

# **Image Building for CBEC**

*A paper*

*by*

Dr. Somesh Chander

Sri Harish Dharnia

Sri Senthil Nathan S

Sri Ravi Kiran Edara

Sri Sadhu Narasimha Reddy

Smt. Padmavathy K

*presented as part of*

*Phase-III - Mid-Career Training Programme for IRS (C&CE) officers*

September/October, 2015

**National Academy of Customs, Excise & Narcotics**

## **ACKNOWLEDGEMENTS**

In writing this paper, we were supported with ideas and assistance from many colleagues, professors, etc. We would like to especially thank the following people:

Firstly, the study group is grateful to Sri Rajesh Nandan Srivastava, ADG (MCTP), NACEN for giving us the independence and opportunity to choose this topic for our project assignment.

Secondly, our sincere thanks to mentors, Sri Alok Jha, Additional Commissioner, Rohtak, Prof. Nishant Uppal & Prof. Rajesh K. Aithal at IIM, Lucknow who have guided our research work.

Thirdly, our thanks to the 39 participants of MCTP as well as members of the trade & industry from who have spared their valuable time to answer the survey questionnaire.

### **SUMMARY**

'Reputation management' or 'image building' is one of the most important focus areas in any organization. As perceptions held by the stakeholders are so vital in achieving success for the organisation, the need to control, manage and build 'image' is of fundamental importance. While brand building is common in private sector, in government, there has been very little or no focus on building a positive image for the organisations.

'Image' of an organization is not its name or its logo. It's not a slogan or a trademark. It is not an advertising or public relations campaign. When an image is being developed or managed, it is fundamentally a relationship that is being built or managed by the organisational owners with current or prospective customers. The brand image of governmental organization, in general or the civil service in particular, has a major impact on that of the nation, as it is the nexus between the country, its citizens, the private sector, and international relations of any kind.

Central Board of Excise and Customs (CBEC) is the apex statutory body in India for administration of indirect taxes of Central government, viz., Customs, Central Excise & Service Tax. The need to build a positive image for CBEC, a significant player in the nation-building process emerges from reasons such as to ensure '*ease of business*' and to create a conducive climate for boosting investor confidence; to establish CBEC as a model among the indirect tax administrations of the world; to improve 'self-image' in the eyes of employees; to build a fair and taxpayer-friendly image for CBEC in the eyes of trade and businesses; need to position CBEC as an attractive career choice for public service aspirants.

**In the present paper, an effort was made to analyse the image of CBEC from the perspective of four major stakeholders viz., *Taxpayers, Employees, General Public and Government*. Following are some of key recommendations made:**

- 1. CBEC to undergo introspection at all levels and adopt a new paradigm wherein the taxpayers are viewed as partners in national progress and from a revenue centric outlook to service-oriented outlook;*
- 2. CBEC should engage the services of a PR agency of international repute immediately to assess the needs and design suitable PR strategies in the form of ad campaigns, constructive media engagement, taxpayer education efforts, etc. through various media.*
- 3. There should be periodic survey/assessment of taxpayer satisfaction level through independent agencies which could help detect areas of weakness that require special attention.*
- 4. All Commissionerate & Division offices should include a dedicated temperature controlled waiting area with basic amenities like drinking water etc. and a television set to showcase achievements of CBEC.*
- 5. CBEC should revise the mechanism of rewarding exemplary taxpayers through incentives such as partnering with banks to offer loans at a reduced rate of interest as well as preferential clearance through VIP Immigration channels in the airport to the senior management etc.*
- 6. CBEC should expedite implementation of biometric attendance in all field offices to ensure punctuality of the officers.*
- 7. Positive developments on HR front such as creation of a dedicated Directorate General of Human Resource Development, separate APAR cell, digitization of APAR's etc. have to be taken forward with more zeal.*
- 8. Monetary and other benefits arising out of promotions shall be given automatically within reasonable time. At all levels, DPC's shall be conducted in time to ensure timely promotions.*

9. *Career planning of officers at all levels should be accorded utmost priority. Initial postings should be invariably in the field and the rotation among different wings of the department shall be rhythmic and mandatory.*
10. *The exercise of AGT should be completed well within the stipulated timelines and the transfer orders should be published by April without fail.*
11. *Implementation of transfer policy should be transparent and the reasons in case of deviations must be explained and published on public domain, as being practised in the case of CBDT.*
12. *Whenever there are negative stories about the department in general or any officers in particular, entirely based on half-truths or blatantly false premises, a clarification must be issued by the Commissioner immediately.*
13. *Like in IT department, a joint/addl. commissioner shall be posted in every zone to exclusively follow up infrastructure issues and for continuous and focused co-ordination with DGHRD, local state government departments etc. Initiatives like 'Project Tarang' whereby BSNL Closed User Group (CUG) facility was given to all the departmental officers in IT should be implemented.*
14. *Every Commissionerate/Airport/Office should institute a system of recognizing a performer as "Employee of the Month" and such recognition should be suitably highlighted prominently through notice boards, etc.*
15. *At the stage of training itself, a sense of pride and confidence needs to be instilled so that the officer's belongingness to the department is enhanced. NACEN should take lead to design, produce and market memorabilia and souvenirs with the emblem of NACEN/CBEC as well as imagery invoking the glorious heritage of the Customs and Central Excise.*
16. *The walls of NACEN as well as office buildings of CBEC should be adorned with thought provoking quotations on taxation as well as on nation building.*

- 17. NACEN should partner with expert bodies like ICAI, ICWAI, NIPFP, etc. to develop modules to train the officers of state tax administrations as well as the stakeholders across the country on GST.*
- 18. CBEC website should be seen as the face of the department. The recent makeover of the CBEC website is a commendable step. Even after the re-design, many lacunae and shortcomings are noticed. A dedicated section to introduce CBEC and its role in nation building presented in a layman-friendly manner should be added and that link should be prominently displayed on the home page of the website. Toll-free numbers of various help desks should be prominently displayed on Home Page.*
- 19. Mobile/tablet-friendly version of CBEC website with most popular sections should be enabled without further delay.*
- 20. A specialized app should be developed exclusively for international passengers to clearly educate them about prohibited items, free allowance, calculation of duty, complaints and grievance redressal, filing online customs declaration form etc.*
- 21. Outreach programmes should be conducted in schools and colleges to educate the students about the importance of taxes in nation building, various types of taxes in the country etc. to create awareness among young impressionable minds.*
- 22. Publicity campaigns should be undertaken at regular intervals wherein basic law and procedures about customs, excise and service tax are introduced in simple English and various Indian languages. This can be done by issuing one prominent ad per week under the heading, say, 'Let's know about Service Tax'. Basic public documents like Travellers' Guide, information published under section 4 of RTI Act etc. should be translated into all Indian languages in a time-bound manner, update regularly and should be publicized widely.*
- 23. It is high time CBEC comes out with a 'Social Responsibility Statement' to create a strong sense of social responsibility among staff; To recognise and support volunteerism;*

*To act together to preserve a Green and sustainable environment for our future generations by consciously reducing power, water and paper wastage; CBEC should take lead among all government departments to start such initiatives in Government of India and also showcase the same for building better image of the department.*

*24. CBEC and all its field offices should regularly conduct programmes reflecting social responsibility such as blood donation camps, tree plantation, 'Swachh Bharat' etc. Voluntary initiatives by departmental officers like Customs, Excise & Service Tax Volunteers Association (CESVA) in Visakhapatnam needs to be institutionalized and promoted in field formations throughout the country.*

*25. To create more positive outlook and awareness about taxes and to emphasise voluntary compliance, 'correct and timely payment of taxes' may be included as one of the fundamental duties in the Constitution of India.*

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## **INDEX**

- 1. Introduction.....9**
- 2. What's image?.....9**
- 3. Image building in governmental organizations.....10**
  - 4. Image building for CBEC – The Need.....12**
  - 5. Image from the perspective of *TAXPAYERS*.....14**
  - 6. Image from the perspective of *STAFF*.....22**
- 7. Image from the perspective of *GENERAL PUBLIC*.....30**
- 8. Image from the perspective of *GOVERNMENT*.....37**
  - 9. International Best Practices.....39**
- 10. Annexure-A.....46**

### **Introduction:**

'Reputation management' or 'image building' is one of the most important focus areas in any organization. As perceptions held by the stakeholders are so vital in achieving success for the organisation, the need to control, manage and build 'image' is of fundamental importance. Wherever one comes into contact with a target audience to be influenced, and whenever people are involved in an organization, institution or entity, image counts. Failure to undertake such image-building activity may well lead to negative perceptions and lesser achievement of organisational objectives. This is why, from nations to non-profit organizations, from civil services to private entities, there is no escape from the tough requirement of the need to create a point of differentiation and a positive image.

In the competition-driven private sector, it is natural to find conscious and continual attempts to build a positive image about the organisation or the brand in the eyes of public. However, in government, where there is no scope for any 'competition' as such, there has been very little or no focus on building a positive image for the organisations. The image of government as a lumbering behemoth with perceived characteristics such as 'corrupt', 'inefficient', 'change-resistant' etc. was largely taken for granted by general public. Of late, in the present era of 'entrepreneurial government', 'participative governance', 'citizen-centric' administration etc., the key importance of each government organisation to build a better image of itself in the eyes of public and other stakeholders is increasingly getting recognised. Thus, the conscious attempt at 'branding' or 'image-building' in government organisations is no longer a 'nice-to-have' option but a "must have" imperative.

### **What is 'image'?:**

Image of an organization is not its name or its logo. It's not a slogan or a trademark. It is not an advertising or public relations campaign. These are indeed communication vehicles that help with marketing and messaging and tend to be one way in nature from the organization to the consumer. Branding or building up of image happens before all of these.

Brand or image is a complex mixture of tangible and intangible elements. On the tangible side are products, services, communications and other “hard” aspects, while on the intangible side are “soft” aspects such as feelings, mental associations, perceptions and emotions. It is the intangible side of organisation’s image that makes it so valuable and desirable. Successful brands are emotional in nature and reflect the experiences people have with the products, services and organizations they have contact with.

When an image is being developed or managed, it is fundamentally a relationship that is being built or managed by the organisational owners with current or prospective customers. This view of the brand as a relationship has particular importance in government or public sector where strong relationships are critical to success. The stronger that relationship becomes, the stronger the brand will be, and this is why the experience of the public and other stakeholders at every interaction or touch point, is of critical importance. As with the building of any relationship, brand building is only as good as every experience encountered in that process, and this is why brand management focuses intensely on the high level of satisfaction target group have across multiple touchpoints. This means that the culture of the organization has to be based on values and attitudes that reinforce what the brand stands for as it is the employees that mainly deliver the brand experience to the target group. At every level, the identity of the brand must be brought to life by those working in the organization and this is why strongly-branded companies spend a lot of time training employees to be passionately engaged with and to behave in alignment with the brand values.

