

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GOVERNMENT SETS-UP TAX ADMINISTRATION REFORM COMMISSION UNDER
DR. PARTHASARATHY SHOME**

New Delhi: August 26, 2013
Bhadrapada 4, 1935

In his Budget Speech 2013-14 in the Parliament on 28.02.2013, the Finance Minister had announced as under:

“An emerging economy must have a tax system that reflects best global practices. I propose to set-up a Tax Administration Reform Commission to review the application of tax policies and tax laws and submit periodic reports that can be implemented to strengthen the capacity of our tax system.”

Accordingly, the government has set-up a Tax Administration Reform Commission (TARC). The term of the Commission will be 18 months. The Chairman of the Commission is Dr. Parthasarathy Shome and will be in the rank of Minister of State.

The Members of the Commission are as follows:

Full- Time Members: 2

- Shri Y.G. Parande
- Ms. Sunita Kaila

Part-time Members: 4

- Shri M.K. Zutshi
- Shri S.S. N. Moorthy
- Shri M.R. Diwakar
- Shri S. Mahalingam

The **Terms of Reference** of the Commission will be as follows:-

- To review the existing mechanism and recommend appropriate organizational structure for tax governance with special reference to deployment of workforce commensurate with functional requirements, capacity building, vigilance administration, responsibility and accountability of human resources, key performance indicators, assessment, grading and promotion systems, and structures to promote quality decision making at the highest policy levels.
- To review the existing business processes of tax governance including the use of information and communication technology and recommend measures for tax governance best suited to Indian context.

- To review the existing mechanism of dispute resolution covering time and compliance cost and recommend measures for strengthening the same. This includes domestic and international taxation.
- To review the existing mechanism and recommend capacity building measures for preparing impact assessment statements on taxpayers compliance cost of new policy and administrative measures of the tax Departments.
- To review the existing mechanism and recommend measures for deepening and widening of tax base and taxpayer base.
- To review the existing mechanism and recommend a system to enforce better tax compliance - by size, segment and nature of taxes and taxpayers, that should cover methods to encourage voluntary tax compliance.
- To review the existing mechanism and recommend measures for improved taxpayer services and taxpayers education programme. This includes mechanism for grievance redressal, simplified and timely disbursement of duty drawback, export incentives, rectification procedures, tax refunds etc.
- To review the existing mechanism and recommend measures for “Capacity building” in emerging areas of Customs administration relating to Border Control, National Security, International Data Exchange and securing of supply chains.
- To review the existing mechanism and recommend measures for strengthening of Database and Inter-agency information sharing, not only between Central Board of Direct Taxes (CBDT) and Central Board of Excise and Customs (CBEC) but also with the banking and financial sector, Central Economic Intelligence Bureau (CEIB), Financial Intelligence Unit (FIU), Enforcement Directorate etc. and use of tools for utilization of such information to ensure compliance.
- To review the existing mechanism and recommend appropriate means including staff resources for forecasting, analysis and monitoring of revenue targets.
- To review the existing policy and recommend measures for research inputs to tax governance.
- To review the existing mechanism and recommend measures to enhance predictive analysis to detect and prevent tax/economic offences.
- Any other issue which the government may specify during the tenure of the Commission.
