

# Department of Telecom issues SOP for Deduction Verification

Posted On: 10 MAY 2022 5:41PM by PIB Delhi

- **Aims to ensure greater levels of standardization, efficiency as well as transparency and accountability in the deduction verification process**

Department of Telecommunications (DoT), Ministry of Communications has issued a Standard Operating Procedure (SOP) to ensure greater levels of standardization, efficiency as well as transparency and accountability in the deduction verification process, and thus overall License Fee and Spectrum Usage Charges Assessment process. The field offices of DoT i.e. Offices of Principal Controllers of Communication Accounts (Pr. CCA) and Controllers of Communication Accounts (CCA), carrying out the deduction verification work since 2006-07, have been directed to ensure compliance with the SOP. This SOP will be applicable for deduction verification process pertaining to FY 2021-22 onwards, except for the provisions where date of applicability is expressly mentioned.

The objectives of this SOP are to facilitate and ensure:

Efficient and timely processing of deduction claims

Consistency & Uniformity across verifying authorities

Transparency and accountability of verifying authorities

Reduction of department-industry disputes and litigation

Revenue assurance by standardising admissibility/inadmissibility of claims

Overall, the DVR SOP codifies the orders/guidelines covering the deduction verification regime in a single document and also has multiple provisions for overall improvement of Deduction verification processing, through new elements such as :

- Crystallizing of verification regime for non-Access licenses such as NLD/ILD and VNOs
- Simplifying TDS verification process
- Stress on timely completion of Provisional Quarterly DVR with prescribed timelines
- Fixing clear Verification/Reviewing Authorities within O/o Pr. CCA/CCAs
- Standard two-stage verification process based on cost of invoice
- Defining process of Review before finalization of Annual Deduction Verification Report
- Prescribing well-defined Timelines for completion of Annual DVR process

Also, DoT has launched new revenue management system from FY 2020-21-SARAS (System for Assessment of LF Revenue & SUC) to ease, standardise and digitise all aspects of telecom finance compliance, including submission of AGR Statements/Deduction claim/BGs and related documents,

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LF/SUC payments, Deduction verification, LF/SUC assessment, BG Management, and related ancillary processes, across the life cycle of a licensee.

SARAS has digitised the deduction verification process from end to end, with digital filing of all deduction claims and related voluminous supporting documents (invoices, bank statements, ledgers, TDS certificates etc) by Licensees, as well as online verification and generation of deduction verification notices/reports by O/o Pr.CCA/CCAs. Further, SARAS facilitates enhanced transparency and accountability of deduction verification authorities by allowing for communication of item-wise allowance/disallowance with reasons. The SOP also prescribes that the process of Deduction Verification is to be conducted through the DVR module of SARAS for FY 2020-21 onwards.

[Standard Operating Procedure for Deduction Verification.](#)