



F. No. 10/03/2014/MOP/DOMS /3284

Government of India

Ministry of Finance, Department of Revenue

DIRECTORATE OF INCOME TAX

(ORGANISATION & MANAGEMENT SERVICES)

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Dated : 4<sup>th</sup> March, 2015

### OFFICE MEMORANDUM

#### Sub.: Drafting of Manual of Office Procedure

The Chairperson, CBDT has approved the concept paper on drafting of Manual of Office Procedure and has directed that the same may be circulated amongst the different Directorates/Field offices for preparing the chapters pertaining to them.

2. The proposed Manual of Office Procedure is to have 10 sections/volumes. These 10 sections/volumes and the concerned Directorates for their continual updation are as under:

Sl No.	Section / Volume	Directorate which the section/volume pertains for updating	Concerned Pr. DGIT/DGIT
1	Administrative Set up of the Department	PR, PP & OL	DGIT (Admn.)
2	Establishment and procedures including infrastructure and Expenditure Budget	PR, PP & OL Infrastructure/ Expenditure Budget	1. DGIT (Admn.) 2. DGIT (Logistics)
3	Comprehensive Computerization	Systems	DGIT (Systems)
4	Assessment, Reporting and statistical reports	PR, PP & OL with reference to the Bulletins published by them periodically/Intl. Tax/R&S Wing	1. DGIT (Admn.) 2. Pr. CCIT (Intl. Tax) 3. DGIT (Logistics)
5	Investigation	Investigation	CIT (Inv.) CBDT
6	Audit and Judicial including Dispute Management	Audit/L&R	1. DGIT (Admn.) 2. DGIT (L&R)
7	Human Resources and Training	HRD	DGIT (HRD)



8	Vigilance set up and Administration	Vigilance	DGIT (Vigilance)
9	Risk Assessment & I&CI	Risk Assessment	DGIT (Risk Assessment)
10	Taxpayers Services/ RTI	DOMS	DGIT (Logistics)

3. Concept paper (copy enclosed) is being circulated to all Pr. CCIT/Pr. DGIT, CCIT/DGIT in the field so as to give section/volume wise input to the concerned Directorates as mentioned supra, by 30<sup>th</sup> April, 2015.

*Encl: Concept Paper*

*(Signature)*  
04.03.15

(Suniti Srivastava)  
Director of Income-tax (O&MS)

To,

- (i) All Pr. CCsIT/CCsIT
- (ii) All Pr. DGIT/DGIT (except Admn., Systems, HRD, Logistics, Vigilance, Intl. Tax, Risk Assessment and L&R to whom a separate communication has been sent).

## **CONCEPT PAPER ON DRAFTING OF MANUAL OF OFFICE PROCEDURE**

The Manual of Office Procedure of the Income Tax Department is an important document as it is a repository of information covering all the Administrative and Technical aspects. The last edition of Manual of Office Procedure was brought out in the year 2003.

2. It may be appreciated that in the last 12 years, the department has grown by leaps and bounds in terms of technical competence and service delivery. The recent restructuring in the income tax department has brought about major structural and administrative changes. In this context it becomes paramount to study the structure and processes that make up the department and record the same in the form of a revised and edited Manual of Office Procedure.

3. Recently the Tax Administration Reforms Commission has tabled its reports. These reports have been exhaustively analyzed by 7 Department Committees. A working group constituted by CBDT has further studied the 7 Departmental Committee Reports and has come up with a broad matrix of implementable recommendations and placed it before the CBDT for consideration.

4. One of the recommendations which have been proposed for implementation is that there should be one basic manual for all direct taxes. The Departmental Committee has also recommended that the Directorate of PR,PP & OL should be entrusted with the task of updating and compilation of manual on a continuous basis.

5. Looking back since 2003, when the last Manual of Office Procedure was published, there have been many noteworthy developments in terms of systems and procedure which circumscribe the Income Tax Department. Some of the notable developments are as follows.

