

C-Suit on Transparent Taxation, Use of Data Analytics & AI

PRIME MINISTER NARENDRA MODI LAUNCHED 'TRANSPARENT TAXATION HONOURING THE HONEST' TO REDUCE THE INTERFERENCE OF THE GOVERNMENT FROM THE LIFE OF THE PEOPLE. AS THE TAGLINE SAYS, THIS SCHEME IS TO BRING IN TRANSPARENCY IN THE PROCESS OF TAXATION AND MAKING IT PUBLIC FRIENDLY. THE PLATFORM BRINGS IN REFORMS LIKE FACELESS ASSESSMENT, FACELESS APPEAL AND TAXPAYERS CHARTER.

The highlight of this new tax reform is assessment being done using Data Analytics and Artificial Intelligence.

SHIBU PAUL

Vice President- International Sales,
Array Networks



“Array Networks is pleased to partner with the Income Tax Department in its transition to the digital age. This transition has enabled the Government to offer a new-age assessment that is driven by data, analytics and intelligence. It’s a great achievement and a trailer of what to expect from the government in the future. Introducing Data Analytics and AI to replace the barrier of superfluous and harsh processes with transparent, tech-friendly and public friendly platform is a very bold step for the government and the country.

Using this technology, the quality of auditing and analyzing large data will be efficient and simplified. While there is a lot of disruption in the taxation front due to various reasons, AI can offer new era of visibility into transactional data and unlock value, help manage risk, improve efficiency and provide critical business insight. AI will be loaded with information such as tax codes, case law and administrative guidelines, and will be able to make certain decisions on this basis.”

SATISH KUMAR V,

CEO,
EverestIMS Technologies



“Any restructuring on the taxation front is welcome. These reforms continue the journey of direct tax reforms which the CBDT had initiated some time ago. What they do is to usher in transparency in the income tax systems while empowering the taxpayers. Historically the tax regime has always been complex and convoluted - the Government of India has recognized this and proactively embarked upon a journey of making life easier for the honest taxpayers who form the bulwark of the income generated in the country.

Since most businesses fall under the ambit of GST, its streamlining helps out on multiple fronts by rewarding the honest taxpayer and discouraging those who game the system which is welcome to companies that sincerely adhere to rules and regulations. Thing like DIN for communication, prefilling of income tax returns, digitalization, simplification, extension of statutory timeliness for filing returns while rapidly releasing refunds to bolster liquidity are just some of the initiatives that have been announced. With businesses already facing a downturn due to COVID, these efforts will somewhat contribute towards helping out in these inclement times. We welcome and look forward to these efforts moving to the next level in future too.”

SACHIN SHARMA,

Country Manager – India,
ADATA Technology (India)



“In this new era, the Modi government bought a revolution of transparency in taxation by launching a new system ‘Transparent Taxing through data analytics and artificial intelligence’. This aim is to be a fairer and transparent system by bringing all the transaction in the public domain.

All the Government and public agency are exchanging information and data transparently & openly through artificial intelligence and electronic means and mode. All citizens now have easy access to all the transaction and taxation assessment system on day to day bases. E-assessment is conducted on artificial intelligence on the bases of all the data gathered by the agencies.

The new transparent taxation assessment is not a one man show. The new system is a faceless system making the tax payer more fearless in sharing its information and it reduces the time of processing & eases the compliance burden on the authorities.

As the Prime Minister said in this speech, ‘The new tax system -Decreased complexity, Decreased taxes, Decreased litigation, Increased transparency, Increased tax compliance Increased trust on the tax payer’. This drive is to honour the honest tax payers comes after a series of steps in recent months aimed at making the assessing authority more accountable in its dealings with taxpayers.”

