



*GST – An Update
(As on 1st August, 2019)*

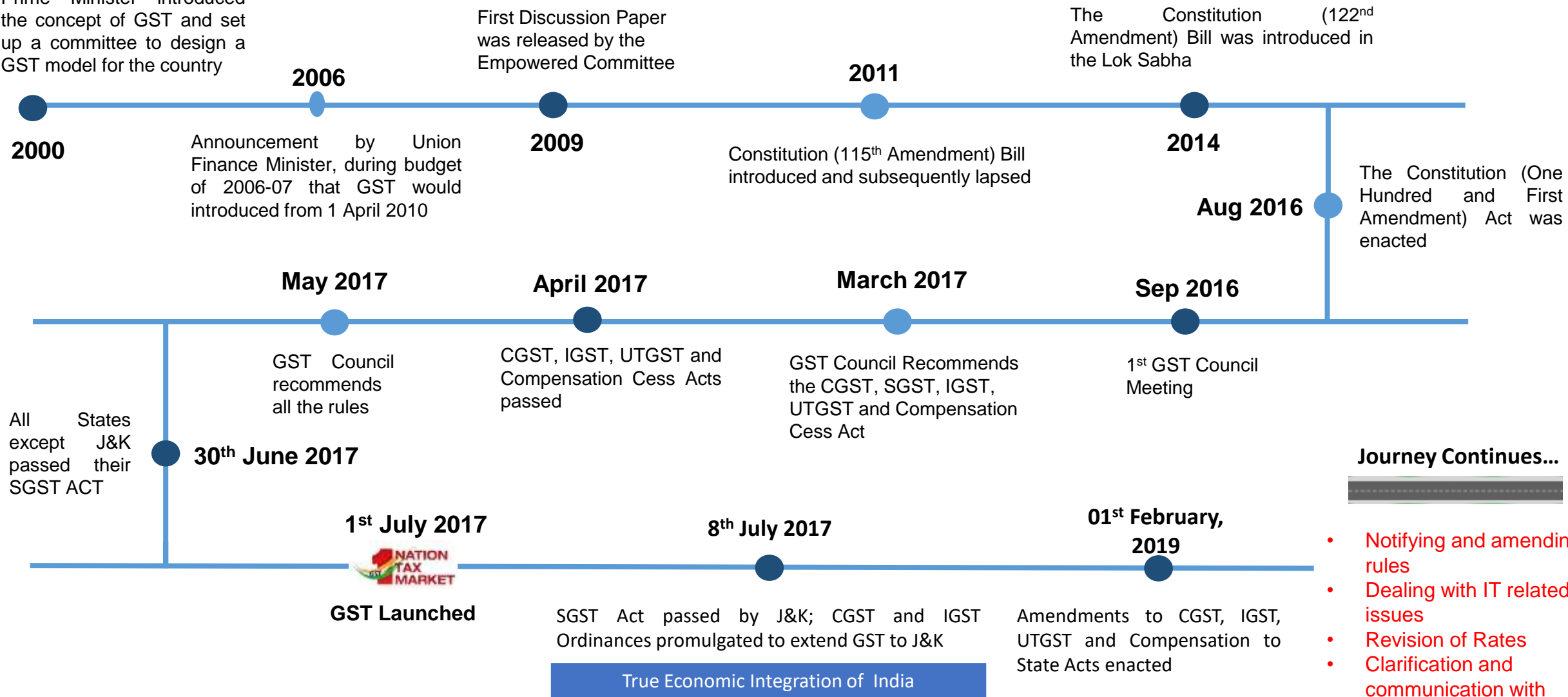


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holds no legal validity*



The Journey to GST

In the year 2000, the then Prime Minister introduced the concept of GST and set up a committee to design a GST model for the country



Journey Continues...

- Notifying and amending rules
- Dealing with IT related issues
- Revision of Rates
- Clarification and communication with taxpayers

Definition of GST

Article 366(12A)

“**Goods and services tax**” means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption

Sl No	Definition	Article	Definition
1.	Goods	366(12)	Includes all materials, commodities, and articles [Pre Existing Definition]
2.	Service	366 (26A)	Anything other than goods [Introduced vide 101 st Constitutional Amendment Act]
3.	State	366(26B)	With reference to articles 246A, 268, 269,269A and Article 279A includes a Union territory with Legislature. [Introduced vide 101 st Constitutional Amendment Act]

“**Goods and Services tax**” law while having unique principles, has significant elements of prior Central and State laws; and is also inspired by VAT/GST legislation of EU, Australia, Malaysia etc. along with International VAT/GST guidelines of OECD

- Bill passed by Rajya Sabha on 03.08.2016 & Lok Sabha on 08.08.2016
- Notified as Constitution (101st Amendment) Act, 2016 on 08.09.2016
- Key Features:
 - ✓ Concurrent jurisdiction for levy & collection of GST by the Centre & the States – Article 246A
 - ✓ Centre to levy & collect IGST on supplies in the course of inter-State trade or commerce including imports – Article 269A
 - ✓ Compensation for loss of revenue to States for five years on recommendation of GSTC – Clause 19
 - ✓ GST on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas & aviation turbine fuel to be levied from a later date on recommendations of GSTC

Pre-GST Indirect Tax Structure in India

Central Taxes

- Central Excise duty
- Additional duties of excise
- Excise duty levied under Medicinal & Toilet Preparation Act
- Additional duties of customs (CVD & SAD)
- Service Tax
- Surcharges & Cesses