- Introduction of Right to Information Act, 2005
- Introduction of the Concept of Sevottam and implementation of the same through Aayakar Seva Kendras.
- National Judicial Reference System
- Formation of New Directorates viz L&R, International Tax, HRD, I&CI, Expenditure Budget and Risk Assessment etc.
- Introduction of new concepts of International Taxation like, Transfer Pricing, Advance Pricing Arrangements etc.
- New concepts of Dispute Resolution i.e Dispute Resolution Panel (DRP)

- Some of the functions like Cadre Management, Training (including Mid career and foreign trainings) APARs etc, earlier performed by AD-VI/Ad.VII sections of CBDT have been decentralized and these tasks are being performed by the newly created Directorate of HRD.
- Introduction of ITBA, replacing ITD-95 which aims at comprehensive computerization across a single platform.
- E filing and processing of Income Tax Returns through Centralised Processing Centres i.e CPC
- Operation and maintenance of departmental websites viz. irsofficersonline.gov.in and incometaxindia.gov.in etc.
- Digitization of office Records across offices of the Department.
- Digitization of various Control Registers of field formations on ITD software.
- The department has conceived preparation of the Results Framework Document (RFD) as an ongoing annual exercise with effect from F.Y. 2012-13. The RFD contains a set of objectives, target dates and measurable success indicators for the Department covering the entire financial year. The guidelines for the RFD are issued by the Performance Management Division of the Cabinet Secretariat.

6. In addition to the above, the department is constantly engaged in studying the existing procedures and practices and comes out with ideas to improve upon them. The department has come out with the Manuals for departmental use, some of which are:-

- Infrastructure Manual
- Search and Seizure Manual
- Survey Manual
- Expenditure Budget Manual

7. This concept paper is presented with the aim to circulate the same amongst all offices in the department in order to:-

- (i) Identify any new subjects/procedures which have surfaced since the publication of the MOP in 2003.
- (ii) Examine the existing subjects which have been documented under the “Administrative” and “Technical” head in the existing Manual of Office Procedure.
- (iii) Circulate this concept paper amongst all the offices of the Department in order to obtain feedback and suggestions so that the subjects may be crystallized.

8. The subject topics in the existing Manual of Office Procedure have also been surveyed with the aim to structure a platform for drafting the new MOP. However, given the fact that a plethora of changes, both structural and procedural have taken place, it is pertinent to structure the new MOP afresh.

9. The Manual of Office Procedure may be structured to contain the following sections/Volumes. These sections can be assigned to specific directorates for updating on a continuous basis and supplying the inputs to the Directorate of PR,PP & OL for compilation. It is however reiterated that the contents of this concept paper are not conclusive and may be deliberated at the end of the concerned offices for suitable additions and modifications.

**SECTIONS/VOLUMES IN THE MANUAL OF OFFICE PROCEDURE AND CONCERNED DIRECTORATES FOR CONTINUAL INPUTS FOR UPDATING**

<b>S.No</b>	<b>Section/Volume</b>	<b>Directorate which the section/volume pertains for updating</b>
1.	Administrative Set up of the Department	PR,PP & OL
2.	Establishment and procedures including infrastructure and Expenditure Budget	PR,PP & OL/Infrastructure/Expenditure Budget
3.	Comprehensive Computerization	Systems
4.	Assessment, Reporting and statistical reports	PR,PP & OL with reference to the Bulletins published by then periodically/Intl. Tax/R&S Wing
5.	Investigation	CIT Investigation
6.	Audit and Judicial including Dispute Management	Audit/L&R
7.	Human Resources and Training	HRD
8.	Vigilance set up and Administration	Vigilance
9.	Risk Assessment & I&CI	Risk Assessment
10.	Taxpayers Services /RTI	DOMS

10. The above/sections and volumes may contain the following chapters. The contents, broad road map and remarks pertaining to these chapters is mentioned alongwith.

**SECTION-1: Administrative Set up of the Department**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
	Vision, Mission and Values	These are enshrined in the Vision 2020 document and will not be altered.
	Citizen's Charter	The latest Citizen's Charter is already in place and can be incorporated as such
1.	Historical perspective	<p>This chapter contains the historical perspective of the Income Tax Department. While writing this chapter the following concepts have to be kept in mind:</p> <p>(a) Tax Reforms: Inputs on commissioning of various tax reforms commissions has to be provided by AD-VII.</p> <p>(b) Computerization: Inputs on progress on comprehensive computerization by DGIT (Systems).</p> <p>(c) Objectives and outcomes of the current restructuring have to be provided by DGIT (HRD).</p> <p>(d) Inputs regarding Important milestones in the administrative setup has to be re-written after obtaining inputs from DGIT (Admn.)</p>
2	Ministry of Finance	<p>This chapter has to be drafted in tye current set up of the Ministry. It is pertinent to mention that inputs from the CBDT would be required in wake of implementable recommendations of TARC relating to:-</p> <p>(a) Exchange of Information between CBDT &amp; CBEC.</p> <p>(b) Creation of Special Purpose Vehicles (SPV)</p> <p>(c) Appointment of Member as CFO for financial planning of tax administration.</p>



