

REVISED GUIDELINES ON CONDUCTING MANUAL SCRUTINY OF SERVICE TAX RETURNS TO COME INTO OPERATION FROM 1-8-2015

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The Central Board of Excise and Customs had issued detailed guidelines in 2009 to its field formations on conducting detailed manual scrutiny of service tax returns. In view of the legal changes brought about by the Negative List based taxation of services and administrative changes like creation of separate Commissionerates for Audit etc, these guidelines have been revised and will come into operation from 1-8-2015.

In an era of self assessment of tax liability by the assesseees, compliance verification assumes greater importance. Scrutiny is one of the three prongs of compliance verification, the other two being audit and anti evasion. Prior to the reorganization of Commissionerates, all these three prongs were being handled by a single Commissionerate. With the creation of separate Audit Commissionerates, the Executive Commissionerates will focus on scrutiny and anti evasion work.

The selection of returns for detailed scrutiny would be on the basis of risk parameters which would be centrally generated. The scrutiny would be entirely done in the departmental premises, based on assessment related documents obtained from the assesseees.