other agencies involved in border management, a fully distributed, open, wireless and mobile operational environment and solutions for structured and unstructured data. The system must enhance the ability of customs and other entities to work together. (Section VIII.4.l)	ACCEPTED & UNDER IMPLEMENTATION
30	Customs should leverage the adoption of the emerging “internet of things” by the logistics industry to real-time tracking of movement of goods across the supply chain, including to CFSs, ICDs, SEZs etc. and eliminate dilatory, costly and unreliable paper based processes. (Section VIII.4.l)	ACCEPTED & UNDER IMPLEMENTATION
31	The process of induction of non-intrusive inspection technologies such as container scanners, X-Ray scanners, etc., needs to be	ACCEPTED &

	expedited. (Section VIII.4.m)	UNDER IMPLEMENTATION
32	A strong capacity for an innovative adoption of latest technologies through experimentation and pilots needs to be created. (Section VIII.4.l)	ACCEPTED & UNDER IMPLEMENTATION
33	Recruitment of crew for the recent acquisition of 109 modern patrol craft needs to be expedited. Similarly, expedited action should be taken for operationalising the telecommunications setup. (Section VIII.4.n)	ACCEPTED & UNDER IMPLEMENTATION
34	The Directorate of Logistics needs to be strengthened and the required expertise in technology, procurement and contract management needs to be created and sustained in the directorate. It should regularly engage with industry and technical institutions to keep its knowledge current.(Section VIII.4.n)	ACCEPTED & UNDER IMPLEMENTATION
35	The Directorate of Safeguard needs to be strengthened and should be enabled to play a more proactive role in the propagation of safeguard measures in industry, particularly among SMEs.(Section VIII.4.q)	ACCEPTED & UNDER IMPLEMENTATION
36	There is need to develop non-preferential rules of origin to ensure proper application of antidumping and safeguard measures. (Section VIII.4.q)	ACCEPTED & UNDER IMPLEMENTATION
37	Directorate of International Co-operation should be created and adequately staffed in view of the high importance of international co-operation in customs functioning. A clear framework needs to be created for international data exchange and dedicated resources assigned. (SectionsVIII.4.s and VIII.4.t)	ACCEPTED & UNDER IMPLEMENTATION
38	In consultation with the relevant ministries, the CBEC should initiate a programme for cross border co-operation with India's neighbours, which can lead to joint border control as envisaged in the Revised Kyoto Convention. This can begin with an institutionalized arrangement for regular border meetings between designated customs officials to deal with day-to-day operational issues that create difficulties for trade. (Section VIII.4.i)	ACCEPTED & UNDER IMPLEMENTATION
39	The CBEC needs to revisit its transfer policies that presently prevents specialisation, dilutes accountability and affects its performance. It needs to address the issue of people development in a properly constructed competency framework. (Section VIII.4.u)	ACCEPTED & UNDER IMPLEMENTATION
40	NACEN needs to substantially upgrade its curricula and training methodology with greater infusion of technology and widening of its training coverage. It will also have to build capacity for delivery of training to all levels in emerging areas of customs administration. (SectionVIII.4.u)	ACCEPTED & UNDER IMPLEMENTATION
41	NACEN should embark on e-training, virtual classes, webinars, etc so that the training coverage is enlarged and delivered at the place of work. Adequate infrastructure and allocation of financial resources will be part of this capacity building. (Section VIII.4.u)	ACCEPTED & UNDER IMPLEMENTATION
Information Exchange		
42	To enable inter-agency data and information sharing in a systemic manner, a specific legislation should be enacted, providing for general rules for exchange of data and information, confidentiality, process of sharing& making requests etc. (Section IX.6.b)	ACCEPTED & UNDER IMPLEMENTATION
43	All collaborating organisations – the CBDT, CBEC, FIU, CEIB, RBI and SEBI – need to create a common catalogue of data	ACCEPTED &

	or information.	UNDER IMPLEMENTATION
44	A consistent approach on data across agencies will allow better collation of data and information, making its use easy. A common taxonomy will standardise data description, data context and data sharing. (Section IX.5.b)	ACCEPTED & UNDER IMPLEMENTATION
45	Key requirements for common taxonomy must include de minimis standardization of data description, data context and data sharing.(Section IX.5.b)	ACCEPTED & UNDER IMPLEMENTATION
46	Organisational difficulties in data or information exchange through this utility can be discussed in a Steering Committee, set up for the purpose, comprising all collaborating agencies. (Section IX.5.c)	ACCEPTED & UNDER IMPLEMENTATION
47	Algorithms must be developed to make sense of the amorphous data and information coming from various sources into structured data so as to execute and deliver the objectives and purpose of collecting the data. (Section IX.6.d)	ACCEPTED & UNDER IMPLEMENTATION
48	Key components for developing analytics and algorithms will include service oriented architecture to re-use processes and technology, thereby enforcing technology standards compliance. This architecture must be such as to allow organisations to seamlessly “plug in” additional technologies to meet future business needs. Other components of the technology will be master data management to provide a single source of reliable data to leverage across all business processes and business process management to build, test, deploy, and share workflows, as well as document and re-use across business processes.(Section IX.6.f)	ACCEPTED & UNDER IMPLEMENTATION
49	The most critical aspect of establishing a data analytics infrastructure is to establish a mechanism to process and structure data so that it is ready for analysis. Therefore, it will be imperative for all collaborating agencies to evaluate the quality of data available for a meaningful analysis. (Section IX.5.e)	ACCEPTED & UNDER IMPLEMENTATION
50	Information must be collected and managed in a way that promotes its re-use either by the same organisation or by some other organisation. This ‘collect once, use many times’approach helps save valuable time and cost and avoids duplication of efforts by multiple agencies. (Section IX.5.h)	ACCEPTED & UNDER IMPLEMENTATION
51	For better re-use of data to be part of lifecycle management, all agencies must have an eyeon the future use of data or information and not just on their immediate requirements.(Section IX.5.h)	ACCEPTED & UNDER IMPLEMENTATION
52	Specialized personnel must be engaged to manage data or information exchange. Their job will entail finding sources of data or information in a continuous manner to fulfill the ever increasing requirement for data or information, work out common standards, develop common taxonomy and develop sophisticated algorithms and software for analysis of the data. They will be part of the CIO/DG (Systems) in each Board. (Sections IX.5.k andIX.6.g)	ACCEPTED & UNDER IMPLEMENTATION
53	The training needs of officials should be identified, training plans developed and an all out effort made to train personnel. Thereafter, evaluations must be made to find out whether training helped in honing the skills required for data or information sharing. (SectionIX.5.k)	ACCEPTED & UNDER IMPLEMENTATION
54	Training of officials of all collaborating organisations must be organised on roles and rules for access, disclosure guidelines, and confidentiality framework to usher in transparency, openness and trust. The CBDT and CBEC should take the lead in	ACCEPTED & UNDER IMPLEMENTATION