State Taxes

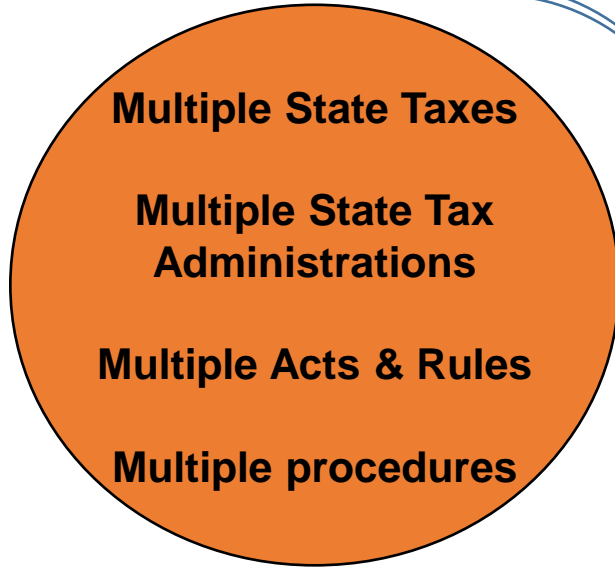
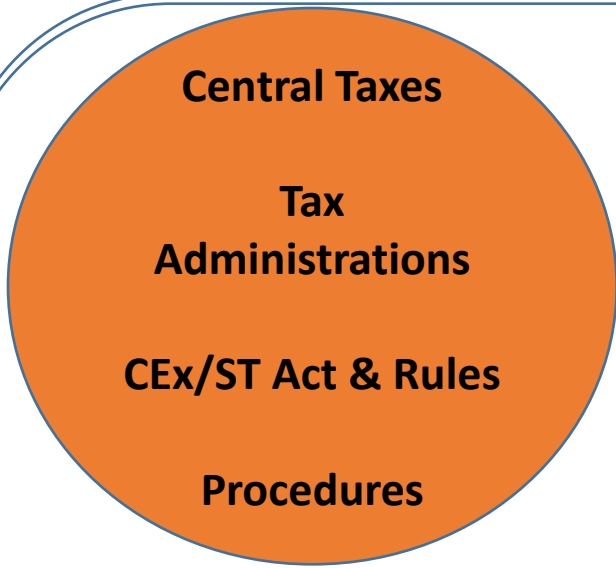
- State VAT / Sales Tax
- Central Sales Tax
- Purchase Tax
- Entertainment Tax (other than those levied by local bodies)
- Luxury Tax
- Entry Tax (All forms)
- Taxes on lottery, betting & gambling
- Surcharges & Cesses

+ 13 Cesses

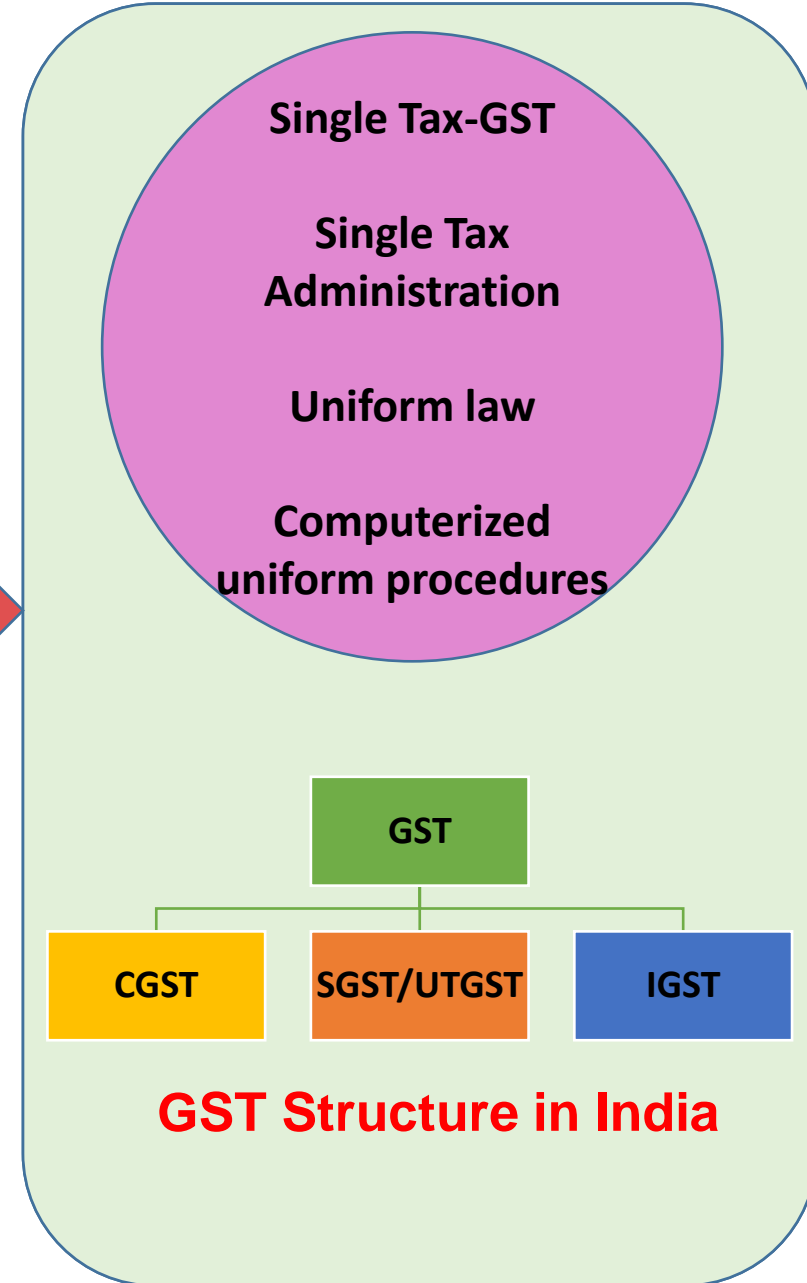
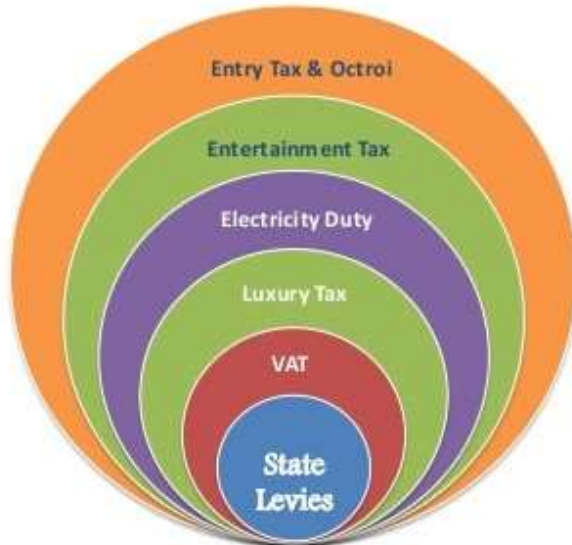
GST