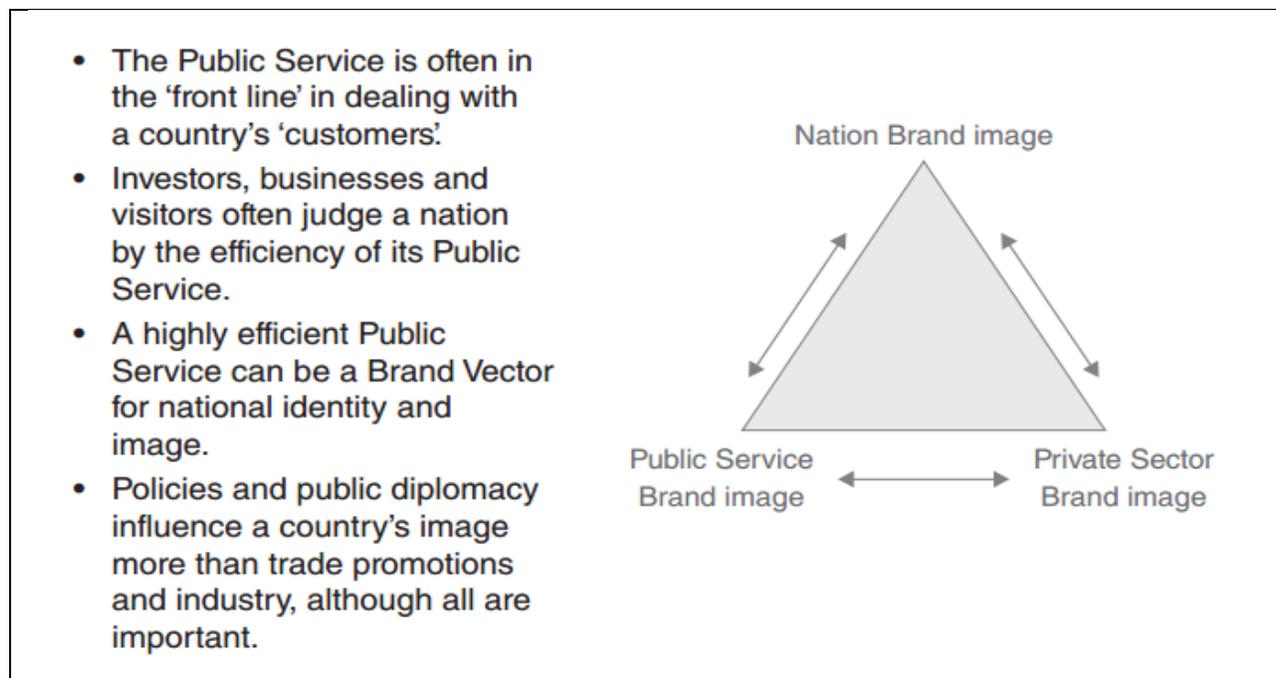
### **Image building in governmental organizations:**

While ‘industry’ branding is now becoming an accepted part of country branding, what is often neglected in country branding is the branding of government apparatus. The brand image of governmental organization, in general or the civil service in particular, has a major impact on that of the nation, as it is the nexus between the country, its citizens, the private sector, and international relations of any kind. In any nation, the government personnel is often working at the “coal face” – having multiple touch points with tourist, investors, companies, governments and other “customers.”

- *The government staff is often in the ‘frontline’ in dealing with a country’s ‘customers’;*

- *Investors, businesses and visitors often judge a nation by the efficiency of its government personnel;*
- *A highly efficient government work force can be a Brand Vector for national identity and image;*
- *Policies and public diplomacy influence a country's image more than trade promotions and industry, although all are important.*

Due to above reasons, branding or image building in governmental organizations is increasingly seen as a strategic investment that will generate strong returns and there is now a belief that when a positive image is proactively being built, it is the process of building a strategic asset with value for the organisation. Given this, it is no surprise that Canada government is one that has carried out an extensive branding exercise with its public service to manage and improve its image. In 2007, the Canada Public Service Agency unveiled a major plan to brand the Public Service of Canada based on research information that revealed gaps between the desirable image of the public service and some perceptions of it held by Canadian public and employees. Following the research, the public service brand was carefully crafted including a brand vision, mission, values, promise and character and a positioning.



**Fig. Importance of the Public Service Brand**

(Source: 'Branding for the Public Sector' by Paul Temporal)

### **Image building for CBEC – the need:**

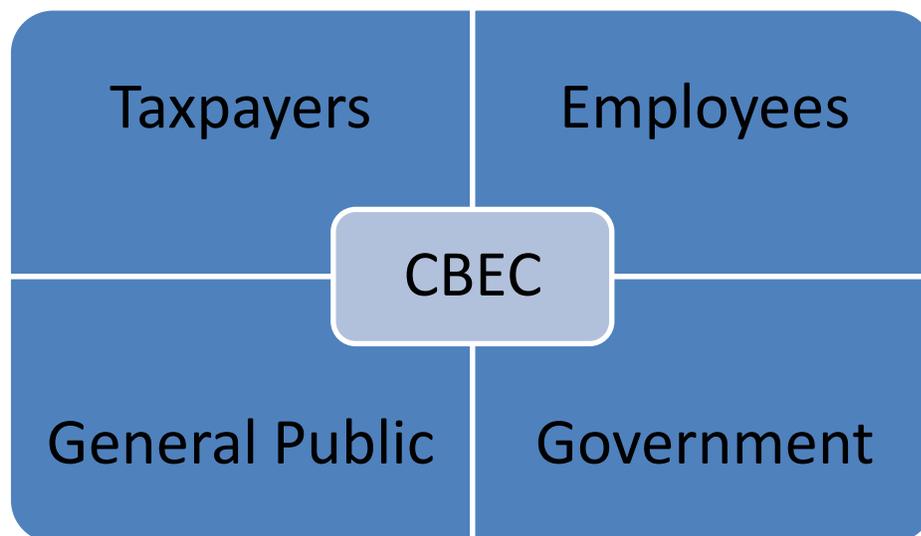
Central Board of Excise and Customs (CBEC) is the apex statutory body in India for administration of indirect taxes of Central government, viz., Customs, Central Excise & Service Tax. As part of Department of Revenue, Ministry of Finance, Government of India, CBEC deals with the formulation of policy concerning levy and collection of Customs & Central Excise duties and Service Tax, cross border movement of goods & services, prevention of smuggling etc. The Board is the administrative authority for its sub-ordinate organizations including Custom Houses and Central Excise & Service Tax Commissionerates.

The need to build a positive image for CBEC, a significant player in the nation-building process emerges from the following reasons:

1. In the present era of globalization and liberalization, the governments are virtually competing with each other in creating a powerful 'national' brands. The aim is creation of "soft power" to gain credibility at international level, to attract foreign investments, to have greater access to global markets etc. There is continuous emphasis by each government to ensure '*ease of business*' and to create a conducive climate for boosting investor confidence. In this scenario, the need to build a positive image for CBEC in the eyes of global investors can't be overemphasized.
2. As the nations globalize and are in continuous interaction and co-operation with each other on a variety of issues, sharing best practices, training exchanges etc., the need to establish CBEC as a model among the indirect tax administrations of the world also assumes great importance.
3. Image of the organisation in the eyes of its own members is supremely important since the same has a direct bearing on the overall motivation among the staff which is in turn linked with the very productivity of the organisation. From this point of view also, the need for a conscious attempt to build a positive image for CBEC can be appreciated.

4. Gone are the days when government is known more for the exercise of its sovereign powers or the traditional emphasis on its regulatory role. Now, the government is seen more as an enabler for businesses and facilitator for trade. In these modern times, the need to engage positively with all stakeholders and to build a fair and taxpayer-friendly image for CBEC in the eyes of trade and businesses is of supreme importance. This is how the push factor of enforcement can be gradually replaced with pull factor of voluntary compliance.
5. In most countries, there are some departments that are highly desirable to work in and are perhaps seen as more “glamorous” or offering better prospects for career advancement. In Singapore, for example, many talented civil service officers would like to work for the Economic Development Board for both reasons. In the same way, there is a need to position CBEC as an attractive choice for public service aspirants.

In the present paper, an effort was made to analyse the image of CBEC from key perspectives, viz., *Taxpayers, Employees, General Public and Government.*



## **Image from the perspective of TAXPAYERS**

Over the last few decades, as the Indian economy migrated from the license-permit raj to the era of liberalization, CBEC too has undergone multiple transformations from stringent physical control regime to a modern tax administration based on voluntary compliance standards. To this end, there has been a sea change in the policies, laws and procedures of the CBEC to usher in changes that are in consonance with the changing economic dynamics both within India as well as a rapidly globalizing world. CBEC was one of the earliest adopters, among government agencies, of ICT based solutions to enable smoother flow of business processes for tax payers through various initiatives such as the ICEGATE & ICES platform for Customs clearances, ACES for Central Excise & Service tax, Risk Management Division for risk based clearance of cargo as well as e-payment solutions. CBEC has also initiated an Electronic Data Warehousing (EDW) project for the purpose of data mining and business intelligence.

However, despite the far reaching changes, the primary focus of the tax administration has remained tethered to the achievement of revenue targets and consequently, the administration appears to have ingrained a spirit of blind revenue bias across all levels. The obvious casualty to this approach is the quality of taxpayer services which are forced to take a backseat. The revenue bias of the administration has manifested in the form of mutual distrust between the taxpayers and the tax administration resulting in a series of ills that ail the system such as lack of trust and service orientation, flawed system of dispute resolution, lack of clarity and standardization in policy and procedures, etc.

There is no gainsaying that the average taxpayer considers tax payment as a painful, albeit inescapable, exercise. While this is a primary source for negative perceptions about the tax administrations *per se*, they could be mitigated to some extent if the taxpayers could comply with their tax obligations with minimal hassle. A tax policy that is simple to understand and codified with minimal ambiguity, procedures that are easy to comply and an administration which is sensitive to the concerns of the taxpayers are pre-requisites in this regard. However, in the context of CBEC, there is a general negative perception in the minds of most taxpayers which

stems from multiple causes as stated above. These have debilitating effects which result in increasing the cost of compliance as well as cost of collection.

