

CAG could get more access to taxpayers' data

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NEW DELHI: The Comptroller and Auditor General of India (CAG) may be allowed greater access to taxpayers' data for the purpose of audits, but granting it an unrestricted access to live data of Goods and Services Tax assesseees is not practical as it would adversely affect the revenue administration, two people with direct knowledge of the matter said.

CAG has been requesting for unrestricted access to GST-related data of all taxpayers from the GST Network (GSTN) servers for the purpose of audit, citing its constitutional and legal requirements. The issue is before the GST Council, which is expected to take a view on this matter soon, the people quoted above said on condition of anonymity. GSTN, a not-for-profit private limited company, is the digital backbone of the indirect tax regime.

CAG and the Union finance ministry did not respond to email queries on this matter.

Centre and state government officials want CAG to continue with the earlier practice that was prevalent before the introduction of the GST in July 2017 — jurisdiction-based digital access to indirect tax data, one person said.

"Although the government is providing jurisdiction-based digital access to audit officers from December 2019, the CAG office wants unrestricted access to all GST data of all taxpayers from GSTN servers through APIs [Application Programme Interface]," he said.

The second person said the audit process of the erstwhile indirect tax regime, which involved central excise, customs and value-added tax (VAT), was different from the current unified GST regime. "In the GST regime, areas of tax administration overlap between the Centre and states due to cross empowerment, hence the previous system cannot apply now," he said.

GRANTING CAG AN UNRESTRICTED ACCESS TO LIVE DATA OF GST ASSESSEES IS NOT PRACTICAL AS IT MAY ADVERSELY AFFECT REVENUE ADMINISTRATION, OFFICIALS SAY

"CAG intends to present an all-India report on systemic issues to Parliament so that the GST regime could be made more efficient and robust," the second person said.

Besides, the law provides for access to the IT system, owned, maintained and operated either by the auditable entity or by any other agency on behalf of the auditable entity, he added. GST is the supreme audit institution of India.

"GSTN will, anyway, be obliged to share data with CAG, once it is 100% owned by the government," he said. The government has already initiated the process to transfer 51% equity stake held in the company by non-government institutions to the Centre and states equally, he added.

The GST Council on May 4, 2018 decided to convert GSTN into a 100% government-owned entity. The Union Cabinet approved the move on September 28, 2018. Currently, non-government institutions have a majority stake of 51% in the company, while the Centre and states have 24.5% stake each.

Kapil Rana, chartered accountant and founder of HostBooks Ltd, a cloud-based business solution provider, said the issue is not with "data sharing", it is with "unrestricted data access" because of "data privacy and confidentiality of business traits" issues. "Data sharing with CAG, in desired statistical format, would have been a better idea with a win-win approach for all GST stakeholders," he said.