Constitution amended to provide concurrent powers to both Centre & States to levy GST (Centre to tax sale of goods and States to tax provision of services)



Pre-GST Indirect tax structure in India



Outside GST !



Alcohol for human consumption

Power to tax remains with the State



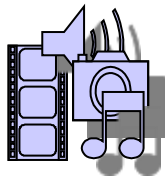
Five petroleum products – crude oil , diesel, petrol, natural gas and ATF

GST Council to decide the date from which GST will be applicable



Tobacco

Part of GST but power to levy additional excise duty with Central Government



Entertainment tax levied by local bodies

Power to tax remains with local bodies

- Chairperson – Union FM
- Vice Chairperson - to be chosen amongst the Ministers of State Government
- Members - MOS (Finance) and all Ministers of Finance / Taxation of each State
- Quorum is 50% of total members
- Decision by 75% majority
- States - 2/3 weightage and Centre - 1/3 weightage
- Council to make recommendations on everything related to GST including laws, rules and rates etc.

GST Council Decisions

Implementation status of GST Council Decisions

- The Council has met for 36 times and no occasion has arisen so far that required voting to decide any matter.
- Till its 34th meeting, GST Council has taken 1064 decisions which include 219 decisions taken by the GST Implementation Council (GIC).
 - ✓ As on 14.05.2019, 1006 decisions have been implemented and only a total of 58 decisions (of which 39 were unique issues) were under implementation.
 - ✓ In other words, 94.5% of the decisions of the GST Council have already been implemented, which is a significant achievement given the complicated nature and wide area of subjects/issues involved and the fact that most decisions were taken unanimously.

Registration and Threshold (1/19)

- Threshold limit of aggregate turnover for exemption from registration and payment of GST for suppliers of services would be Rs. 20 lakhs and Rs. 10 lakhs (for States of Manipur, Mizoram, Nagaland and Tripura).
- Threshold limits of aggregate turnover for exemption from registration and payment of GST for the suppliers of goods would be Rs. 40 lakhs and Rs. 20 lakhs (in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura and Uttarakhand) with effect from 01.04.2019.
- The following classes of taxpayers shall be exempted from obtaining registration:
 - ✓ Suppliers of services, having turnover up to Rs. 20 lakh, making inter State supplies
 - ✓ Suppliers of services, having turnover up to Rs. 20 lakh, making supplies through e-commerce platforms.
- Taxpayers may opt for multiple registrations within a State/Union territory in respect of multiple places of business located within the same State/Union territory.
- Mandatory registration is required for only those e-commerce operators who are required to collect tax at source.
- Registration to remain temporarily suspended while cancellation of registration is under process, so that the taxpayer is relieved of continued compliance under the law.
- Revocation of cancellation of those registration, which were cancelled till 31.03.2019, has been allowed. The application for revocation can be filed till 22.07.2019.

Migration (2/19)

- One more window for completion of migration process permitted. Due date for the taxpayers who did not file the complete FORM GST REG-26 but received only a Provisional ID (PID) till 31.12.2017 for furnishing the requisite details to the jurisdictional nodal officer was extended till 31.01.2019.
- Due date for furnishing FORM GSTR-3B and FORM GSTR-1 for the period July, 2017 to February, 2019 / quarters July, 2017 to December, 2018 by such taxpayers was extended till 31.03.2019.

Composition Scheme (3/19)

- Composition threshold limit increased to be Rs. 1.5 Crore.
- Composition scheme shall not be available to inter-State suppliers and specified category of manufacturers.
- Compliance under Composition Scheme simplified - Taxpayers under Composition scheme have been allowed to pay ‘self-assessed tax’ on a quarterly basis till 18th of the month succeeding such quarter and furnish a return till 30th April for the previous financial year.

Categories	Tax Rate
Traders	1%
Manufacturers	1%
Restaurants	5%
Service Provider	6%

32nd GST Council meeting (Decisions effective from 01.04.2019)

- Limit of Annual Turnover in the preceding Financial Year for availing Composition Scheme for Goods increased to ₹ 1.5 cr. But, special category States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand have the said limit as ₹ 75 lakh.
- A Composition Scheme made available for Suppliers of Services (to those who are not eligible for the presently available Composition Scheme) with a tax rate of 6% (3% CGST +3% SGST) having an Annual Turnover in the preceding Financial Year up to ₹ 50 lakhs.