However, in a rapidly globalizing world characterized by cut-throat competition among entities across the world, a tax administration which imposes such higher compliance costs could seriously jeopardize the competitive advantage of Indian entities within India as well as at the international arena. Further, it is pertinent to note that it is the stated policy of the Union government to promote the manufacturing in India through the “*Make in India*” campaign. A transparent, predictable taxpayer friendly tax administration is one of the key pre-requisites for attracting investors – both domestic & foreign - to the manufacturing sector. The above qualms have also been examined in detail by the Tax Administration Reform Commission which is reflected in its reports.

It is in this context that the CBEC has declared the current financial year as the “Year of Taxpayer Services”. Further, the CBEC has also established a Directorate of Taxpayer Services with a mandate to reinvigorate the administration’s efforts to provide better services to the taxpayers comparable to international standards. However, the mere creation of a new directorate for taxpayer services would not provide a complete solution unless the deeper malaise that ails the system, viz. inherent revenue focus and bias is recognized and addressed. While tax collection is the primary mandate of any tax administration, in a globalizing world where voluntary compliance is in vogue, there is a need to introspect on what needs to be the primary focus of a tax administration. It has been empirically observed across the world, a vast majority of the tax collected by any tax administration arises from taxpayers who comply with their obligations voluntarily. In the Indian context too, a mere 2% of the total tax collected by CBEC is arising from anti-evasion and audit functions which seek to plug deficits in compliance. Thus, it is abundantly clear that close to 98% of the taxes collected by the CBEC are from voluntary compliance of the taxpayers. However, it appears that a disproportionate amount of efforts of the tax administration has been oriented towards bringing the non-compliant taxpayers to the books while very little attention is paid to the service to be provided to the large volumes of compliant taxpayers.

### **Towards a new paradigm:**

This is a key differentiator between the primary orientation of the CBEC as compared to the vast majority of tax administrations across the world which are customer-focused as against the predominant 'revenue orientation' of CBEC. This calls for a serious introspection by CBEC at all levels to redefine their salient purpose. The need of the hour is to recast the CBEC and redefine adopt a new paradigm where it should strive to provide world class taxpayer services. Under the new paradigm, the taxpayers should be perceived as partners in the progress of the nation who contributes through their economic activities and a share of which is received as taxes for re-distribution and development efforts of the Government. To this end, there is a need for an attitudinal transformation in officers at all the levels to unlearn the attitudes of the past which fostered mutual distrust and view the taxpayers as partners in the nation building through appropriate training programs. The top and middle level managers have to play a critical role in nurturing these new attitudes and oversee that the administration gears up to the shift in service level standards.

### **Concerted PR efforts:**

CBEC needs to recalibrate its Public Relations (PR) efforts to effectively communicate the changes underway to the public in general and the taxpayers in particular. For far too long, the PR efforts of the CBEC have remained sporadic and episodic with rare signs of sustained and purposeful communication as was displayed in the case of VCES which witnessed a well-orchestrated successful media campaign that contributed considerably to the success of the VCES. A professional, well-designed, systematic and sustained media campaign is an asset for every tax administration as it could usher in multiple benefits including building a positive image, creating brand value, providing easy modes for taxpayer education, persuading fence sitters as well as in deterring the potential evaders. A well-crafted media campaign could also instill a sense of positive ownership among taxpayers when they view that the taxes paid by them are utilized in nation building activities. For instance, in Korea, the tax department has projected that the increase in tax collections has resulted in sizeable amount of job creation for youth, increase in number of schools etc. This has actually made them feel proud about their contribution to the development of the nation. In fact, this is the first step towards the building of trust between public and taxpayer with government, in particular our department.

To this end, the newly created Directorate of Tax Payer Services (DTPS) should project consciously about our department i.e. who we are, our role in building nation, the historical roots of our department, the taxpayers' contribution to achieve our goal, taxpayers' role in nation building. This directorate needs to plan systematic way of publicising our vision, mission, achievements of the department. The DTPS should highlight the simplification of policies and procedures through press and social media. The field offices have to invariably pass on the amendments, change in procedures through local newspaper, regular meetings with trade. With social media as tool, we should interact with the taxpayers regularly and also project our services and accomplishments. For instance, in Singapore, the public feels that with twitter, they can connect to their Prime Minister himself and suggest measures or complaint (without the procedural hiccups). The DTPS should create an overall framework for PR efforts and provide for adequate decentralization to field formations which could fine tune the communication based on local requirements based on diverse language and cultures appropriately within the overall guidance from the DTPS. The DTPS should involve suitable private partners in media to design and deliver the PR efforts of CBEC in a professional manner to improve their reach and effectiveness as was evidenced in the success of VCES.

### **Taxpayer feedback:**

Further, the DTPS should evolve mechanisms to seek regular feedback from taxpayers with respect to their satisfaction levels. This should also involve periodic assessment of taxpayer satisfaction level through independent agencies which could help detect areas of weakness that require special attention. Countries like Vietnam and Singapore are conducting such research annually by third party. In case of Singapore, the research is done by Singapore Management University. Such efforts to seek regular feedback through independent agencies will definitely help in building trust among assesseees that we exist to deliver service to them in the world class model and will make their life easier while doing business.

### **Research based policy:**

The DTPS should also explore harnessing the tools provided by the emerging areas of behavioural economics as well as psychology to encourage voluntary compliance as well as for providing inputs for framing tax policy. Studies conducted in Japan and Ireland reveal that if the

pride of paying tax and owning responsibility for the development of nation is instilled within the taxpayer, the reaction to evaders in the public will be more of social mores and value based rather than by law. The deviation of human behavior could be efficiently controlled value system of society than by law. This also would help in voluntary compliance and enhance our facilitation role in smooth manner.

### **Taxpayer Service Centers:**

The DTSPS should also establish appropriate channels for addressing taxpayer queries and grievances based a nation-wide analysis of the nature of queries raised by taxpayers and suitably mapping a channel for addressing such queries viz. - through personal visit, or by phone, or by email. We can also learn from the case of Singapore in setting up 24\*7 customer care services for the taxpayers.

### **Infrastructure:**

An office with a warm and pleasing ambience is a key factor that communicates to the taxpayers that we are professionals waiting to serve them better. The office to which the taxpayer visits should be properly furnished to receive them. For instance, in the case of Singapore, the office of the IRAS has a well-equipped reception desk which assists the taxpayers. It also has electronic kiosks which enable the taxpayers to complete their compliance in the office itself with the aid of officers. Further, they have token system in which the taxpayer would be called by the respective officer based on the nature of the tax payer's grievances. They have also got dedicated phone connection to fix appointment with tax officials so that taxpayers need not wait for hours together. The above facilities are supplemented by a 24\*7 call center services. Both in South Korea and Singapore, the office has been well-maintained like a private company in India. Each officer has been given cubicle for themselves. Well-placed officers in better infrastructure has pride in himself and the job he does and this would help the taxpayer to have better image of officer and department as a whole. The office which has best reception facility, waiting room for taxpayers and well-maintained washrooms would definitely boost the image of department in taxpayers' view. In Singapore the tax department maintains a corpus fund so that better working people can be rewarded and taxpayers gets the better facilities and services. We should also have that corpus fund developed exclusively for the development of taxpayers' services. Excellence in

service delivery would lead to better voluntary compliance and enhancing long term cost effectiveness.

### **ICT-based solutions:**

While the CBEC has heralded multiple ICT based solutions as discussed above, there is a large room for improvements in the existing platforms as well for creation of new solutions based on reengineered and simplified business processes. A single window clearance system for Customs and the IT platform for the impending GST are two major projects on the anvil. Further, the CBEC should focus on suitably upgrading the IT infrastructure across all formations for the above applications in a time bound manner. The CBEC should also devote special focus in the area of building appropriate applications for data mining, business intelligence and risk based assessment.

### **Rewarding Exemplary taxpayers:**

The CBEC should suitably reward exemplary taxpayers who have high standards in voluntary compliance. The present system of awarding best taxpayers from all sectors based on revenue contribution should be accordingly recast to exemplary taxpayers. Rewards could also be suitably redesigned to go beyond a mere certificate or a memento that is presented in a function. The rewards awarded should be publicized widely to add to the prestige of the winners and also to encourage other taxpayers to aspire for the same. In this regard, CBEC can take a leaf out of the National Tax Service (NTS) in Korea which recognizes exemplary taxpayers based on a wide ranging criteria and also provides for an attractive array of benefits as part of a reward package which includes exemption in providing collateral in case of deferred taxes, suspension of tax audits for 1-3 years, reduction in interest rate on loans (0.3 – 1%) with major banks, discounts in train fares on weekdays for employees of the rewarded company, discount in medical expenses of employees across government as well as private hospitals, use of VIP windows at airport immigrations, free parking space in state-run parking lots, etc.

Instilling and nurturing a taxpayer service focus is one of the biggest challenges that confronts CBEC in its path to become a world leader among tax administrations. CBEC needs to accept this challenge and recast itself in a new paradigm of viewing taxpayers as partners who contribute to nation building. This new paradigm has to be effectively accepted and ingrained at

all levels of the administration through appropriate training and critical nurturing by the top and middle level leaders. This dynamic shift should also be complemented by well planned, professionally managed and sustained PR machinery which would sharpen the communication of the CBEC's efforts to the taxpayers as well as general public.

**Recommendations:** *(Those points in bold may be taken up on priority by CBEC/Commissionerates.)*

- CBEC to undergo introspection at all levels and adopt a new paradigm wherein the taxpayers are viewed as partners in the progress of the nation
- Train the officers at all levels to inculcate the attitudinal transformation to view taxpayers positively to foster trust
- The top and middle level managers to play critical role in nurturing the new attitudes and the resultant shift in service level standards
- **CBEC should engage the services of a PR agency of international repute immediately to assess the needs and design suitable PR strategies in the form of ad campaigns, constructive media engagement, taxpayer education efforts, etc. through various media.**
- The newly created Directorate of Tax Payer Services (DTPS) should create an overall framework for structured communication for the PR of the CBEC and the efforts should be decentralized to field formations for effective communication suitable for local scenarios based on guidance of DTPS
- **The DTPS should evolve mechanisms to seek regular feedback from taxpayers with respect to their satisfaction levels. This should also involve periodic assessment of taxpayer satisfaction level through independent agencies which could help detect areas of weakness that require special attention.**
- The DTPS should also explore harnessing the tools provided by the emerging areas of behavioural economics as well as psychology to encourage voluntary compliance as well as in providing inputs for tax policy.
- CBEC should amplify its efforts to upgrade the office infrastructure across all field formations to secure adequate well furnished office space with all modern amenities which provides for a pleasant ambience to instill sense of belonging and pride among officers as well as for a symbol of professional environs to the taxpayers.

