

PART II

SCHEME OF GRANT OF REWARD TO INFORMERS AND GOVERNMENT SERVANTS IN CASES OF RECOVERY FROM TAX DEFAULTERS

As already circulated vide Ministry's Letter No. 13011 / 3 / 2004 – Cus (AS) dated 12.08.2005, the guidelines in respect of grant of reward to informers and Government Servants are extended to cases of recovery from tax defaulters as per following provisions:-

- (i) The reward scheme shall be extended to grant of suitable reward to an informer who gives information regarding the whereabouts, assets, immovable properties etc. of persons from whom arrears of duty, tax, fine, penalty etc. (under the provisions of the Customs Act, 1962, the Central Excise Act, 1944 and the Chapter V of Finance Act, 1994 in so far as the said Act contains provisions relating to Service Tax) are recoverable and the information results in recovery of arrears.
- (ii) The grant of reward shall be considered only in those cases where the Chief Commissioner is satisfied that:-
 - a) All possible efforts have been made by the Departmental officers to trace the defaulter / details of defaulter's property; and
 - b) Information provided by the informer has been instrumental in the recovery of arrears.
- (iii) The reward in such cases can be given up to a maximum of 5% of the amount recovered and the quantum of reward will be determined by such factors as the nature, accuracy, actionability and efficacy of the information, and other attendant factors.
- (iv) In those cases where the case was originally booked on the basis of information provided by an informer, reward to the informer(s) giving information leading to arrears recovery shall be given out of the total reward available in the informer category as per existing policy.
- (v) In order to expedite arrears recovery, the jurisdictional Commissioner may, if necessary, invite information from the general public through notices in the print / electronic media in a case where recovery of arrears is pending on account of the fact that the whereabouts / details of assets of the defaulter are not known, and the Chief Commissioner is satisfied that all possible efforts have been made by the Departmental officers in this regard.
- (vi) The officers effecting recovery shall also be eligible for reward in cases showing recovery as a result of extraordinary efforts of officer subject to satisfaction of Reward Committee that the recovery had been pending after final adjudication for at least one year or the unit should be non-functioning for at least one year etc. It must be ensured that the case has attained finality i.e. no further appeal is pending in the case or cases are being reported under the category of persuasive action to Tax Arrear Recovery (TAR). The reward in such cases can be given up to a maximum of 5% of the amount subject to upper limit of Rs. 50,000/- in each case as applicable in respect of post investigation work. In those cases where the case was originally booked by the officer, reward shall be given out of the total reward available in case for the officer category as per existing policy.