36th GST Council meeting (held on 27.07.2019)

- A taxpayer who wants to opt for Composition Scheme for a financial year or during the middle of a financial year has to inform the government about his choice by filing **FORM GST CMP-02**.
- The last date for filing of intimation, in **FORM GST CMP-02**, for availing the option of payment of tax under notification No. 2/2019-Central Tax (Rate) dated 07.03.2019 is extended to 30.09.2019.
- The last date for furnishing statement containing the details of the self-assessed tax in **FORM GST CMP-08** for the quarter April, 2019 to June, 2019 (by taxpayers under composition scheme), has been extended from 31.07.2019 to 31.08.2019.

Tax Administration (4/19)

- In order to ensure single interface, all administrative control over 90% of taxpayers having turnover below Rs. 1.5 crore would vest with State tax administration and over 10% with the Central tax administration. Further, all administrative control over taxpayers having turnover above Rs.1.5 crore shall be divided equally in the ratio of 50% each for the Central and State tax administration.
- Powers under the IGST Act shall also be cross-empowered on the same basis as under CGST and SGST Acts with few exceptions.
- Power to collect GST in territorial waters shall be delegated by Central Government to the States.
- Power to take intelligence based enforcement action over entire taxpayer's base would be with both Central as well as State tax administration.

Reverse Charge Mechanism (5/19)

- Levy of GST on reverse charge mechanism on receipt of supplies from unregistered suppliers, to be applicable to only specified goods in case of certain notified classes of registered persons, on the recommendations of the GST Council.
- In this regard, notification No. 7/2019- Central Tax (Rate) dated 29.03.2019 has been issued which prescribes that the promoter shall pay tax on reverse charge basis w.e.f. 01.04.2019 on following supplies received from unregistered suppliers –
 - ✓ such supplies which constitute the shortfall from the minimum value of goods or services or both required to be purchased by a promoter for construction of a project as prescribed in notification No. 11/2017- Central Tax (Rate) dated 28.06.2017,
 - ✓ cement which constitute the shortfall from the minimum value of goods or services or both required to be purchased by a promoter for construction of project as prescribed in notification No. 11/2017- Central Tax (Rate), and
 - ✓ capital goods supplied to a promoter for construction of a project on which tax is payable or paid at the rate prescribed in notification No. 11/ 2017- Central Tax (Rate).
- Earlier, the reverse charge mechanism under sub-section (4) of section 9 of the CGST Act, 2017 and under sub-section (4) of section 5 of the IGST Act, 2017 was kept under suspension till 30.09.2019.

Payment of Tax (6/19)

- There shall be no requirement on payment of tax on advances received for supply of goods by all taxpayers.
- A Group of Ministers constituted for promoting digital payment has recommended to allow cash back to an amount equal to 20% of GST paid or Rs. 100/-, whichever is lower for cases where payment is made by BHIM or Rupay card. The necessary infrastructure is being developed and soon the scheme would be implemented on pilot basis in State of Assam and few other States which volunteer for the same.
- In principle approval has been given for amendment of section 50 of the CGST Act to provide that interest should be charged only on the net tax liability of the taxpayer, after taking into account the admissible input tax credit, i.e. interest would be leviable only on the amount payable through the electronic cash ledger. This would be implemented once the law is amended.

Refunds

- A scheme of single authority for disbursement of the refund amount sanctioned by either the Centre or the State tax authorities would be implemented soon. The modalities for the same are being finalized.
- All the supporting documents/invoices in relation to a claim for refund in FORM GST RFD-01A are being uploaded electronically on the common portal at the time of filing of the refund application itself, thereby obviating the need for a taxpayer to physically visit a tax office for submission of a refund application.
- Completely electronic refund module has also been finalized and will be deployed soon.

Export

- E-Wallet Scheme shall be introduced for exporters soon and till then relief for exporters shall be given in form of broadly existing practice.
- Supply of services to qualify as exports, even if payment is received in Indian Rupees, where permitted by the RBI.

Return and Late Fees (8/19)

- All taxpayers are required to file return **FORM GSTR-3B** & pay tax on monthly basis.
- Taxpayers with turnover up to Rs. 1.5 Cr are required to file information in **FORM GSTR-1** on a quarterly basis.
 - ✓ Other taxpayers would have to file **FORM GSTR-1** on a monthly basis.
- On account of difficulties being faced by taxpayers in furnishing the annual returns in **FORM GSTR-9**, **FORM GSTR-9A** and reconciliation statement in **FORM GSTR-9C**, the GST Council in its 35th meeting held on 21.06.2019 extended the due date for furnishing these returns/ reconciliation statements for the Financial Year 2017-18 till 31.08.2019.
- Late fee has been completely waived for all taxpayers in case **FORM GSTR-1**, **FORM GSTR-3B** & **FORM GSTR-4** for the months / quarters July, 2017 to September, 2018 are furnished after 22.12.2018 but on or before 31.03.2019.
- From October 2017 onwards, the amount of late fee for late filing of **FORM GSTR-3B** payable by a registered person is as follows:
 - ✓ whose tax liability for that month was 'NIL' will be Rs. 20/- per day instead of Rs. 200/- per day
 - ✓ whose tax liability for that month was not 'NIL' will be Rs. 50/- per day instead of Rs. 200/- per day.