		<p>(d) Appointment of a Financial Advisor with CBDT.</p> <p>(e) Change in reporting matrix to different members in wake of profiling of taxpayer services etc.</p>
3	Attached offices of CBDT	<p>This chapter contains the details of :-</p> <p>(i) Set up of the Attached offices of CBDT.</p> <p>(ii) Administrative and financial powers of the authorities in the attached offices of CBDT.</p> <p>(iii) Inclusion of newly created Directorates e.g. HRD, Infra L&amp;R, Expenditure Budget etc.</p> <p>It may be mentioned that :-</p> <p>(a) The Administrative and Financial powers devolving on Pr. CCIT/CCIT and Pr. DGIT/DGIT have to be notified.</p> <p>(b) The objectives and functions of the attached directorates have to be defined with respect to the Restructuring of IT Department. Inputs from DGIT (HRD) will be vital on this issue. Notifications are yet to be issued.</p>
4	Composition of Income Tax Department	<p>This chapter, in the changed scenario, is to include all offices, existing as well as newly created as a result of restructuring. In this regard the following is worth mentioning :-</p> <p>(a) Powers of Pr. CCsIT have yet not been notified. Latest notification regarding powers of Pr. CCIT/CIT/DGIT/DIT, based on the current structure subsequent to restructuring will be required.</p> <p>(b) Moreover the merger of Directorates has yet not been crystallized in as much as that there are no recruitment rules or notified scheme of merger finding place in the Gazette of India.</p>

		<p>(c) The newly created directorates like International Tax, I&amp;CI, Risk Assessment etc.</p> <p>(d) Creation of Large Business Units (LBUs)*</p> <p>(e) Creation of DIT(S) (e-services)*</p> <p><i>*Implementable recommendations of TARC</i></p>
5	Headquarters organization & Functions	This chapter needs to be drafted keeping in view the restructuring of the department. The organization and bifurcation of posts subsequent to restructuring has been submitted by the sub-committee and circulated by DGIT(HRD).

**SECTION-2: ESTABLISHMENT AND ADMINISTRATIVE PROCEDURES INCLUDING INFRASTRUCTURE AND EXPENDITURE BUDGET.**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1	Recruitment and promotion	Many new posts across all cadres have been created as a result of restructuring. In order to write this chapter, the formal Recruitment Rules for all cadres need to be notified by AD-VI/VI A and HRD .
2	Departmental Examination	This Chapter can be compiled based on the new scheme of examination for ITOs, it is and Ministerial staff w.e.f 2009 which has been notified by DIT (Exam.)
3	Confidential Reports	This chapter can be compiled by placing reliance on APAR formats and instructions circulated by HRD.
4	Other relevant rules	The latest Rules governing the establishment and administrative matrix of Central Government Servants have to be collated. It is however pertinent to mention that certain department centric instructions like :- <p>(a) Latest instructions on powers to grant leave have to be provided by</p>



		AD VI (A)/HRD. (b) AD VII section has to provide the latest position on casual labour/MTS.
5.	Administrative procedures relating to development of infrastructure of the Department	The latest developments relating to this section has to be provided/relied upon by referring to the Infrastructure Manual.
6.	Expenditure Budget	Reliance has to be placed on the Exp. Budget Manual.
7	Accounting Procedure	Inputs have to be given by Pr.Chief Controller of Accounts

### **SECTION-3: COMPREHENSIVE COMPUTERISATION**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1.	Development of ITBA.	The detailed architecture and plan including road map relating to ITBA has to be provided by DGIT (Systems). The organization of official functions at Range/AO/Unit has to be finalized. The Record Management Policy submitted to the Board has to be deliberated upon before this chapter can be written.
2.	Centralised Processing Centres	Inputs on the set up and functions of CPCs & CPC-TDS need to be obtained. Apart from the above, certain implementable recommendations of TARC have to be dwelled upon. These include:- (a) CPC for PAN (b) Online error rectification in CPC-TDS
3.	Organization and Management of computer resources	DGIT (Systems) has to provide the latest position with regard to policies and privileges associated with the Income Tax software structure and how it is planned to be executed over a definite and committed road map.