	this effort and provide the technical know-how for the preparation of datasets, contribution of datasets, explanation of metadata and the entire workflow of data publishing, feedback management etc. Such training will help in fostering a culture of willingness to share.	
Third Report – Expanding the Base		
55	Collection, dissemination and effective use of data	ACCEPTED & UNDER IMPLEMENTATION
56	Survey, Search and Seizure	ACCEPTED & UNDER IMPLEMENTATION
57	Risk Analysis	ACCEPTED & UNDER IMPLEMENTATION
58	Tax amnesty	ACCEPTED & UNDER IMPLEMENTATION
59	Research and Analysis	ACCEPTED & UNDER IMPLEMENTATION
60	Creation of Tax Culture and conducive environment	ACCEPTED & UNDER IMPLEMENTATION
61	Tax forum	ACCEPTED & UNDER IMPLEMENTATION
Compliance Management		
62	Governance- a. clarificatory circulars b. improving success rate in departmental litigation c. improving trust-create value based administration d. shaping leadership e. minimising tax gap	ACCEPTED & UNDER IMPLEMENTATION
63	Customer focus	ACCEPTED & UNDER IMPLEMENTATION
64	Cultivating a culture of compliance	ACCEPTED & UNDER IMPLEMENTATION
65	Compliance risk management	ACCEPTED & UNDER

		IMPLEMENTATION
66	Compliance verification	ACCEPTED & UNDER IMPLEMENTATION
67	Transfer pricing audits	ACCEPTED & UNDER IMPLEMENTATION
68	Enforcement	ACCEPTED & UNDER IMPLEMENTATION
Fourth Report – Revenue Forecasting		
69	Approaches to revenue forecasting (.XII.5.a)	ACCEPTED & UNDER IMPLEMENTATION
70	Revenue forecasting methods (XII.5.a)	ACCEPTED & UNDER IMPLEMENTATION
71	Improving methods for collection of tax debt (XII.5.a)	ACCEPTED & UNDER IMPLEMENTATION
72	Reviewing and reporting of forecasts and monitoring of taxes (XIII.5.b)	ACCEPTED & UNDER IMPLEMENTATION
73	Improving data requirement and availability (XIII.5.c)	ACCEPTED & UNDER IMPLEMENTATION
74	Partnering non-government bodies and research institutes (XII.5.d)	ACCEPTED & UNDER IMPLEMENTATION
75	Integrating revenue forecasting with policy (XIII.5.e)	ACCEPTED & UNDER IMPLEMENTATION
76	Organisational/Institutional arrangements (XIII.5.f)	ACCEPTED & UNDER IMPLEMENTATION
77	Staff resources (XIII.5.g)	ACCEPTED & UNDER IMPLEMENTATION
Predictive Analysis		
78	Increasing data pool for analytics– integration, collaboration and cooperation (XIV.5.a)	ACCEPTED & UNDER IMPLEMENTATION

79	Leadership & Culture– Laying foundation of analytics in organisations (XIV.5.b)	ACCEPTED & UNDER IMPLEMENTATION
80	Strategic Plans and delivery– start small- launch pilots- capture low hanging fruits- build confidence and scale up (XIV.5.b.iii)	ACCEPTED & UNDER IMPLEMENTATION
81	Role of KAIC– A hotbed of learning and innovation with continuous increasing R&D capabilities (XIV.5.b.iii)	ACCEPTED & UNDER IMPLEMENTATION
82	Training – Focused well structured training courses at all levels (XIV.5.b.v)	ACCEPTED & UNDER IMPLEMENTATION
Research in Governance		
83	Role of research in improving tax governance (XV.1)	ACCEPTED & UNDER IMPLEMENTATION
84	Areas of Research (XV.4.b)	ACCEPTED & UNDER IMPLEMENTATION
85	External research Collaboration (XV.4.b)	ACCEPTED & UNDER IMPLEMENTATION
86	Dissemination of research (XV.4.c)	ACCEPTED & UNDER IMPLEMENTATION
87	Human Resources for research (XV.4.d)	ACCEPTED & UNDER IMPLEMENTATION
88	Allocation of funds for research (XV.4.e)	ACCEPTED & UNDER IMPLEMENTATION