New Return System (9/19)

- New return system is simple with two main annexures. One for reporting details of outward supplies (**FORM GST ANX-1**) and one for availing input tax credit (**FORM GST ANX-2**) based on invoices, etc. uploaded by the supplier.
- Invoices can be uploaded continuously by the supplier and can be continuously viewed and accepted by the recipient for availing input tax credit. This process would ensure that very large part of the return is auto-populated based on the invoices uploaded by the buyer and the supplier. Simply put, the process would be “UPLOAD – LOCK– PAY” for most tax payers.
- Taxpayers would have the facility to create his profile based on nature of supplies made and received. The information which a taxpayer would be shown and would be required to fill in the return would depend on his profile.
- NIL return filers (no purchase and no sale) shall be given facility to file return by sending SMS.
- There shall be quarterly filing of return for the small taxpayers having turnover up to Rs. 5 Cr as an optional facility. Quarterly return shall be similar to main return with monthly payment facility but for two kinds of registered persons – small traders making only B2C supply or making B2B + B2C supply. For such taxpayers, simplified returns have been designed called Sahaj and Sugam. In these returns, details of information required to be filled is lesser than that in the regular return.
- New return design provides facility for amendment of invoice and also other details filed in the return. Amendment shall be carried out by filing of a return called amendment return. Payment would be allowed to be made through the amendment return as it will help save interest liability for the taxpayers.

New Return System – Phased Roll out

- In order to give ample opportunity to taxpayers as well as the system to adapt, the GST Council in its 35th meeting held on 21.06.2019 has decided to introduce the new return system in a phased manner, as described below:
 - ✓ **Between July, 2019 to September, 2019**, the new return system (**FORM GST ANX-1 & FORM GST ANX-2** only) to be available for trial for taxpayers. Taxpayers to continue to file **FORM GSTR-1 & FORM GSTR-3B** as at present;
 - ✓ **From October, 2019 onwards, FORM GST ANX-1** to be made compulsory. Large taxpayers (having aggregate turnover of more than Rs. 5 crores in previous year) to file **FORM GST ANX-1** on monthly basis whereas small taxpayers to file first **FORM GST ANX-1** for the quarter October, 2019 to December, 2019 in January, 2020;
 - ✓ **For October and November, 2019**, large taxpayers to continue to file **FORM GSTR-3B** on monthly basis and will file first **FORM GST RET-01** for December, 2019 in January, 2020. It may be noted that invoices etc. can be uploaded in **FORM GST ANX-1** on a continuous basis both by large and small taxpayers from October, 2019 onwards. **FORM GST ANX-2** may be viewed simultaneously during this period but no action shall be allowed on such **FORM GST ANX-2**;
 - ✓ **From October, 2019**, small taxpayers to stop filing **FORM GSTR-3B** and to start filing **FORM GST PMT-08**. They will file their first **FORM GST RET-01** for the quarter October, 2019 to December, 2019 in January, 2020;
 - ✓ **From January, 2020 onwards, FORM GSTR-3B** to be completely phased out.

E-way bill system

- The introduction of e-way (electronic way) bill is a monumental shift from the earlier “Departmental Policing Model” to a “Self-Declaration Model”.
- New provisions in the e-way bill system have been introduced such as the auto calculation of distance based on PIN codes for the generation of e-way bill and blocking the generation of multiple e-way bills on one invoice.
- The generation of e-way bill would be barred if a supplier or recipient does not file GST returns for 2 consecutive tax periods. The GST Council in its 35th meeting held on 21.06.2019 decided that the Rule 138 E of the CGST rules, pertaining to blocking of e-way bills on non-filing of returns for two consecutive tax periods, be brought into effect from 21.08.2019.

Electric Vehicles (10/19)

- The Council in its 36th meeting held on 27.07.2019 decided to reduce the GST rates on electric vehicles from 12% to 5% and charger or charging stations for electric vehicles from 18% to 5% w.e.f. 01.08.2019.
- Hiring of electric buses (of carrying capacity of more than 12 passengers) by local authorities has been exempted from GST w.e.f. 01.08.2019.

- ITC in relation to invoices issued by the supplier during FY 2017-18 may be availed by the recipient till the due date for furnishing of **FORM GSTR-3B** for the month of March, 2019, subject to specified conditions.
- To provide sufficient time to the trade and industry to furnish the declaration in **FORM GST ITC-04**, relating to job work, the GST Council in its 35th meeting held on 21.06.2019 extended the due date for furnishing the said form for the period July, 2017 to June, 2019 till 31.08.2019.

- TDS/TCS provisions implemented from 01.10.2018.
- Further, to provide some more time to TDS deductors to familiarize themselves with the new system, last date for furnishing return in **FORM GSTR-7** for the months of October, 2018 to December, 2018 and January, 2019 extended up to 28.02.2019.
- Exemption from TDS for been made for supply made by Government / PSU to another Government /PSU.

Revenue Mobilization

- A Group of Ministers has been constituted to study the revenue trend, including analyzing the reasons for structural patterns affecting the revenue collection in some of the States. The study would include the underlying reasons for deviation from the revenue collection targets vis a vis original assumptions discussed during the design of GST system, its implementation and related structural issues.
- The Group of Ministers will be assisted by the committee of experts from Central Government, State Governments and the NIPFP (National Institute of Public Finance and Planning), who would study and share the findings with GoM. The GoM in turn would give its recommendation to the GST Council.

Electronic Invoicing (12/19)



- The Council in its 35th meeting held on 21.06.2019 decided to introduce electronic invoicing system in a phase-wise manner for B2B transactions.
- The Phase 1 is proposed to be voluntary and it shall be rolled out from Jan, 2020.