- **All Commissionerate & Division offices should include a dedicated temperature controlled waiting area for taxpayers as well as other visitors along with provision of drinking water, rest rooms, reading materials such as coffee table books, magazines, etc. in English, Hindi and local languages. A television set should be installed in each such waiting area to showcase the taxpayer services provided by CBEC as well as audio visual guidance on basic procedure for compliance, PR films highlighting the achievements of CBEC.**
- CBEC should focus on suitably upgrading the IT infrastructure across all formations in a time bound manner. The CBEC should also devote special focus in the area of building appropriate applications for data mining, business intelligence and risk based assessment.
- **CBEC should revise the mechanism of rewarding exemplary taxpayers through identification based on wide ranging criteria and rewards should also be revised in the lines of rewards given by NTS in Korea such as partnering with banks to offer loans to exemplary taxpayers at a reduced rate of interest as well as preferential clearance through VIP Immigration channels in the airport to the senior management of such exemplary taxpayers.**
- CBEC should strive to leverage on ICT and taxpayer education efforts to such a level where the taxpayers are able to fulfill their compliance obligations without any need for intervention from CBEC and a scenario of “*No Service is Service*” emerges. In other words, CBEC should aspire for such service level standards that wherein there is no need from taxpayers to look for CBEC’s assistance in their compliance.
- **CBEC should expedite implementation of biometric attendance in all field offices to ensure punctuality of the officers.**

## **Image from the perspective of STAFF ('SELF-IMAGE')**

Image of any organization in the eyes of its own members is supremely important since the same has a direct bearing on the self image of the individuals, overall motivation and moral among the staff which is in turn linked with their productivity.

### **CURRENT SCENARIO**

Like every organisation, CBEC is also a collective entity comprising of individual members who strive in their prescribed role for realizing the stated common goals of the organisation. Seen this way, CBEC is essentially an ensemble of employees at all levels across all formations – field, headquarters and the Board – who interact continuously with the stakeholders in general and taxpayers in particular to realize the larger mandate of CBEC. Thus, each individual member of CBEC and especially those in the cutting edge is a “brand ambassador” of CBEC representing the face of department. It is, therefore, imperative that such brand ambassadors uphold high standards of integrity, efficiency, motivation and commitment to provide quality taxpayer services.

Here is a real life story emphasizing the brand ambassador role of members in any organisation:

*Shiv Khera, a renowned author and management trainer writes about his experience in Singapore:*

*"Six years ago in Singapore I gave a taxi driver a business card to take me to a particular address. At the last point he circled round the building. His meter read 11\$, but he took only 10.*

*I said Henry, your meter reads 11\$ how come you are taking only 10. He said Sir, I am a taxi driver, I am supposed to be bringing you straight to the destination. Since I did not know the last spot, I had to circle around the building. Had I brought you straight here, the meter would have read 10\$.*

*Why should you be paying for my ignorance ?*

*He said Sir, legally, I can claim 11\$ but Honestly and ethically I am entitled to only 10. He further added that Singapore is a tourist destination and many people come here for three or four days. After clearing the immigrations and customs, the first experience is always with the taxi driver and if that is not good, the balance three to four days are not pleasant either.*

*He said Sir I am not a taxi driver, I am the Ambassador of Singapore without a diplomatic passport.*

*In my opinion he probably did not go to school beyond the 8th grade, but to me he was a professional. To me his behavior reflected pride in performance and character.*

*That day I learnt that one needs more than professional qualification to be a professional. In one line be a "Professional with a human touch and Values " that makes all the more difference.*

*Knowledge, skill, money, education, all comes later. First comes Human Values, Honesty and Integrity*

***Professionalism: It's NOT the job you DO, It's HOW you DO the job."***

In case of CBEC, following are some of the important indicators of present position that underscore the need for building better 'self-image':

Poor Cadre Management is the most important factor affecting the self-image at all levels. In most cases, the promotions which should be otherwise time-bound and given in normal course are badly delayed for various reasons. This is making the staff disgruntled and a general impression prevails that those at the helm of affairs are not doing their best to ensure timely promotion and other benefits for the officers and staff.

Lack of basic infrastructure facilities, especially, accommodation, office amenities, vehicles etc. is also one of the factors affecting the image of the department in the eyes of staff.

There is a mistaken perception among public that revenue departments like CBEC are inherently corrupt. Adding to this, sometimes, there are negative stories about the departmental

officers entirely based on half-truths or blatantly false premises. It is observed that the field offices are generally media-shy even to the extent of not issuing any counter statement explaining the actual facts in such cases. This indifference is adversely affecting the reputation of organization as a whole and lowers the morale of individual officers.

CBEC has a total work force of more than 60,000 who can be divided into following broad categories:

- A. Direct Recruit IRS Officers
- B. Promotee IRS Officers
- C. Group 'B' and 'C' officers
- D. Other staff

It has to be said that there is little sense of belonging or bonding among officers of various ranks. Officers/staff in each category have their own expectations and image about CBEC.

Generally, statutory Boards have independence in decision making and autonomy in day-to-day functioning. CBEC has neither. The Chairperson of the Board is not a full time secretary, but a 'special secretary' reporting to the Revenue Secretary. The Revenue Secretary enjoys close proximity to Finance Minister and sometimes the proposals of the Board are rejected unilaterally. Rarely, there were Chairpersons who could assert their position and prevail.

Though there were recommendations by several committees to raise CBEC and CBDT to the level of departments and to create sufficient number of Secretary level posts for IRS (C&CE), no heed is paid to such vital suggestions.

Since the recruitment exam is common to all civil services, it is, but, natural to make comparison of Indian Revenue Service (IRS) with other services. While the IRS, as a service has little in comparison with its international counterparts such as the Internal Revenue Service of USA, it fares poorly even on home front in comparison with All-India services such as IAS and IPS. Whether in terms of career prospects, deputation opportunities, funding for

studies abroad, timely promotions, office facilities, accommodation, vehicles etc., IRS has no comparison at all with All-India services. In fact, this disparity is not only between IAS and IRS but between IAS and rest of the services. This continuing disparity is one of the most hotly debated topics among bureaucratic circles in social media in the recent times, especially in the context of submitting representations to seventh pay commission.

Further, the IRS, as a service doesn't have the benefit of rich legacy or tradition as IAS does, which has its roots in the elite ICS. Perhaps, this is also a reason for better camaraderie among members of IAS compared to that among IRS. The way junior IAS officers are groomed by their seniors so that they feel part of the elite service fraternity is something to be emulated in IRS.

It also needs to be pointed out here that generally state governments ensure that the career of IAS officers is carefully planned in such a way that they invariably serve in the field for sufficient number of years before placing them in supervisory positions. Unlike this, in CBEC, there is no focus at all on the career planning of IRS officers who man key positions in the department. It is not a rare thing to observe in the recent times that young direct recruit officers are posted to directorate of systems or directorate of vigilance etc. within few years after initial field postings. Also, the rotation of officers among the three wings, viz., Central Excise, Service Tax and Customs is not followed properly at many stations resulting in imbalanced/distorted career profiles. This naturally dampens the morale of the officers apart from making them miss the crucial field experience they need to gain in the initial years of the service.

It is pertinent to mention here that among the officers, there is a general feeling that in Income Tax department, things are relatively better, especially in terms of cadre management, infrastructure and office amenities etc. Earlier, among service choices, while IRS (C&CE) used to be preferred over IRS (IT), now the trend has reversed.

As a revenue department, the focus of CBEC had always been maximizing revenue collections. While the targets and collections have consistently increased over years, sufficient attention is not paid to improve the working conditions, facilities and perks for the officers and staff. The department not providing for transportation of even Group 'A' officers even on pooling basis is a case in point.

Many times, it is observed that when field formations seek clarifications and instructions from the Board on various legal, technical and administrative matters, the response is either not received at all or badly delayed. It takes months and at times years to get replies. Even the requests for administrative and financial sanctions for purchase of land and buildings were not accorded due priority. Thus, the decisions have to be kept pending for an indefinite period which adversely affects the public interest but also dampens the morale of the officers.

There is a strong feeling among many officers that most of the opportunities for attending trainings or conferences abroad are cornered by those in headquarters office or those working in Delhi. Most of the time, the foreign training circulars are not circulated among the field formations and not published on the website prominently.

Despite having a transfer policy in place, there is a high level of opacity in the in the system of transfers and postings. Several deviations from the stated policy are allowed due to extraneous reasons or political interference. There is a feeling among many officers that those who can pull strings in Delhi can manage the postings and get the place of choice. Further, the exercise of Annual General Transfer (AGT) which should be effected by April every year is invariably delayed by few months. The delay in issuing such orders which might extend upto late July or even further poses a great hardship for officers who need to move and settle in the new locations and also to find suitable schooling for their children. Thus, the aberrations from the stated transfer policy as well as the regular delay in issuing transfer orders year after year lowers the morale of upright and hard-working officers.

While the online CPGRAMS is in place, little attention is paid to ensure expeditious disposal of cadre-related grievances of the officers and staff. Even if one gets a favourable order from the Administrative Tribunal or Courts, there is abnormal delay in implementation of that decision. At times, the aggrieved officers have to approach the court/CAT again by way of contempt petition etc.