## **SECTION-4: ASSESSMENT, REPORTING AND INSPECTION**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1	Assessment Procedure (General)	Instructions on departmental software, online processing and allotment of PAN & also its amalgamation into ITBA needs to be provided by DGIT(Systems).
2	Assessment Procedure (Scrutiny)	Needs to be drafted with respect to the changes made in the statute. Apart from the above, the implementable recommendations of TARC relating to selection of cases for scrutiny may also be considered for incorporation.
3	Assessment Procedure (Search and Seizure)	New Search assessment procedures as per Chapter-XIV B as per Income Tax Act, 1961 are to be incorporated.
4	Taxation of Non-Residents	Latest procedure as per Chapter-X of the Income Tax Act incorporating the special provisions related to Transfer Pricing needs to be incorporated. FTC Rules once notified, have to be incorporated in this chapter.
5	Special Procedure relating to Trust and other Institutions	Re writing required with respect to latest changes in the Finance Act on the basis of inputs to be received from DGIT (Exemp)
6	Issue and service of notices	No major changes required
7	Pre-Assessment Collection Procedure	Substantial changes have been brought about in this area by the Act & CPC (TDS). Needs to be re-written. TDS (Surveys), and section related to TCS need to be deliberated upon. Apart from the above, the implementable recommendations of TARC relating to improving TDS compliance may also be considered for incorporation.
8	Post-Assessment Collection Procedure	The implementable recommendations of TARC relating streamlining the collection and recovery processes may also be considered for incorporation.
9	Refunds	Refund banker scheme and ECS procedure are to be incorporated by obtaining inputs from DGIT(Systems). Apart from the above, the implementable recommendations of TARC relating to

		generation and grant of refunds may also be considered for incorporation.
10	Recovery	Apart from the latest position in the statute, the implementable recommendations of TARC relating to recovery may also be considered for incorporation.
11	Interest	Needs to be drafted as per the latest statute
12	Penalties	Needs to be drafted as per the latest statute
13	Surveys	Needs to be drafted as per Survey Manual 2007. DIT PR,PP & OL may provide latest inputs in this regard i.e post 2007.
14	Valuation Cell	Needs to be drafted by incorporation of the guidelines and emphasis on the law position involving cases which have been litigated on the basis of valuation reports.
15	Write-off and scaling down arrear demands	This chapter needs to be drafted as per the latest instructions on the subject issued by CBDT.
16	Important Reports	Chapter needs to be drafted with respect to the MIS reports currently in vogue.
17	Registers Maintained in the department	A repository of all registers with special emphasis on registers which have been digitized.
18	Inspections	This chapter needs to be re-visited in light of the latest procedures

### **SECTION-5: INVESTIGATION**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1	Search and Seizure	Needs to be re-written as per the two volumes of Search & Seizure Manual 2007. DIT( PR,PP & OL) may provide latest inputs in this regard i.e post 2007.

## **SECTION-6: AUDIT, JUDICIAL AND DISPUTE MANAGEMENT**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1	Prosecution	Needs to be re-written as per the latest statute
2	Appeals and Revision	Needs to be re-written in view of constitution of DRP and modification in the constitution of AAR. Apart from the above, the following recommendations, under consideration at the end of CBDT, may have to be incorporated:- (a) Role of NJRS with respect to dispute management (b) Cross Matrix of Dispute Management with DW&BI (c) Constitution of task forces under DGIT (L&R) to review pending litigation and early closure.
3	Authority for advance rulings	Inputs to be obtained from AAR for this chapter to be written. The implementable recommendations of TARC relating to AAR may have to be incorporated once in place.
4	Income Tax Settlement Commission	Needs to be relooked/redrafted in view of latest amendments in Chapter XIX-A. The implementable recommendations of TARC relating to Settlement Commission, may have to be incorporated once in place.
5.	Internal Audit	Inputs to be received from CIT(A&J) and DIT(Audit)
6.	Revenue Audit	Inputs to be received from CIT(A&J) and DIT(Audit)