Real Estate (13/19)

- GST shall be levied at effective rate of 5% on residential properties outside affordable segment and 1% on affordable housing properties.
- **Definition of affordable housing:** A residential house/flat of carpet area of up to 90 sqm in non-metropolitan cities/towns and 60 sqm in metropolitan cities having value up to Rs. 45 lakhs (both for metropolitan and non-metropolitan cities). Metropolitan Cities are Bengaluru, Chennai, Delhi NCR (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad), Hyderabad, Kolkata and Mumbai (whole of MMR).
- **GST exemption on TDR/ JDA, long term lease (premium), FSI:** Intermediate tax on development right, such as TDR, JDA, lease (premium), FSI shall be exempted only for such residential property on which GST is payable.
- **Conditions for new tax rate:**
 - ✓ Input tax credit shall not be available
 - ✓ 80% of inputs and input services [other than capital goods, TDR/ JDA, FSI, long term lease (premiums)] shall be purchased from registered persons. On shortfall of purchases from 80%, tax shall be paid by the builder @ 18% on RCM basis.
 - ✓ Tax on cement purchased from unregistered person shall be paid @ 28% under RCM, and on capital goods under RCM at applicable rates.
- New rate has become applicable from 01.04.2019.
- One time transition option given to real estate firms to continue to pay tax at the old rates (effective rate of 8% or 12% with ITC) on on-going projects (buildings where construction and actual booking have both started before 01.04.2019) which have not been completed by 31.03.2019.

Natural Calamity Cess (14/19)

- GST Council in its 32nd Meeting held on 10.01.2019 approved levy of Cess on Intra-State Supply of Goods and Services within the State of Kerala at a rate not exceeding 1% for a period not exceeding 2 years.
- Kerala Government has, accordingly, decided to levy one per cent. 'Kerala Flood Cess' on value of intra-state supply of goods by taxable person to an unregistered person in respect of supplies specified in TABLE under sub-clause (2) of clause 14 of the Kerala Finance Bill, 2019.
- The said flood cess shall be levied from 01.08.2019.
- Kerala government has also decided to allow local bodies to collect entertainment tax on movie tickets up to 10 per cent.

Recent Law amendments w.e.f. 01.02.2019 (15/19)

- Scope of input tax credit has been widened, and it would now be made available in respect of the following:
 - ✓ Most of the activities or transactions specified in Schedule III
 - ✓ Motor vehicles for transportation of persons having seating capacity of more than thirteen (including driver), vessels and aircraft
 - ✓ Services of general insurance, repair and maintenance in respect of motor vehicles, vessels and aircraft on which credit is available
 - ✓ Goods or services which are obligatory for an employer to provide to its employees, under any law for the time being in force.
- The order of cross-utilization of input tax credit has been rationalized.
- Commissioner empowered to extend the time limit for return of inputs and capital sent on job work, up to a period of one year and two years, respectively.

Recent Law amendments wef 01.02.2019 (Contd.) (16/19)

- Place of supply in case of job work of any treatment or process done on goods temporarily imported into India and then exported without putting them to any other use in India, would be outside India.
- The following transactions to be treated as no supply (no tax payable) under Schedule III:
 - ✓ Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India;
 - ✓ Supply of warehoused goods to any person before clearance for home consumption;
 - ✓ Supply of goods in case of high sea sales.
- Registered persons may issue consolidated credit/debit notes in respect of multiple invoices issued in a Financial Year.
- Amount of pre-deposit payable for filing of appeal before the Appellate Authority and the Appellate Tribunal capped at Rs. 25 Cr and Rs. 50 Cr respectively.
- Recovery can be made from distinct persons, even if present in different State/Union territories.

Recent Law amendments w.e.f. 01.02.2019 (Contd.) (17/19)

- Amount of IGST not apportioned to the Centre or the States/UTs may, for the time being, on the recommendations of the Council, be apportioned at the rate of fifty per cent. to the Central Government and fifty per cent. to the State Governments or the Union territories, as the case may be, on ad-hoc basis and this amount shall be adjusted against the amount finally apportioned.
- Fifty per cent. of such amount, as may be recommended by the Council, which remains unutilized in the Compensation Fund, at any point of time in any financial year during the transition period shall be transferred to the Consolidated Fund of India as the share of Centre, and the balance fifty per cent. shall be distributed amongst the States in the ratio of their base year revenue.
- In case of shortfall in the amount collected in the Fund against the requirement of compensation to be released for any two months' period, fifty per cent. of the same, but not exceeding the total amount transferred to the Centre and the States as recommended by the Council, shall be recovered from the Centre and the balance fifty per cent. from the States in the ratio of their base year revenue.

Other decisions (Contd.) (18/19)

- Formula and mechanism for GST Compensation Cess has been finalized.
- 50% of the GST paid will be refunded to CSD (Defense Canteens).
- Centralized UIN shall be issued to every Foreign Diplomatic Mission / UN Organization by the Central Government for handling their refund related applications.
- Rate of interest on delayed payments and delayed refund has been recommended.
- Supply from GTA to unregistered persons has been exempted from tax.
- Group of Ministers has been constituted to examine the GST Rate Structure on Lotteries.
- Group of Ministers has been constituted to look into the issues being faced by MSMEs and to provide solutions for the same.

Other decisions (19/19)

- In principle approval has been given for creation of a Centralized Appellate Authority for Advance Ruling (AAAR) to deal with cases of conflicting decisions by two or more State Appellate Advance Ruling Authorities on the same issue. This would be implemented once the law is amended.
- Existing tax incentive schemes of Central or State governments may be continued by respective government by way of reimbursement through budgetary route. The schemes, in the present form, would not continue in GST.
- There would be a single cash ledger for each tax head. The modalities for implementation would be finalized in consultation with GSTN and the Accounting authorities.
- Free Accounting and Billing Software shall be provided to Small Taxpayers by GSTN.
- Scheme of refunds of taxes paid by Duty Free / Duty Paid Shops on indigenous goods when supplied to eligible passengers.