**Recommendations** *(Those points in bold may be taken up on priority by CBEC/Commissionerates.):*

Having identified the reasons for poor 'self-image', the following are the suggestions to improve the same:

- (i) Each officer being a brand ambassador of CBEC, a positive image for the organisation is impossible unless each one of them upholds high standards of integrity, efficiency, motivation and commitment to provide quality taxpayer services.
- (ii) **Board has already recognized the need for better cadre management. Creation of a dedicated Directorate General of Human Resource Development, separate APAR cell, digitization of APAR's etc. – all these are pointers towards the right direction. The same has to be taken forward with more zeal. Officers having keen interest and aptitude for personnel administration should be posted to Ad II section in the Board and DGHRD for expeditious disposal of cadre management issues and to clean up the mess once for all. Monetary and other benefits arising out of promotions shall be given automatically within reasonable time. At all levels, DPC's shall be conducted in time to ensure timely promotions.**
- (iii) **Concerted efforts must be made to improve infrastructural facilities. Like in IT department, a joint/addl. commissioner shall be posted in every zone to exclusively look after the infrastructure issues and for continuous and focused co-ordination with DGHRD, local state government departments etc.** IT being sister wing under the same department of revenue, it is very easy to look at their efforts and demand the same for CBEC. For example, IT Dept. many years back implemented 'Project Tarang' whereby BSNL Closed User Group (CUG) facility was given to all the departmental officers. Many feel that demanding and imitating this type of initiatives itself is great enough, if not innovating and implementing new ideas.
- (iv) Whenever there are negative stories about the department in general or any officers in particular, entirely based on half-truths or blatantly false premises, a clarification must be issued by the Commissioner immediately and ensure that the same is carried prominently by the media. Board should take a serious view of instances where such clarifications were warranted but not issued due to the indifference of senior officers.
- (v) CBEC should be made as a full-fledged department and sufficient number of secretary level posts for IRS (C&CE) shall be created in proportion to the cadre

- strength. This recommendation which was already made by several committees has to be implemented without further delay.
- (vi) **Career planning of officers at all levels should be accorded utmost priority. Initial postings should be invariably in the field and the rotation among different wings of the department shall be rhythmic and mandatory. Deviations, if any, in this regard must be reported to the Board along with detailed reasoning.**
  - (vii) Disparity between central services and all-India services in terms of deputation opportunities, funding for studies abroad, timely promotions, office facilities, accommodation, vehicles etc. should be reduced.
  - (viii) **Merit should be continuously and systematically highlighted. For example, passengers should be able to rate their experience with officers at the airport. High-rated officers should be rewarded with suitable incentives and their photos be displayed prominently which will be a great motivating factor. Similarly, every Commissionerate should institute a system of recognizing a performer as “Employee of the Month” and such recognition should be suitably highlighted prominently through notice boards, etc.**
  - (ix) There should be transparency in the process of selection of officers for foreign training, attending conferences abroad etc. A fixed percentage of officers from field should be mandated for the purpose of nominations.
  - (x) Implementation of transfer policy should be transparent and the reasons in case of deviations must be explained and published on public domain as practiced in the case of CBDT. **Further, the exercise of AGT should be completed well within the stipulated timelines and the transfer orders should be published by April without fail.**
  - (xi) At the stage of training itself, a sense of pride and confidence needs to be instilled so that the officer’s belongingness to the department is enhanced. NACEN should design, produce and market memorabilia and souvenirs with the emblem of NACEN,

- CBEC as well as imagery invoking the glorious heritage of the Customs and Central Excise.
- (xii) **The walls of NACEN as well as office buildings of CBEC should be adorned with thought provoking quotations on taxation as well as nation building.**
  - (xiii) Training should also be provided in several emerging areas of expert knowledge including Forensic auditing, Digital evidence handling, ERP/SAP, transfer pricing, etc.
  - (xiv) The Government is working towards bringing about a significant change in the scheme of indirect taxation by way of ushering in the GST regime. In the GST scenario, Centre and State tax administrations would be required to work in close co-ordination, throwing up new challenges for CBEC workforce. Hence, apart from integrating various cadres and improving the service conditions, there is a need to raise the capacity, confidence level and self-esteem of the officers and staff in order to harness their full potential. NACEN should become the premier knowledge partner on GST for all the states as well as taxpayers. **NACEN should partner with expert bodies like ICAI, ICWAI, NIPFP, etc. to develop modules to train the officers of state tax administrations as well as the stakeholders across the country on GST.**

## **Image from the perspective of general public:**

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*“What is the difference between a taxidermist and a tax collector? The taxidermist takes only your skin.” - Mark Twain*

Viewed from tax officer’s angle, above remark reveals the harsh reality in the world of the taxman, the fierce and hostile environment in which he has to navigate between the statutory functions of the government and the overbearing inclinations of the public, at large to avoid payment of taxes. This uneasy co-existence of the Taxman and the tax payers creates an environment where the taxman has to live with the paradoxes of keeping the taxpayer happy as well as extracting the correct amount of tax from him at the same time. Consequently, it is but natural that the Tax Departments don’t enjoy a favourable image in the minds of public at large.

Taxes are inevitable in a way that they are the membership fee that we pay to be a part of the civilised society. Here comes the need to systematically educate the general public regarding the utility of taxes in the nation building process. It is equally important to educate them about the process of tax collection and the penalties in case of default. This is precisely because today’s citizen may be tomorrow’s tax payer and he should know the pros and cons of not coming under tax umbrella.

### **Image of CBEC among the general public:**

It is a plain fact that the general perception of the public towards ‘Customs’ and ‘Excise’ is not very favourable. The moment the word ‘Customs’ is mentioned, it conjures up an image of a harsh, burly officer dressed in white at the airport ready to search one’s belongings. This is the closest touch-point a common man has with the Customs department as a whole, when he arrives at the airport after a grueling journey in the wee hours of the morning. Many has the perception that customs officers are the most corrupt lot and even some believe that customs officers get foreign ‘gifts’ on a daily basis in the course of their work. Most people does not know that the same customs officer is responsible for preventing smuggling of drugs, fake currency, endangered wild life etc.

While many know about service tax, most people don't know about central excise duty. Many confuse it with state excise and associate it with tax on liquor. Thanks to the ignorance of many reporters about the department, the mistakes like '*Central Exercise*' are not just out of typographical errors!

The above situation is because the common man on the street, or for that matter even a large part of the educated populace, is not adequately informed about the indirect taxes and exact nature of the functions carried out by CBEC. This is primarily due to the 'indirect' nature of the taxes itself. The idea of 'Tax' in the minds of most citizens is only 'Income Tax' as it directly affects them. As a result, a very large number of people are not sensitised towards the indirect taxes and hence unaware that they themselves may be under the obligation to pay some of those taxes, like Service Tax. In this backdrop, it is extremely important to publicise about the functions of the CBEC and its officers among the public at large.

It is very important to mention here that the general cynical or 'not-so-good' impression about the department is not confined to CBEC alone. CBEC is only part of the overall government apparatus dealing with indirect taxation. In a developing country like India, the general negative perception among public about 'government' will have a bearing on the image of all wings of the government including CBEC.

Further, these days, media is using terms such as 'tax terrorism' etc. in a loose and routine manner. Such pejorative references to taxation related issues further aggravates the general negative feeling among the general public that taxes are inherently bad and the tax collectors are out there to fleece public. This is especially because, often, the general public is not conversant with the finer nuances of the fiscal policy of the government or the rationale of some taxes. Further, it is sad to observe that many media professionals themselves don't have basic knowledge about the role and functioning of CBEC and its field offices.

The current policy of the CBEC is directed singularly towards the existing taxpayers. The advertisements and publicity in the media are mostly aimed at reminding the taxpayers of their obligations, compliance procedures, due dates etc. While the VCES campaign popularized the presence of CBEC, about service tax and about the features of the scheme, its impact was short-lived. Such an aggressive campaign should have been continued at least in the form of periodic

advertisements in print and electronic media about the role and functions of CBEC and the importance of indirect taxes in the nation building process.

**Recommendations** *(Those points in bold may be taken up on priority by CBEC/Commissionerates.):*

1. The engagements with conventional channels of communication of image, like Advertisements in media, Public Relations offices, website or Digital marketing etc. need to be made more robust and user-friendly.
2. **CBEC website should be seen as the face of the department. The recent makeover of the CBEC website is a welcome step in this direction. Even after the re-design, the following shortcomings are noticed: *FAQ's in Service Tax section are as in 2011; No FAQ's for Customs and Central Excise; the Finance Act uploaded is as on 24-10-2013; 'sevottam' section is still under construction; 'Who are We' section under 'About Us' has bare minimum details, that too only about the structure of CBEC – this section needs thorough revamping by highlighting the role of CBEC and the achievements so far; 'RTI information' is put under Tax Payers' assistance which needs to be highlighted as a separate link on home page; overall look of the website is not so professional, etc. (The list is indicative and not exhaustive. A comprehensive effort must be made to have a re-look at the placing of the links and various elements of information.)***

It is observed that the contents of present website are mostly for catering to the needs of taxpayers and employees. Oddly enough, most of the information under the section 'PUBLIC INFORMATION' is relevant for tax payers, CHA's etc. and not to the general public. A dedicated section to introduce CBEC and its role in nation building presented in a layman-friendly manner should be added and that link should be prominently displayed on the home page of the website. Toll-free numbers of various help desks should be prominently displayed on Home Page. Further, more user-friendly icons and multi-media content for easy recognition and professional look should be used especially on home page, instead of bland text. Income Tax website (<http://incometaxindia.gov.in/>) can be a good example in this regard.



*Pic. A flash image on the website of Inland Revenue Authority of Singapore (IRAS)*

Also, there is no mobile/tablet-friendly version of CBEC website which should be enabled immediately. This, in fact doesn't consume much time or resources.

Further, a specialized app should be developed exclusively for international passengers to clearly educate about prohibited items, free allowance, calculation of duty, complaints and grievance redressal etc. This app shall include an online customs declaration form so that the passengers can easily fill the same at their convenience online. Manual form should be optional. *(Singapore Customs has recently developed such app and it is presently under testing.)*

Another very potential tool for effective communication these days is the social media. The department should put in place long term policy regarding the use of social media to spread its vision and values. This would serve as a tool for two-way, interactive communication apart from the traditional means of communication.

3. **Another strategy is to aim the younger generation who are the taxpayers of tomorrow. The department should reach out to this section of audience in active co-operation with Ministry of Human Resources Development. Field visits to schools and colleges to educate the students about the importance of taxes in nation building, various types of taxes in the country etc. would create awareness among young impressionable minds. Further, the department should work with the education**

boards like CBSE to include a small introductory chapter in the curriculum, say, at the level of class 7 or 8 about taxation, the need and purpose etc. to levy taxes. If such a chapter already exists in some text books, the same can be improved and updated from time to time.

4. In case of advertisements in print and electronic media, a lot of thinking has to go into their wording and format so that the ad appeals even to general public. Legalese and departmental jargon should be avoided at all costs. Apart from giving ads and reminders at the time of return filing etc., **a publicity campaign should be undertaken wherein basic law and procedures about customs, excise and service tax are introduced in simple English and various Indian languages. This can be done by issuing one prominent ad per week under the heading, say, ‘Let’s know about Service Tax’.**
  
5. It is high time CBEC comes out with a ‘**Social Responsibility Statement**’. For example in its Social Responsibility Statement, Inland Revenue Authority of Singapore pledges:
  - *To create a strong sense of social responsibility among staff*
  - *To recognise and support volunteerism*
  - *To act together to preserve a Green and sustainable environment for our future generations*
  - *To serve the community and the nation*

Further, the IRAS organises fund-raising activities, outreach programmes and also support charities. IRAS proudly proclaims that they are housed in one of the greenest offices in the nation and that they consciously reduce energy, water and paper wastage and do their part in creating a cleaner and healthier living environment for all. Needless to add, CBEC should take lead among all government departments to start such initiatives in Government of India and also showcase the same for building better image of the department.