## **SECTION-7: HUMAN RESOURCES AND TRAINING**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1.	Human Resources	Inputs need to be obtained from HRD with special emphasis on HRMS.
2.	APAR	This chapter has to be written with reference to the objectives, review and mentoring of personnel.
3.	Training	The department has greatly evolved the training needs and target groups for personnel of the department across all



		cadres. In addition to the same, objective training curriculum has also been designed. Inputs also need to be obtained with respect to recommendations of TARC proposed for acceptance relating to :- (a) Mentorship framework & surrogate trainers (b) Training Methods/modules including performance management.
4.	Deputation	Rules on this aspect including objectives of deputation out of the parent department including Central Staffing Scheme.

#### **SECTION-8: VIGILANCE SET UP AND ADMINISTRATION**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1	Set up of the Vigilance structure in the Income Tax Department.	The structure and composition of the entire Vigilance Directorate has to be drafted including zonal offices.
2.	Administering the vigilance mechanism.	This chapter broadly deals with application of CCS(CCA) Rules and establishing a sustainable and effective Vigilance Mechanism System. Since substantial time has elapsed since the last Manual was written , the DGIT (Vigilance) who is also the CVO for the income tax department:- (a) Has to provide inputs with regard to current application of CCS (CCA) Rules with respect to the Income Tax Department. (b) Background material for creation of the CVO of the Income Tax Department (c) Latest instructions/guidelines for establishing a sustainable and effective vigilance mechanism issued by CVC needs to be made available by DGIT (Vigilance). (d) Preventive vigilance* (e) Appointment of department

		officers in CVC* *TARC recommendations for implementation need to be dwelled upon.
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## **SECTION-9: RISK ASSESSMENT AND I&CI**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1.	Composition	The structure and composition of these Directorates have to be drafted.
2.	Objectives and functions	The objectives and functions are to include but not limited to:- (a) Audit Protocols (b) Standard operating procedure for Risk Assessment (c) Information storage and dissemination with respect to assessment and audit.
3.	Widening of Tax Base	Information from Directorate of I&CI involving non PAN AIR information and all AIR information collection by virtue of application of section 285BA.
4.	Central Information Branches (CIB)	New procedures are to be updated with special emphasis to Risk Assessment and I&CI.

## **SECTION-10: TAXPAYER SERVICES, GRIEVANCE REDRESSAL AND RTI**

<b>S.No</b>	<b>Name of the Chapter</b>	<b>Contents/Road Map/Remarks</b>
1	Public Relations & Grievance Redressal Mechanism.	This aspect is looked after by the DIT (PR, PP & OL) as the Central Grievance Cell. DGIT (Admn.) has to compile the structure of Mechanism at the level of CCIT/DGIT and out station CCsIT.
2	Aayakar Seva Kendras	The concept of Sevottam and creation of Aayakar Seva Kendras have to be incorporated under this subject.
3.	Delivery of Taxpayer services through ICT	Emphasis has to be given to the recommendations of TARC proposed for acceptance. These include:-

		<p>(a) Monitoring at the level of CBDT</p> <p>(b) Realignment of taxpayer services with DIT(S)(e-services), DIT(Communication and Media) and Taxpayer service unit under PCCIT(CCA)</p> <p>(c) Providing online services and outreach to taxpayer assistance and receipt through TIN-FC, ASK &amp; TRP.</p>
4.	Taxpayer services benchmarking	Benchmarking of taxpayer services to be incorporated by including Management Systems certification of CPCs and Aayakar Seva Kendras.
5.	Collection, Collation and Dissemination of Information	Chapter to be re written by incorporating detailed procedure on RTI Act, 2005.

11. As mentioned in the opening paragraphs, the department, in its journey since publication of the last Manual of Office Procedure, has witnessed many innovations and changes, both in terms of structure and concepts & procedures. This concept paper therefore needs to be circulated amongst all offices of Pr.CCsIT/CCsIT, Pr. DGsIT/DGsIT for their inputs. The inputs to be obtained from the offices may include:-

- (i) Proposed modifications in the existing subjects under “Administrative” and “Technical” heads as mentioned above including introduction of new topics.
- (ii) Special emphasis from the attached Directorates of CBDT for any innovation which has been put in place for departmental functioning.

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