Main Features of the GST Act (1/5)

- Concurrent jurisdiction for levy & collection of GST by the Centre (CGST) and the States (SGST)
- Centre to levy and collect IGST on supplies in the course of inter-State supplies & on imports
- Compensation for loss of revenue to States for five years
- All transactions and processes only through electronic mode – Non-intrusive administration
- PAN Based Registration
- Registration mandatory for suppliers of services only if the turnover exceeds Rs.20 lakhs (Rs.10 lakhs in case of States of Manipur, Mizoram, Nagaland and Tripura).
- Registration mandatory for suppliers of goods only if the turnover exceeds Rs.40 lakhs (Rs.20 lakhs in case of States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura and Uttarakhand)

Main Features of the GST Act (2/5)

- Option of Voluntary Registration
- Composition threshold shall be Rs. 150 lakhs, special category States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand have the said limit as Rs. 75 lakhs
 - ✓ Composition scheme shall not be available to inter-State suppliers, and specified category of manufacturers
- Deemed Registration in three working days
- Input Tax Credit available on taxes paid on all procurements (except few specified items)

Main Features of the GST Act (3/5)

- Set of auto-populated Monthly returns and Annual Return
- Composition taxpayers to file Quarterly returns
- Automatic generation of returns
- GST Practitioners for assisting filing of returns
- GSTN and GST Suvidha Providers (GSPs) to provide technology based assistance

Main Features of the GST Act (4/5)

- Tax can be deposited by internet banking, NEFT / RTGS, Debit / credit card and over the counter
- Concept of TDS for certain specified categories *wef 01.10.2018*
- Concept of TCS for E-Commerce Companies *wef 01.10.2018*
- The e-way bill system has been introduced nation-wide for all inter-State movement of goods with effect from 01.04.2018. As on 16.06.2018, all States and Union Territories have introduced e-way bill system for intra-state movement of goods
- Refund to be granted within 60 days
- Provisional release of 90% refund to exporters within 7 days

Main Features of the GST Act (5/5)

- Interest payable if refund not sanctioned in time
- Refund to be directly credited to bank accounts
- Comprehensive transitional provisions for smooth transition of existing tax payers to GST regime
- Special procedures for job work
- System of GST Compliance Rating
- Anti-Profiteering provision – National Anti-Profiteering Authority (NAA) set up to examine the complaints of non-passing the benefit of reduced tax incidence.
 - ✓ A three-tier structure adopted to investigate anti-profiteering complaints from consumers.
 - ✓ At the initial level are the state screening committees and a national standing committee to examine complaints.
 - ✓ These committees refer complaints to the Director General of Safeguards (DGAP), mandated to conduct a thorough investigation by seeking information from the companies concerned.
 - ✓ The third and final level is the NAA, which examines the investigation report and hears the company and the complainant before pronouncing a final decision.

Benefits of GST (1/2)

- 1 Reduction in Cascading of Taxes
- 2 Overall Reduction in Prices
- 3 Common National Market
- 4 Benefits to Small Taxpayers
- 5 Self-Regulating Tax System
- 6 Non-Intrusive Electronic Tax System

Decrease in
Inflation

Ease of Doing
Business

Decrease in “Black”
Transactions

Benefits of GST (2/2)