6. **CBEC and all its field offices should regularly conduct programmes reflecting social responsibility such as blood donation camps, tree plantation, ‘Swachh Bharat’ etc.** Through these initiatives, like-minded officers and staff can come together, make social

contribution and such efforts will automatically boost the image of the department in the eyes of general public. **A detailed case study incorporating lessons and experiences from such a voluntary initiative by departmental officers in Visakhapatnam city, namely, Customs, Excise & Service Tax Volunteers Association (CESVA) (being co-ordinated by one of the authors of this paper) is given as Annexure-A.**

7. To create more positive outlook and awareness about taxes and the need for voluntary compliance, correct and timely payment of taxes may be included as one of the fundamental duties in the Constitution of India. For example, Article 38 of Korean Constitution mandates: *“All citizens have the duty to pay taxes under the conditions as prescribed by law.”*
8. **It is very unfortunate to observe that basic information for public such as “Travellers’ Guide”, basic provisions of customs and service tax law and procedures are not available in Indian languages. Their availability only in English is one of the factors making public and tax payers run to consultants and advocates even for most basic of information and compliance procedures. These tasks of translation can be given as assignments to the IRS probationers so that they can get acquainted with the law and also instantly help the department in implementing these important but neglected areas.**
9. **The role, functions and achievements of CBEC should be printed on permanent boards and displayed at those areas where the general public won’t miss them. For example, in all international airports, immigration waiting area can be such a location for display.** Similarly, short videos should be made and played at the television sets in airports. Though this is being done at some airports by co-ordinating with AAI etc., what is needed is a co-ordinated and uniform effort throughout the country.
10. Advertisements highlighting the pride of career opportunities in Army, Navy and Air Force are very common to see. Similarly, Customs and Central Excise Department as a career destination should be widely publicized.

**SECURITY  
HUMANITY  
REHABILITATION**

**As a Senior Prison Officer, you will be leading your team to ensure a high level of security while rehabilitating inmates in prison institutions.**

You will lead your team on ensuring security of prison institutions and inspiring inmates to become responsible citizens upon release. In order to maximise each officer's potential, all officers will be developed through various areas of work in command and staff posts.

"I am able to inspire my staff and together, we make a difference to someone else's life everyday and help make Singapore a safer home for all".  
- Assistant Superintendent Ou Kaiming

 SINGAPORE PRISON SERVICE      CAPTAINS OF LIVES  
LEAD • SERVE • RESPECT       If you have what it takes, get on it  
[Facebook.com/CaptainsOfLives](https://www.facebook.com/CaptainsOfLives)

**Pic.** Advertisement by Prison Services Department, Singapore, put up at a bus stop.

## **Image from the perspective of Government and other departments**

While image building is generally understood in the context of Taxpayers, Employees and General Public, Image Building from the very perspective of Government and other government agencies/departments is an oft neglected area.

Government is an important stakeholder which could wield considerable impact on the tax administration, through its actions and inaction. For instance, Government approvals and sanctions - both financial and non-financial - are essential for the smooth functioning of tax administration. The issues which require such approval/sanction could be wide ranging including routine budget approvals, approvals for new projects, HR issues like cadre restructuring, transfer policy, increasing posts, etc. While the sanction/approval of any proposal is contingent upon the inherent merit of the proposal as well as it being in consonance with the stated policies and goals of the Government, a positive image of the administering department is an important, if not a key, determinant of securing such approval.

CBEC is in the threshold of rolling out GST in the near future which is billed as the biggest tax reform in the history of Independent India. The design envisaged for GST in the form of dual structure regime mandates to forge a partnership with tax administrations of each state government & UT. The Empowered Committee of State Finance Ministers which is finalising the structure of the GST regime has seen several keenly contested discussions where State tax administrations have sought a larger role than CBEC on various aspects of tax design, policy as well as implementation. Going forward, when GST is rolled out, there is a likelihood of many more such turf wars on various issues pertaining to implementation. In this scenario, a positive image of CBEC as an apex indirect tax administration which is best placed to deliver on expected service standards would place the Board on a better footing in such discussions and would go a long way in sustaining an equal if not larger role in the context of implementation of GST.

Further, the present government has put forward an ambitious mission for rapid development of the economy through large framework projects such as the 'Make in India' and Digital India campaigns. Consequently, there are escalating expectations from CBEC as a

premier agency in the realm of securing economic security in realising these grand dreams. In the case of the Make In India project, CBEC has a direct role to play in administering the central indirect taxes in an efficient manner which would minimise the cost of compliance as well as deliver high quality taxpayer services.

While CBEC has been striving to satisfy such huge expectations, there is considerable room for improvement. However, the achievements of CBEC thus far and in future need to be showcased appropriately such that it contributes to establish as well as reinforce a positive image of CBEC. It is in this context that CBEC should recognize the imperative to pro actively work towards projecting a positive image based on its stated strengths.

## **International Best Practices**

The CBEC is on the threshold of momentous reform in the form of the impending introduction of the Goods & Services Tax (GST). The GST is system of taxing consumption that is widely accepted internationally. The GST, when introduced, would subsume the Central Excise Duty as well as the Service Tax and is touted to be the biggest tax reform in Independent India which, subject to a good design, can add a further 2% to the Gross Domestic Product (GDP). Even as CBEC is gearing itself up to introduce such major tax reform to replace the Central Excise and Service Tax, in case of the Customs duty, the other major central indirect tax administered by the CBEC, there has been a steady movement to align with the internationally accepted parameters in terms of policy as well as procedures including a steady reduction in the peak duty rates, emphasis on trade facilitation, critical focus on transaction costs, dwell time, etc. Thus, it is manifest that the CBEC, on the whole, is in a phase of transformation wherein it is imperative to continuously benchmark itself with the international tax administrations. Such benchmarking is critical in delivering fair, transparent and quick taxpayer services which would go a long way in enhancing the ease of doing business in India. This, in turn, would result in improving the competitiveness of India as an attractive destination for domestic as well as international investors who would propel its economic development through their investments. It is in this context that the CBEC needs to explore and adopt the best practices from tax administrations across the world to improve its standards of delivery in taxpayer services.

While the CBEC has made major strides in evolving from the erstwhile era of strict physical controls to the era of voluntary compliance, the primary focus of the organization per se remains tethered to that of tax collection and achievement of the assigned revenue targets. In contrast, most major international tax administrations have internalized taxpayer services as their primary focus area. They recognize taxpayers as customers and even as partners who contribute to the process of nation building through sustaining economic activity, a part of which flows to the exchequer as taxes. This is a distinct paradigm which has been gaining large scale acceptance internationally in the age of globalization. To this end, tax administrations across the world strive towards tailoring their policies and processes by placing the taxpayers concerns in their focus. It

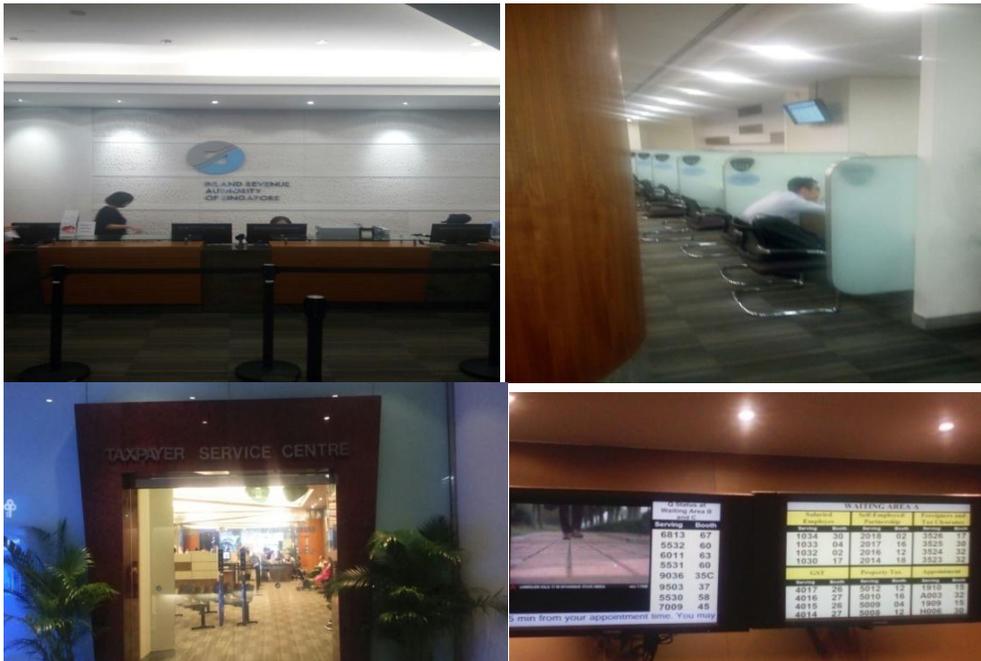
is in this context, that the CBEC has to shift to a new paradigm of recognizing the taxpayers as partners in the process of nation building and engineer its evolution to suit the needs of this new paradigm.

It is in the context of the above framework that the observations made and learning points derived from the overseas modules are presented in the following paragraphs.

### **Lessons from Korea & Singapore**

- **Organisation** - A key distinction in the organisation of the tax administrations of Korea as well as Singapore is the presence of a single agency which oversees the direct taxes (personal income taxes, corporate taxes) as well as major indirect taxes (VAT/GST as well as excises) in the form of National Tax Service (NTS) in Korea and Inland Revenue Authority of Singapore (IRAS) in Singapore. In both the countries, Customs is under a separate agency viz. Korea Customs and Singapore Customs, respectively. Further, in case of Singapore, there is a further cleavage in Customs functions wherein the enforcement and border control of illegal trafficking is under another agency, viz. the Immigrations & Checkpoints Authority (ICA) which functions under the Home Ministry. This has rendered the Singapore Customs with the minor role of being merely a revenue collection and facilitation agency in the context of cross border movement of people and property. It is pertinent to note that there are considerable synergies to be harnessed when a single agency handles direct as well as indirect taxation which could provide leverage in multiple areas such as synchronized tax policy, tax research, risk assessment, specialisation, etc. It is for this reason that tax administrations across the world, as well as in Korea and Singapore, have opted to have a single agency for administration of direct as well as indirect taxes. In the case of Customs, both the countries, in keeping with global trends, place an emphasis on trade facilitation and minimal dwell times as key focus areas besides combating illegal trafficking.
- **Specialisation** – Another striking feature of the tax administrations in Korea and Singapore is the manner in which they nurture their officers to specialize in specific fields by providing long tenures in specific posts to gain domain expertise and through provision of training within the organisation as well as national and international institutions of repute.

