

Centralised Registration - Board scales down DGST's complicated procedure

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The DG, Service Tax had issued an elaborate, complicated and impossible procedure for centralised registration. In **DDT 141 on 01 07 2005**, this column had pointed out that:-

The check list requires the applicant to give information on

1. Residential address of proprietors/partners/directors.
2. Proof of address of the registered premises.
3. Bank account numbers.
4. List of branches, offices or premises of the assessee along with the names of persons.
5. Details of the accounting systems adopted and the method to ensure that no transaction remains unaccounted.
6. An undertaking that information records and data will be made available within ten days to the audit team.
7. Separate lists of records maintained at the branches and the registered premises.
8. List of reports submitted by branch offices to the head office.
9. A recapitulation statement showing service wise quantum of service rendered.
10. Information on how Data/Information is transmitted from branches to head office.
11. Information as to whether recoveries are affected through Credit/Debit notes.
12. Whether penal interest is collected.
13. Branches wise series of invoices with a few sample copies of invoices

All this information is to be certified as correct by the Managing Director and the concerned Chartered Accountant. The field formations are to verify annually that the information is correct and valid. The DG does not clarify as to who should certify if there is no Chartered Accountant or MD. Maybe registration will be refused.

DDT is happy to report that better sense has prevailed and Board has issued instructions

to over-rule the DGST and simplify the procedure. We are extremely happy to inform you that all the above requirements except sl. Nos. 2,4 and 11 have been removed from the list in the annexure to the application for registration. The DGST's form had 22 items out of which the 11 items mentioned above have been removed.

DDT had further questioned,

And is there any time frame for the registration process to be completed? It takes about 15 days for a paper to reach from one section to another in a Commissionerate. When will the application reach the DG and come back? And when the department is talking so much about computerisation, why can't the DG take the application online and give the registration within a few minutes?

DDT is happy to report that Board has fixed a time limit of seven days for the entire verification and another seven days for DG to verify if he wants.

One of our enlightened netizens had written in to say that if the DG's instructions were to be complied, you would need a consultant just to get a registration. Board's pruning the list by half would make things simpler.

DDT

in all humility thanks the Board for its positive response. This is exactly how a tax administration should work, especially when overzealous DGs go over **board** with their impossible prescriptions.

Unfortunately the clarifications are contained in a letter from the Board to the DG. This should have been a proper circular. Fortunately, the Board has not kept it a secret.

Finally it would be nice if Board can issue instructions to DGs of this world, especially of the service tax kind not to go round issuing instructions and

prescribing forms. The DG, Service Tax seems to be acting in haste and regretting in leisure.

[CBEC letter in F.No.354/106/2005-TRU dated 8.8.2005](#)

Service Tax – Powers of adjudications

Précis writing was once upon a time, part of the test for becoming a civil servant and may be that is the reason why communications from the bureaucrats used to be precise. (Do I sound ancient?) Yesterday **DDT**

had told you about the notification regarding the powers of adjudication under Service Tax. Board had also issued a circular explaining the notification. The table of powers of adjudication are reproduced twice in the circular. Board clarifies that

1. the monetary limits specified in the Tables for adjudication of service tax cases shall be irrespective of whether or not such cases involve fraud, collusion, willful mis-statement, suppression of facts or contravention of any of the provisions of the Act or the rules
2. Those cases where there is no alleged failure to pay or evasion/avoidance of service tax or utilization of CENVAT credit shall be adjudicated by the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise. (Is avoidance of tax a crime?)
3. Notice to show cause shall be approved in writing and signed by the Central Excise Officer competent to adjudicate the notice.
4. Where simultaneously different cases involving the same issue are due to be adjudicated in a Commissionerate, all such cases may be adjudicated by the Central Excise Officer competent to decide the case where the service tax or CENVAT credit involved is of the highest amount. (How will they know this and who will monitor this? Should an Assistant Commissioner before adjudicating a case ask his Commissioner whether any such case is pending in the Commissionerate)
5. For cases where the appellate authority remands the case for de-novo adjudication specifically mentioning the authority that has to adjudicate the case, then such authority specified in the said appellate order should adjudicate such cases. Where the appellate authority does not specifically mention the authority who has to adjudicate the case, then it should be decided by the authority who passed the said remanded order. The monetary limits will not be applicable in such cases.
6. All pending notices shall be disposed of in terms of this Circular. However, in those cases where the personal hearing has been completed, orders will be passed by the adjudicating authority before whom the hearing has been held. Such orders should normally be issued within a month of the date of completion of the personal hearing. (Incidentally why can't departmental adjudicators decide the case immediately after hearing – on the same day when Tribunals and Courts can do it?)

[CIRCULAR NO. 80/1/2005- ST, Dated: August 10, 2005](#)

Board extends payment of Service Tax in Maharashtra to 20th August

In view of the unprecedented rains in Maharashtra and Gujarat and considering representations from trade associations, Board has decided not to insist on payment of Service Tax for July by 5th of August 2005. Again Board is on a secret mission. **DDT** understands that the Member, Service Tax has written to the Chief Commissioners of Mumbai, Nagpur, Pune, Ahemdabad and Vadodara advising them to take a lenient view and not to impose penalties for delayed payment of Service Tax for July 2005. The Member's letter does not say anything about interest. But why again a secret letter? Why can't the Board tell the world that it reacts positively to natural calamities and why can't they issue a circular or notification stipulating that the tax for July can be paid by August 25th? In any case most of the records must have been washed off and the Board can only fish in murky waters. Incidentally what about excise duty? If Service Tax payment can be delayed why not excise duty? But that is under the jurisdiction of another Member.

Any way, **DDT**

congratulates the Member, Service Tax for his kind (though secret) gesture. When the Board gives a concession to the assessee, why can't the Board make it known to the assessee instead of communicating it only to the field officers? Is the Board aware of a piece of legislation called the Right to Information Act?

An expert in the field told me today that the officers in the Board are all good people, but the fear of the unknown is keeping them in a secretive mode. What if their instructions are wrong?

Transparency, Honoured officers, gives you a chance for correction. Those who criticise you are not your enemies; they are your friends and well wishers.

Until Monday with more DDT

Have a nice Weekend.

Mail your comments to vijaywrite@taxindiaonline.com