

**DIRECTORATE GENERAL OF SYSTEMS & DATA MANAGEMENT
CUSTOMS & CENTRAL EXCISE 4 th & 5 th FLOOR, HOTEL SAMRAT,
KAUTILYA MARG, CHANAKYA PURI, NEW DELHI - 110 021**

F.NO:- IV (24) 19/2010-Systems

Dated: March 10,2010

Subject: ACES Performance Report for February, 2010 and Preparations before Mandatory e-filing and e-payment - Reg

You all must have heard the budget speech of Hon'ble Finance Minister. He was happy to announce the completion of the national roll-out of ACES in 2009. Similarly, on the occasion of the Central Excise Day, the Secretary Revenue, Chairman and Member (CX), CBEC had also mentioned about the ACES project, pinning a lot of hope from the departmental officers to make it a success. As you all know, automation in Central Excise and Service Tax is an important pre-requisite for successful transition to the GST regime and to quote Member (CX), 'ACES provides the bedrock of modern e-governance based taxation system'. We all have to strive hard to ensure 100% use of ACES by the end of this year.

2. As you are aware, Board has issued Notification No. 04/2010- Central Excise (NT) dated 19 th Feb, 2010 and Notification No. 01/2010 – Service Tax dated 19 th Feb,2010 making e-filing of returns (ER 1 and ER 3) mandatory for assesseees paying revenue (PLA+CENVAT) of Rs. ten lakhs or more in preceding financial year. DGS has sent a request to the Board to extend this mandatory provision for all the returns and other allied activities like registration, refund etc. Since with effect from 1 st April, 2010, the number of assesseees using ACES will increase manifold, particularly in Service Tax (being the month for filing half-yearly ST 3 returns), you are requested to direct the Commssioners under your charge to take all necessary steps, including issuance of Trade Notice etc. to ensure smooth working in ACES. With the mandatory e-filing, many existing assesseees, whose e-mail IDs are not in our database, may now approach the departmental officers to incorporate their email IDs to get TPIN mails and register with ACES. The Commissioners should, therefore, ensure that the Range Superintendents, who are given the power in ACES to incorporate email IDs of assesseees and resend TPIN e-mails are fully conversant with the process. In case of any problem or clarification, they can approach the ACES service desk by phone or e-mail.

3. Further, to make it easy for the Dealers to file returns in ACES, an XML schema has been hosted on the ACES website. All Commissioners under your charge may be advised to bring it to the notice of the staff and the dealers. By using this schema the assesseees can generate an up-loadable form of return directly from their own database without the need to make fresh data entry. We are in the process of publishing similar schema for ER 2 and ER 1 returns by the end of March, 2010.

4. I am attaching a copy of the ACES Performance Report for the month of February, 2010 for your information and necessary action. This report gives a comparative snapshot of activities under various modules in ACES in all the 104 Commissionerates under CBEC and aims at helping you in monitoring the progress of implementation of ACES in your zone.

5. Apart from LTU, Bengaluru and Chennai, who are consistently maintaining a 100% e-filing record, the **top four Commissionerates**, during this period in various segments are:

Numbers Filed	I	II	III	IV
CE Registrations	Pune-I (62)	Rajkot (60)	Ahmedabad-II (57)	Thane-I (50)
CE Returns	Coimbatore (1461)	Rajkot (1364)	Jaipur-I (1360)	Ahmedabad-I (1152)
ST Registrations	Mumbai ST (2318)	Delhi ST (1785)	Banglore ST (999)	Chennai ST (619)
ST Returns	Jaipur-II (1472)	Jaipur-I (139)	Coimbatore (84)	Kolkata ST(39)
CLI	Jaipur I (189)	Chandigarh-I (67)	Rajkot (52)	Ahmedabad-I (49)

6. As intimated earlier, a large number of assesseees have still not intimated their e-mail IDs to the department. As a result, the activities in ACES have not been to the desired level. In this connection, template of a letter was sent to the Commissioners to collect the e-mail IDs from the assesseees, particularly when they come to the office to submit their manual returns. They were advised to either get the e-mail data updated in ACES through the Range officers or forward the information in excel sheet to DG, Systems so that we can get it updated. The template was sent to you as an attachment to my last letter. The Commissioners were also advised to send copies of this template to various Chambers of Commerce and Industry with a request to advise their members to submit email IDs to the department as soon as possible and start using ACES.

7. As intimated earlier, we have also noticed that even after receiving TPIN mails, a large number of assesseees have still not registered with ACES. A list showing the numbers of such assesseees is enclosed for ready reference. A facility has also been provided in the ACES application to the departmental officers to view the list of such assesseees in their respective jurisdiction. Range officers may be directed to get in touch with such assesseees and ensure that not only they register with ACES at the earliest but start using it for their regular business with the department.

8. Some of the Commissioners have informed us of the discrepancy in the number of assesseees shown in the ACES database. In this connection, I would like to clarify that prior to ACES, field officers were given access to SACER and SAPS database to enter a date an assessee was considered as, and based on intimations from field formations, status was marked as 'C' (Cancelled) or 'D' (Deleted). There was no provision to treat any assessee as Defunct. Before rolling-out ACES, DGS had repeatedly advised the Commissioners to review the status, clean up the database so that the records of registration in SACER and SAPS could be migrated to ACES. Based on the data, with the flags as it existed, data were migrated to ACES. DG Systems has not made any changes in the flags of the assesseees. In

the ACES application, field officers have not been given any rights to put flags. In order to set right the discrepancy, DGS, Chennai had sent an email on 15 th January, 2010 to all the Com.Admins (copy enclosed) to review the status of the assesseees under their jurisdiction and forward the list with the correct flags so that DGS can upload the data. But till date no such list has been received from any Commissionerate. You are requested to instruct the Commissioners to complete the review process and send the lists by 25th March positively so that database could be corrected by 1 st April, 2010.

9. I am also enclosing a chart both for Central Excise and Service Tax Registration which shows average, minimum and maximum time taken to issue a registration certificate. It is seen that there is a considerable time gap between filing of registration application and issuance of registration certificate by the Departmental Officers. Efforts should be taken to issue registration certificate as per norms of CBEC at the earliest, preferably on the same day, so that the assesseees can feel the utility of ACES.

10. It is further mentioned that suggestions for Management Information System (MIS) (Reports in various formats, both revenue-related and other-wise) to appear on the dashboard of different level of officers at the Range, Division and Hqrs as well as suggestions for improvement in ACES Software/Website have not reached us. You are requested to give this work 'TOP PRIORITY' and send your suggestions positively by 15 th March, 2010. It may not be possible to incorporate any changes thereafter as the final version will be sent to the vendor for development.

11. You will be happy to know that the Hon'ble Finance Minister has also approved the proposal to set up Certified Facilitation Centres (CFCs) for ACES throughout India , with effect from April, 2010, by the Members of the Institute of Chartered Accountants of India (ICAI). CBEC is in the process of entering into an MOU with ICAI shortly. This will help the assesseees, particularly those who do not have the requisite IT infrastructure or resources, to use the facilities of CFCs to digitize and upload their documents to ACES on payment of service charges, at rates approved by CBEC, to the Chartered Accountants, running the CFCs. The free-of-cost services under ACES will, however, continue to be available to those assesseees who directly use ACES on their own.

I look forward to your continued support to ACES and your valuable suggestions.

(F. M. Jaswal)
Director General (Systems)