- **Focus on Taxpayer Services** – Both Korea and Singapore tax administrations have taxpayer services as a primary focus and have initiated multiple initiatives in this direction. Despite being a pioneer in using technology for tax collection, Singapore's cost of taxes collection is about 0.85% of total taxes. It was given to understand that the cost of collection was intentionally kept around 1% to ensure that the officers are provided adequate remuneration, good working conditions and also to ensure that the taxpayers get better facilities and services including excellent ambience in offices as well as taxpayer contact centers (refer pictures below).



*Images from the Office of Inland Revenue Authority of Singapore*

- **Taxpayer Feedback** - Singapore and Korea conduct regular research about their service quality and the satisfaction of their taxpayers as feedback to improve upon their service delivery standards. Research is conducted through multiple channels including feedback boxes, touch-screen panels (refer picture below) present in the kiosks/offices as well as periodical surveys conducted by independent agencies such as Singapore Management University (SMU) in the case of Singapore.



Further, the IRAS sources its feedback from the Taxpayer Feedback Panel (TFP), which integrates the objectives of the stakeholders into the mission of the organization. The Taxpayer Feedback Panel will serve as a more structured and regular communication channel to receive feedback from taxpayers. The Panel can focus on specific areas of concern, extending their feedback to constructive discussions on how to fine-tune and improve existing systems, policies and services.

- **Preservation of Institutional Memory** - The Customs museum in Busan, Korea as well as the Museum in the Taxpayer Services office in Singapore are stellar examples of preservation and exhibition of institutional memory which could immortalize key moments in the long history of tax administrations and could also instill pride among the officers even as they serve to educate the public of the contributions of the tax departments.
- **CSR activities** – It was observed that the when Korean Customs recently confiscated a consignment of counterfeit shoes of a reputed international brand, they were donated, after obliterating the brand symbols, to the poor citizens of Laos, as a mark of goodwill and relief. Initiatives like CESVA (*Please see Annexure-A*) already exist but the Board should take lead to institutionalize and promote such activities.
- **Use of local languages** – Another striking feature of tax administrations in Korea as well in Singapore is the provision of all tax related communication in the form of website, brochures, guides, etc. in local language, viz. – Korean in case of Korea as well as all local languages in case of Singapore which enables easier understanding by taxpayers irrespective of any language barriers.

- **Branding** – The Korean Customs Service (KCS) has initiated a branding exercise wherein it has branded its electronic single window clearance system styled UNI-PASS and has actively promotes it globally as the gold standard for the efficiency of Customs organisation. The National Tax Service (NTS), on the other hand, has positioned itself as a nation builder and has created attractive promotional videos as part of its Public Relations (PR) activities.
- **Dress Code** – The tax administrations in Korea as well as Singapore have directed their officers at all levels to adhere to a formal dress which is stylishly designed in the conventional corporate executive standards.
- **Great office ambience** – Special care has been taken by both the tax administrations of Korea as well as Singapore to provide a pleasant ambience in their tax offices which contributes in boosting employee morale as well as taxpayer satisfaction.
- **Promoting Persuasive compliance** - IRAS believes that majority of taxpayers are law abiding and contribute their fair share of taxes. Strong deterrent action is taken against those who wilfully understate their income, even if the amount evaded is small. Those who assist others to defraud the government by falsifying records that result in under declaration of income will also be penalised. Whenever any outstanding taxes are there for any taxpayer, a letter/e-mail is send to the taxpayers worded very politely (due to the busy schedule of the taxpayer, his tax is overdue and he has to pay the tax along with some penalty, and if he pays within the due date, the penalty is waived as he is paying taxes promptly). Further, while sending the assessment order to the taxpayers, the order is sent along with a caption: “Thank you for your contribution towards nation building”.
- **Harnessing the power of ICT** – Electronic Cash Receipt System in Korea ensures that more than 95% of consumer facing businesses issue electronic cash receipts enhancing the tax revenue transparency. When consumer/business pays cash, CRS merchant issues a cash receipt and issuance details are transmitted to the NTS on a daily basis. Even when a consumer does not request cash receipt, business can voluntarily issue the receipt with NTS designated number. This minimizes the unaccounted transactions that escape tax and aids in a near 360 degree profiling of taxpayers, thereby acting as deterrence to evasion.

- **Exchange of Information** - Korea estimates an additional revenue collection of \$146 million per year due to the regular Information exchange between Korea Customs Service and National Tax Service with no additional human resources and budget.

**Recommendations:** *(Those points in bold may be taken up on priority by CBEC/Commissionerates.)*

- Explore the possibility of merger of the CBDT and CBEC to create greater synergies in tax administration in the sphere of direct as well as indirect taxes. This is in line with the accepted best practices internationally and has also part of the recommendations of the Tax Administration Reforms Commission
- **Explore the restructuring of CBEC offices and field formations on functional lines as against the geographical jurisdictions as is the case. Further, amend the transfer and placement policy of officers at all levels to nurture specialists with domain expertise**
- Define a new paradigm of partnership with taxpayers and make taxpayer services as the primary focus as against the current focus of revenue collection based on static targets imposed from above
- Set up clear channels of communication with the taxpayers to enable them to participate in formulation of policies and procedures as well as for providing regular feedback
- Explore the possibility of brand building for tax administration to enhance the perception of tax authorities in the minds of the taxpayers as well as general public
- Initiate steps to capture and conserve institutional memories of significant moments and achievements of the tax administration in the form of museums. Fund these institutions adequately such that they are well maintained and become major attractions to the general public, tourists as well as officers of the organisation. As an initial measure, improve the Customs museum in Goa to international standards such that it becomes a major tourist attraction in Goa.
- **Explore the possibility of utilizing confiscated materials for meaningful social causes which could enhance the esteem of the organization;**

- Redesign the dress code of the organisation to prescribe an appropriate elegantly designed formal uniform which is in consonance with the present role of facilitators
- **Improve the office ambience across all formations to improve the morale of officers as well as the perception of the taxpayers**
- Harness the power of ICT by initiating projects in mission mode to simplify the business processes for the taxpayers as well as officers such as single window clearance systems. Further, invest in ICT processes involving risk assessment, data mining and business intelligence.

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**Annexure-A**



On 2nd October, 2014, Hon'ble Prime Minister Sri Narendra Modi launched 'Swachh Bharat Abhiyan' as a national campaign by Government of India, covering 4041 statutory towns, to clean the streets, roads and infrastructure of the country. It is India's biggest ever cleanliness drive and an estimated 3 million government employees and school and college students of India participated in the event.

In the spirit of 'Swachh Bharat', in Visakhapatnam, a presentation was made on 2<sup>nd</sup> October, 2014 to the officers and staff of customs, central excise and service tax on best practices in efficient solid waste management system, as implemented in Singapore.

On the same day, cleaning the office building and surrounding premises (at new port area) was undertaken. The very next day, cleanliness drive was conducted in residential quarters at Dhaba Gardens and Sand Hills area with the active participation of local residents and their family members.

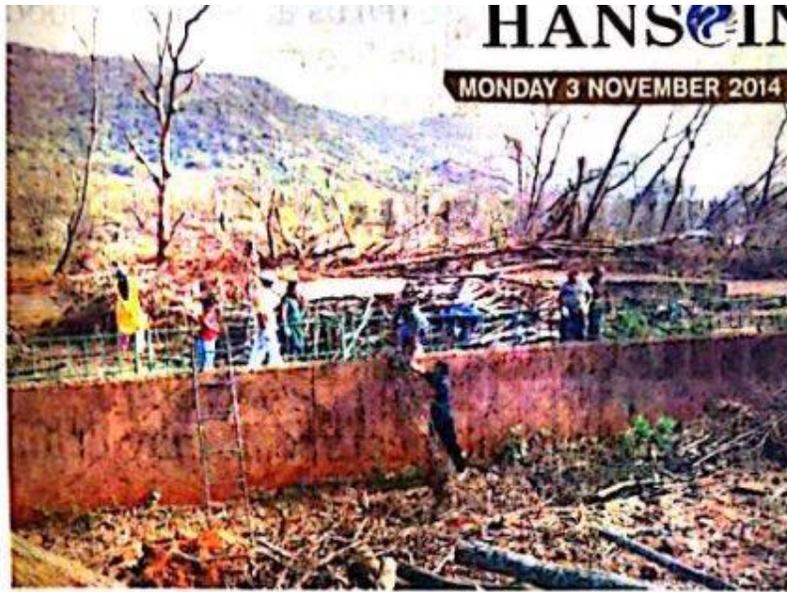
On October 8<sup>th</sup>, 2014, 'Hud Hud', the severe cyclonic storm hit Visakhapatnam city. It caused unprecedented damage to the 'city of destiny' which is otherwise known for its green cover and relatively clean urban scape. The city was suddenly turned lifeless with fallen trees and damaged public property.

The day after the cyclone dissipated, about 40 officers and staff from the department came together and resolved to make a difference by contributing to the cleaning and restoration work in the city. The idea was to help others in need apart from helping ourselves in the aftermath of such an unprecedented disaster. The realisation was that the state government and local authorities alone can't do much without community participation in such situation. To start with, it was decided that every Saturday morning, 6 AM to 10 AM, a camp will be held at an identified location in the city. Thus born the initiative of "**Customs, Excise & Service Tax Volunteers Association**" - CESVA.

The initiative was inspired by the following words of the Father of Nation, Mahatma Gandhi: *"A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history."* Reflecting the volunteerism and community spirit behind CESVA's work, a CESVA logo was designed. T-shirts were printed with CESVA logo.

Major part of the post-Hud Hud work in the city involved removal of tree debris from roads, public parks etc. Initially, the Central Revenue Quarters in Dhaba Gardens area was taken up and cleaned (*Image below*). Staff and their family members residing in the campus joined the volunteers. With just one camp, the premises got its normal look.

