

Profession without Bribes – Is it possible?

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We have in India seen that the taxmen are becoming very demanding as time is passing. Many areas where hitherto there was no corruption now are full of this disease. The need to meet the revenue targets set by higher ups adds to the effort of such officers to get their “pound of flesh”. Over the past period of time we find that the unscrupulous officers numbers has been increasing day by day. The reasons could be as under:

1. The environment in which one lives today has put ethics, integrity and honesty in the back seat. Even today we have citizens/ professionals and corporate who would go to any extent to avoid payment of bribes. [The number would not be too high presently] There are some who evade the taxes and for them, bribery is a way of life and they feel that on the whole they are better off. Whether they are able to have the respect of the employees, customers, suppliers and even the tax department is a moot question to be asked. The vast majority does not like to indulge but may have to adopt the route to avoid \harassment and unending litigation. Here is where the ethical professional could be a support and the unethical means would reduce substantially. Once the vast majority of the transaction/ tax payers find that they need not do this distasteful practice, the bribe offering/ taking would automatically reduce.
As far as the Youth today are concerned—post Anna Hazares crusade. They may not find bribing “cool”. Maybe not paying is “cool”.
2. The tax officers use certain tools for starting off the exercise from pliable tax payers. The possible defense against the same are set out as under:
 - a. It could be general fishing enquiries seeking large amount of information: *Specifically seek the reasons, maybe provide some sample bills etc if insisted. If some doubt raised even orally, put your answer in writing.*
 - b. Calling incessantly seeking a meeting: *The fact maybe recorded and letter sent asking for queries in writing. Maybe if too much mark a copy to higher officer. Send by RPAD.*
 - c. Threat of raid: *As long as your dealing are clear/ records updated there is no need of fear. Put the threat also on record and intimate higher officer of same.*

- d. Non communication, delay in application, indecision: *Reminders with escalation to higher officers normally brings action. If information block exists maybe RTI could be used as an alternative to complaint itself against the officer.*
 - e. At times of audit- making up a long list of non compliances and offering to drop the issues.: *If the tax payer were to get a self audit done many of the issues would be resolved or answers to expected issues could be ready. After the list of issues are highlighted by the audit group a few days maybe spent to confirm their view and where not agreeable same provided to them in writing.*
 - f. Once a demand is raised, assistance in getting the same dropped: *The process of order has inbuilt appeal mechanism which should be kept in mind. The matter maybe raised by the next audit party. When compromises agreed the sword of Democales always hangs.*
 - g. Refund applications are a major area of corruption: *Keep all correspondences in writing and escalate when needed. RTI could be used for obtaining the file noting of officers.*
 - h. Many others...: *Tax payers to be vigilant and updated on the ever changing laws. They could have a stated policy on unethical conduct which would dissuade any body within to take that route. There needs to be public outcry for making officer accountable. It should be built into every law. There should be an independent ombudsman in every department who should be able to look at things independently. [maybe a retired judge] Now under the cloak of all actions done in bona fide manner they escape any censure.*
3. There is a feeling among some professionals that without compromising [bribe paying] they cannot survive. However while it is fact that the work maybe faster by compromising the cost is very high. A professional could adopt the following best practices to see that he/ she is successful:
- a. Look for providing value addition/ satisfaction to the clients without compromising ethics maybe by understanding their needs better.
 - b. Ensuring professional competence is continuously being built and maintained.
 - c. Ensuring that focus on employee recruitment, training, and retention is also an activity which is not given due weightage in many professionals offices. [the more the competent, empowered staff/ partners, the more quality work that one can deliver]
 - d. Utilizing technology to monitor, do repetitive works, capture hours spent by different professionals, etc
 - e. Examine all changes in laws. Especially new laws which are applicable to all- service tax...

- f. Many professionals feel that delegation would lead to loss of files. However delegation with proper checks and balances would free the professional to take up work of higher value and clients loyalty could be ensured.
 - g. The art of written and oral communication has not been mastered by most of the accounting professionals and much improvement is required in that area. Good presentation and communication skills would convert to financial gains and better perception of the value also.
 - h. With globalization, remote working [at lower costs] could take knowledgeable professionals to provide value added services in India and abroad.
 - i. Some time spent on how much time to spend on research, desk audit [basic collection/ planning of audits at professionals office itself, how to bill effectively [not get into a lump sum fee situation]
 - j. Many other which could be thought of....
4. The large MNCs come with an inbuilt understanding that they would not like to violate any of the laws in the country they operate. Some of the largest business houses like the Infosys, Wipro, Tatas, GE group among many others are on record to say that they do not encourage this method of doing things. It is understanding of the paper writer that most big businesses would be following tax laws and avoiding evasion other than a few wayward industries. Consequently they would not be happy about paying bribes. Such enterprises which maybe contributing almost 70% of the corporate taxes as well as indirect taxes also require professionals who are ethical.
5. In the city where the paper writer resides the ethical practitioners in the indirect taxes are numbering more than 2 dozens and ALL of them are doing very well economically. This probably is the final vindication that not only do such chartered accountants/ advocates have great self respect, revenue department also respects them and they are not only surviving but are flourishing. Such professionals are also able to get a good nights sleep and have the respect of their families.

Hope this article provides the tax compliant assesseees some tips on how to avoid indulging in this practice and encourage the future professionals as well as the present to adopt ethical practice to live an empowered life.