“A Good Decision is Based on Knowledge and not Numbers”



S SRIRAM,
Chief Strategy Officer,
iValueInfoSolutions

“The launching of Transparent Taxation is a great initiative and a drive to leverage technology when most data points with PAN / Aadhaar initiatives are available online. Leveraging technologies like Data Analytics and Artificial Intelligence provides scalability and better accuracy without any personal bias for the Government to function more effectively and efficiently. Transparency and consistency of tax policy along with simpler compliance procedure will attract foreign capital for transforming India in critical areas like infrastructure, education and healthcare. This will also boost investment in Indian companies from across globe to fund growth and provide employment opportunities which is critical for India as we have the largest employable population in the world. With Government focusing on governance, we will see it exciting most business. With Government jobs declining with each year, entrepreneurs need to step up and provide employment opportunities. Entrepreneurs need risk capital for converting ideas to offering and, to realize revenue and scale. A clean tax environment will go a long way to boost funding prospects in this critical area. Unfortunately one third of the revenue for the Government comes through indirect tax like GST,

which is bad economics as these levies impact citizens across earning profile. We would need to rely more on direct taxes and reduce indirect taxes in a phased manner. Better initiatives on direct taxation can help in reversing the tide of growing indirect tax dependency due to the falling direct tax challenge.

Today businesses get the benefit of input credit for their purchases and thus avoid tax on tax. Similarly we need this extended to individual tax payers and also to a set of tax paid during earning against tax levied during consumption to avoid tax on tax which has been a long term government objective. Speed is the essence and we still have a challenge on executing despite honest intentions at the top. With tax officials goaled on tax collection and growth in tax amount, somewhere executing honest intention translates to harassment which needs dramatic changes in system and policy, and mind set. Aspects like TDS which are arbitrarily fixed lead to precious working capital stuck with I-T bodies for 3 to 5 years depriving growing business the much needed cash flow to grow their business. Government should also look at paying taxes on time as per contract and ensure all Corporate and Enterprises honour their payment terms in line with their PO which will go a long way to sustain support, grow SME/SMB and business ecosystem. The need of the hour in such challenging times is having an inclusive mindset to help each other in ways possible so that we collectively beat the challenges posed by Covid-19 and come out victorious as India.”



GURPREET SINGH,
Managing Director,
Arrow PC Network (Titanium Partner - Dell Technologies)

“The program launched by Shri NarendraModi is a great example of vision and highly inspiring for the tax payers. This should encourage more people to come forward and pay their respective income tax with honesty, as per compliance and cooperate with the department. The newly introduced Income Taxpayer charter will help understand the rights and obligation of the taxpayers. This seamless and painless process will aid direct tax reforms and the tax payers.

In the technology front, we are in the era of information technology and this pandemic has even forced the immediate actions to do digital transformation for government and businesses. The possibilities are paramount when it comes to implementing operations that are driven by Artificial Intelligence. Leveraging the power of Data Analytics and Artificial Intelligence to do faceless assessments is a great idea. A research team released a tool called the ‘AI Economist’ with an aim to improve equality and productivity through AI-driven tax policy recommendations.

Compared to the free market, the AI Economist showed improved equality by 47 percent. Such researches show how we can optimally use technology to better every aspect of our governance and in turn improve the quality of living. Hopefully, the use of Data Analytics and AI in the newly launched program will improve the quality of assessment, even if there will be litigation at various levels due to difference of opinion of tax payers and the department.”

SUNAYANA HAZARIKA,
Marketing Manager,
ATEN India



“This is a very progressive approach by the Government which will benefit the working class tax payers immensely. The use of cutting edge technology like Data Analytics and Artificial Intelligence into the tax reform assessment will bring the much needed transparency and accuracy in the process by eliminating the scope of human influences. We at ATEN welcome this initiative by the government for seamless, painless and faceless tax process. This is another big step to the Government’s Digital India Mission.

We advocate the use of advanced IT systems for seamless operations and data driven decision making. Of course the success of this initiative will depend on a strong and secured technological ecosystem. ATEN has been instrumental in helping the government with secured KVM devices and control systems for their datacentres and control rooms.”

PRASHANTH GJ
CEO
TechnoBind



“The promise of faceless assessment is clearly a good first step towards making taxation in India a truly transparent one in which the honest tax payer is not harassed. It is a very welcome move and will help a long way in bringing in increased tax compliance and hence larger funds being accessible to the government- thereby aiding the growth of the nation. The use of Data Analytics and AI reflects well on India recognising the fact that India is not only leading in development of cutting edge technology but also using it in practice thereby making their citizens life better.

The Tax Payer’s charter launched recently in the PM’s address on Transparent Taxation is a very important step bridging the trust deficit between the tax payer and the tax department. This when combined with the process of simplification of the tax laws and its administration will help increase the tax base in the country which is abysmally low at around 1.5-2%.”