PROFESSIONALISATION OF TAX PRACTICE

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1. Introduction :

1.1 Tax practice in India has been a lucrative profession and continues to be so. While the scope appears to be widening, the charm appears to be declining. A tax practitioner finds himself placed in an unenviable position of bridging an ever enlarging gap between the Tax payer and the Tax gatherer. Added to this task is the difficulty in equipping oneself by updating the knowledge that is required to be possessed. Decision making on professional matters has become much dreaded and onerous task as there are several issues on which even two High Courts find it irresistible to disagree.

1.2. An attempt is made in this paper to briefly highlight some of the aspects which a professional will have to take into consideration to carry on the Tax practice not only in a successful way but also in the most desired manner.

2. Acceptance of Work :

2.1. When a professional is contacted directly or through others by a prospective client in order to engage him, one should always remember that a client is placing himself in a position of seeking the services of a competent professional. Under no circumstances, even if it be at the inception of one's practice, the professional should entertain the thought that he is obligated to the client for giving him an opportunity to earn his fees. What is payable as fees is nothing but the value for the services ~~to be~~ rendered and it is in no way a payment made without consideration.

2.2. Except under unavoidable and exceptional circumstances, a professional should not visit the place of a prospective client so as to enable the client to decide about engaging him. Even if a decision of engagement of the professional is intended to be communicated, the acceptance of the engagement or the work assigned for the first time should always be at the professionals office / place. With a view to execute the work undertaken, the professional and/ or staff may visit ~~thereafter~~ the client's place any number of times thereafter but certainly not before the engagement is finalised.

3. Nature of Work Accepted :

3.1. There is a tendency on the part of the clientele to entrust all possible work to a professional for the sole and simple reason that he makes himself readily available and invariably he is more reliable. Strict care and cautious approach should be adopted to ensure that non professional work is avoided from being assigned. Unless this tendency is curbed at the inception, it may be beyond redemption at a later stage.

3.2. Where it is required to engage another professional or specialised agency to complete any part of the work relating to the client, either the client may be asked to identify such person and deal directly or the terms of engagement will have to be made clear to the client before the person is assigned the work. Lack of communication and absence of clear demarcation of the responsibilities will prove to be frustrating.

4. Professional - Client Relationship :

4.1. When a person is in the early stages of practice, normal tendency is to permit clients to visit the office at their convenience and with no time restriction. When a client enquires as to when he can come, generally the reply given is "any time". This should be totally avoided since, even in spite of best intentions, the following consequences would inevitably follow :

a. The value of professional time shall not be respected by a client unless it is first respected by the professional concerned.

b. The tendency to discuss or deal with non professional matters gets entertained.

c. When the professional, at a later stage, becomes busy and attempts to ration his time, it doesn't work or the client misunderstands. Rationalisation will then appear to be beyond reckoning.

4.2. It is always desirable to inculcate the habit of fixing up an appointment and then visit the office for discussion. This helps planning one's time for effective utilisation and in order to keep up punctuality with reference to the commitments given. Diplomacy and courtesy do not necessarily mean tolerance of indiscipline or compromise in adhering to principles. In fact diplomacy and courtesy should be used as tools to achieve discipline and uphold certain principles without affecting the relationship with the client.

4.3. Similarly, when a client needs to send a paper or collect a paper, the tendency is to depute the messenger in the professional's office. The practice of using the messenger of the client for these purposes, except under exceptional circumstances, should be cultivated. Otherwise most of the time when ~~he~~ the professional is in need of the services of the office boys, it will not be surprising to know that they have gone to the client's office.

5. Communication in Writing :

5.1. The habit of writing is a great virtue of human being and more so for a professional. Any suggestion, opinion, reminder to a client should be in writing especially when it concerns the matters relating to compliance of law. Again, prompt and attentive reply or even an acknowledgement to a communication received would pave way for building up clear, effective and cordial relationship.

5.2. This principle of replying in writing is of great significance while dealing with Government departments. Every notice shall have to be responded to or to be followed up by a written communication. Such a written communication can be supplemented by personal visits or oral explanations but cannot be substituted by them. Even in cases ~~of~~ where the hearing notices ~~being attended to~~ are complied by personal appearance, a submission in writing of what is intended to be submitted or narrated could prove to be more effective. Similarly, recording of presence on visits made is essential both at assessment as well as appellate stages. Even when persons keep changing, records bear testimony to the facts unaltered.

6. Image Building :

6.1. As the tax practice is carried on, every professional will have to be conscious of building up an image which is nothing but generating the invincible and essential good will. A professional should never permit nor promote a client, present or prospective, decrying about another professional. Besides, suggestions or views should be weighed both from legal as well as ethical point of view. If a thought on other lines is canvassed by the client, it is the duty of the professional to bring to his notice the perils and undesired consequences attached to those options. A professional should neither subscribe to a view which is unethical nor should be a party to its implementation.

6.2. Any certification work should be discharged after securing adequate material and verification. Retention of necessary evidences and working papers should be imperatively done. Promises and assurances by persons concerned do not come to the rescue of a professional when a lapse is noticed and it may turn out to be fatal. No one should get the least idea that a Chartered Accountant's signature is available for a price. It is always better to loose the clientele who desire such services than to retain them and suffer.

7. Adding value to Service :

7.1. While maintaining the required distance with the clientele, it is absolutely essential to add value to the services rendered by addressing to specific issues/ matters in each case for better structuring of financial and affairs. This could be best achieved by dedicating adequate time in analysing the facts of each case with a futuristic approach and coining valuable suggestions. Periodical discussion and necessary follow up at appropriate intervals certainly helps to achieve this.

7.2. In whatever line a professional is specialising in the tax field, reading tax literature and attending relevant meetings/educative programmes from time to time will go a long way in ensuring value addition. On matters which require drawing general attention of all the clients, a circular can be prepared and sent so that they could take congnizance of the contents in carrying on their activity.

8. Billing for Work Done :

8.1. A professional should no doubt be service minded but it should not be misconstrued to mean that he should be charity minded to the client. Every independent service rendered involving effort and time should be billed. Any bill should be speaking in nature as much as we expect a speaking order from a statutory authority. This will not only communicate things better but also justify the quantum of remuneration charged. Further, the tendency on the part of the client to unnecessarily employ the time of the professional gets either discouraged or curbed. That leaves more time for the professional to either use it purposefully or for at least personal purposes which will go a long way in preserving peace at family.

8.2. Any bill to be raised should be raised either when the work is getting completed or immediately after the completion of the work. Any delay in this regard motivates a client to undermine the importance and the value of the services rendered.

9. Conclusion :

9.1. Many things could be said about the topic allotted to me. Much more could be written about the points mentioned above. The intention has not been to make it exhaustive as it is considered unnecessary. Practicality and reality always come in the way of practicing what is desired to be preached. But, if one possesses the keen desire and perseverance required to comprehend such reality within the fold of ideal practice that is intended to be achieved, it does not appear to be impossible.

9.2. Every professional should carry on his tax practice with the consciousness that apart from the duty he owes to his client, he owes a duty to the profession and to the country in equal measure, if not more.

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