Later, a series of camps were held at Indira Gandhi Zoological park. Tree debris in several animal enclosures were cleared. On the request of Zoo authorities, further camps were held in Animal Rescue Centre (ARC) which is located adjacent to the Zoo. ARC is a sort of 'old age home' for Tigers and lions brought from forests and rescued by forest department. It was an intriguing experience for the volunteers to walk through the homes of the predators and clean up their backyards! The forest department provided necessary equipment and guidance during the work. Later, several restoration camps were held at Kambalakonda eco-tourism park near the Zoo. In token of appreciation of the work, the curator of the Zoo gave an appreciation letter hailing the work of CESVA volunteers which amounted to about 100 man days.



HANS INDIA

MONDAY 3 NOVEMBER 2014 VOL. 4 | NO. 108

CESVA members participating in restoration work at the zoo in Visakhapatnam on Sunday Photo: HANS

## Restoration work in full swing at zoo

OUR BUREAU

**Visakhapatnam:** About 30 officers from the Customs, Central Excise & Service Tax departments participated in a restoration camp at Vizag Zoo on Sunday. Trees and debris in the animal enclosures were cleared. Edara Ravi Kiran, Deputy Commissioner, who coordinated the camp, said that 'Customs, Excise & Service Tax Volunteers' As-

sociation (CESVA) was formed with a pool of officers from the department who were willing to do voluntary work on weekends. To start with, every Saturday morning, the volunteers were undertaking cleaning and restoration work at some location in Vizag.

Last Saturday, the entire stretch of Rushikonda beach was cleaned by CESVA volunteers with the support of the GVMC. He said such camps would be organised regularly and frequently in the coming days. Superintendents of Central Excise, KVV Satyanarayana, Chakravarthy, Raja Sekhar, Arundhati and others participated in the event.

Zoo curator Ramalingam thanked the volunteers for their work and said the zoo needs support of NGOs and volunteers for speedy restoration.

Meanwhile, a large number of people joined hands and were making efforts to restore the glory of the zoo.

Several students of private colleges and schools, homemakers and representatives of various organisations participated in a cleanup drive at the zoo on Sunday following a massive campaign through social networking sites, radio

channels and other sources. They showed their love towards animals by forming groups and clearing the enclosures, removing uprooted trees and debris since 8 am and continued their work till noon. "It is team work that is making the programme a success and we love animals," said Saketh, a student of a private educational institution. "I came to know about this zoo cleaning campaign through an FM channel and I gathered my friends too," said Surya, an employee in a private company.

**G. RAMALINGAM**, Dy.C.F.  
CURATOR  
Indira Gandhi Zoological Park  
Visakhapatnam



Tele/ Fax : 0891- 2552081  
Res : 0891- 2550765  
Mobile : 9440810160  
E-mail : igzp\_vsp@yahoo.in

**GOVERNMENT OF ANDHRA PRADESH  
FOREST DEPARTMENT**

Office of the Curator, Indira Gandhi  
Zoological Park, Visakhapatnam.

From  
Sri G.Ramalingam, Dy.C.F,  
Curator,  
Indira Gandhi Zoological Park,  
VISAKHAPATNAM.

To  
The Chief Commissioner,  
Customs & Central Excise,  
Vizag Zone, Vizag.

Respected Madam,

I take this opportunity to thank and congratulate Staff from Customs & Central Excise Department who as a team viz., Customs, Excise & Service tax Volunteers Association (CESVA), participated in clearing and restoration work in Indira Gandhi Zoological Park, Animal Rescue Centre, Visakhapatnam.

I would like to put on record the contribution of CESVA in the last few months (post- HUD HUD) which amounted to around 100 man days.

Thanking you

Curator  
Indira Gandhi Zoological Park,  
Visakhapatnam.

One of the camps was held in Rushi Konda beach, a major attraction in the city attracting lots of tourists on a daily basis. A team of 30 CESVA volunteers turned the entire stretch of the beach crystal clean with support of sanitary staff from Greater Visakha Municipal Corporation (GVMC). GITAM Educational Institutions provided breakfast and snacks for the volunteers.



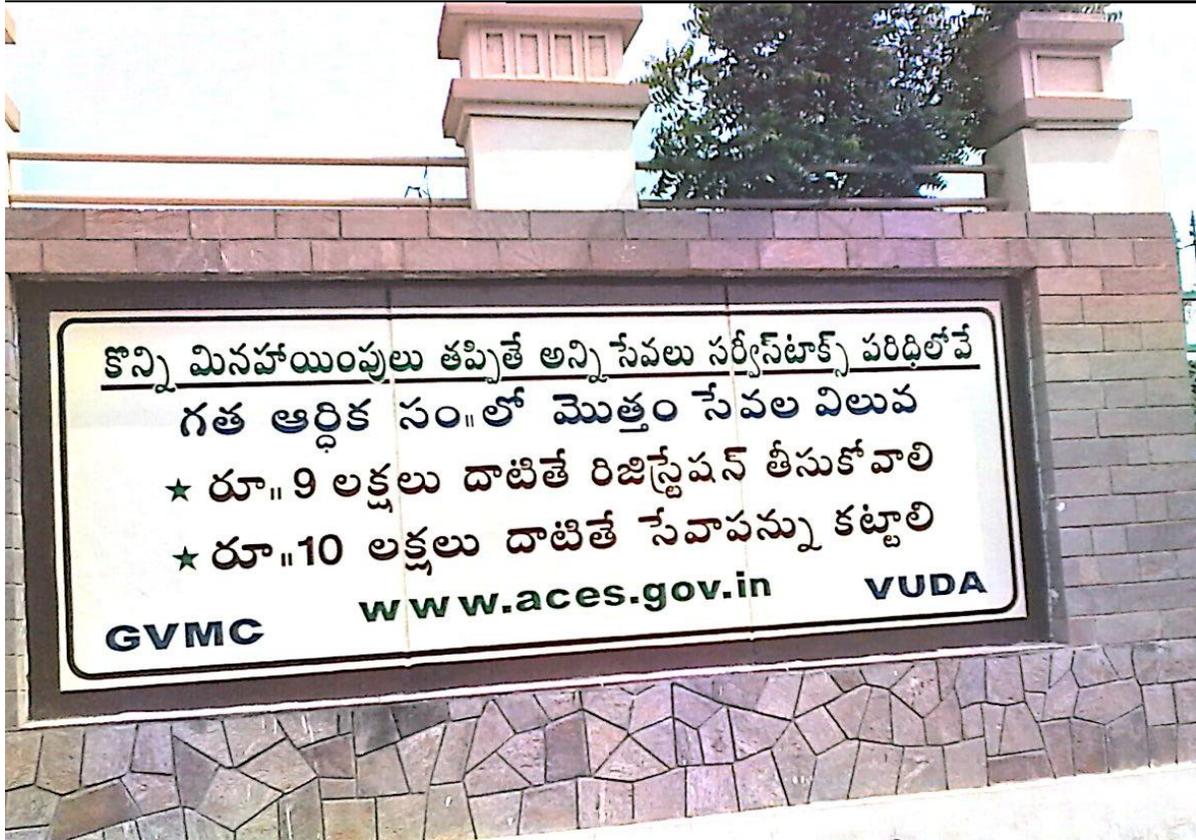
In February, 2015, it was learnt that the fallen/bent plants along road median from Rushikonda to IT park was posing a hazard for vehicle riders. A camp was held by CESVA to prune the plants along the 5 km road stretch with the help of horticulture staff from GVMC.



‘Swachh Bharat’ is not only about *clean environs* but about having and fostering ‘*pure minds*’.

Imbibing this spirit, the walls of Visakhapatnam Customs Commissionerate were decorated with the wisdom of Tamil Poet-saint Thiruvalluvar. Thought-provoking couplets from the seminal work, ‘*Thirukkural*’ were inscribed on the walls which are giving daily dose of inspiration to officers, staff and the visitors passing by the corridors of the office.

One of the CESVA volunteers steered the ‘*Decent City*’ campaign with co-operation from local Municipal authorities. Public walls hitherto filled with unauthorised posters were not only cleaned but inspiring quotations, legal awareness snippets etc. which can empower public in their daily lives were written on them. With this well-followed up initiative, Visakhapatnam has emerged as a ‘*poster-free*’ city in true sense of the term, the first such city/town in the entire state of AP with walls in major locations literally turned into permanent signboards displaying useful information for lay citizens. An article on this ‘*Decent City*’ initiative was published on the website factly.in: <https://factly.in/swachh-bharat-inspiration-not-by-photo-ops-but-by-ensuring-rules-are-followed-the-story-of-a-conscientious-citizen/>



*Pic. An awareness snippet on service tax written on old jail wall, Visakhapatnam*

Two of the CESVA volunteers visited ‘Government Home for Children’ near Visakha Valley School and interacted with the children inmates explaining them the importance of

education and giving them encouragement and confidence. Noted Gandhian and social activist, Sri Edara Gopi Chand was the chief guest. He interacted with the children on Gandhian values.

Weekly guidance sessions are being organised in Central Revenue Quarters to guide the children of staff on human values, character building, spoken English, career guidance, skill building, guidance for competitive exams etc.

Old clothes are being collected on a bi-monthly basis from the members of CESVA and distributed to the underprivileged children.

### **Lessons/experiences from CESVA:**

1. CESVA proved the presence of many community-spirited volunteers in the department ready to make a positive contribution to the society. This underlines the need for institutionalisation of CESVA and its work by its registration as a society and opening up city and town chapters all over the country.
2. Central government offices are generally little known to, if not aloof from common public. In such a situation, Community work by central govt. staff through initiatives like CESVA plays a great role in improving the image and goodwill of central government and CBEC in the eyes of general public and the local state govt. authorities.
3. There is a general impression that 'Swachh Bharat' and other voluntary initiatives have been reduced to mere hype and 'photo opportunities'. In case of CESVA, it was consciously resolved since beginning that no efforts will be made towards press coverage of CESVA activities. During the entire period, only one press note was issued when a series of camps were held in the Vizag Zoo.
4. It's interesting to note that not only the staff but their family members also joined in many camps. It was a visual treat and inspiration for anyone to see children as young as 6 years age actively participating in cleaning work and doing their bit by removing twigs, plastic bags etc. in the camp area.
5. CESVA logo, banner, CESVA T-shirts and caps etc. gave the much needed identity and belongingness to the cause and symbolised the camaraderie among volunteers. Spirit of volunteerism being the primary motivation, these symbols made volunteers work actively forgetting their official position.

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