7 Simplified Tax Regime

8 Reduction in Multiplicity of Taxes

9 Consumption Based Tax

10 Abolition of CST

11 Exports to be Zero Rated

12 Protection of Domestic Ind. - IGST

More informed
consumer

Poorer States
to Gain

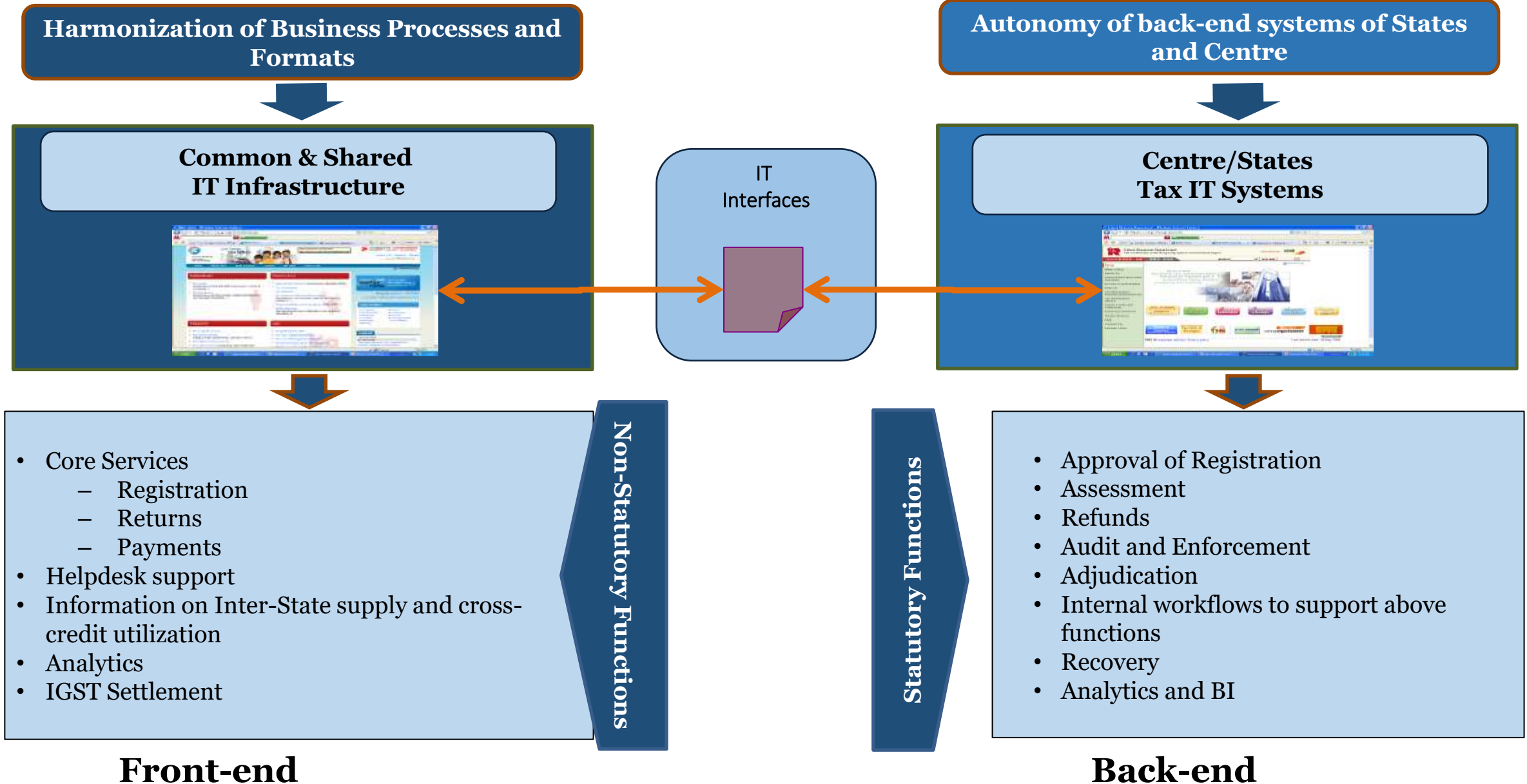
Make in India

Goods and Service Tax Network (1/4)

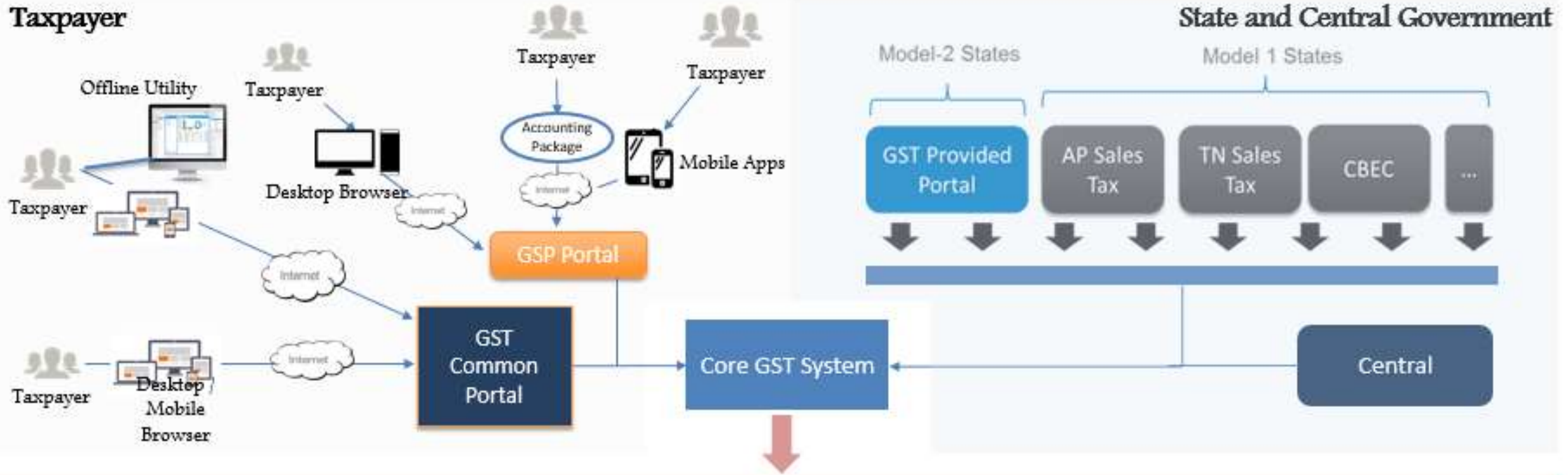
- Incorporated in March 2013 as Section 25 private limited company with paid up capital of Rs. 10 crore
- Equity Holders
 - ✓ Central Government - 24.5%
 - ✓ EC and all States together - 24.5%
 - ✓ Financial Institutions – 51%
- To function as a Common Pass-through portal for taxpayers-
 - ✓ submit registration application
 - ✓ file returns
 - ✓ make tax payments
- To develop back end modules for 27 States (MODEL –II)
- Infosys appointed as Managed Service Provider (MSP)
- Appointed 73 GST Suvidha Providers (GSPs)

- GST Council in its 27th meeting held on 04.05.2018 has approved the change in shareholding pattern of GSTN
- Considering the nature of ‘state’ function’ performed by GSTN, the GST Council felt that GSTN be converted into a fully owned Government company
- Accordingly, the GST Council approved acquisition of entire 51 per cent of equity held by non-Governmental institutions in GSTN amounting to Rs. 5.1 Cr, equally by the Centre and the State Governments

Goods and Service Tax Network (3/4)



Goods and Service Tax Network (4/4)



- Role in Policy making: Drafting of GST Law, Rules & Procedures – CGST, UTGST & IGST Law
- CBIC is responsible for administration of the CGST and IGST law
- Assessment, Audit, Anti-evasion & enforcement under CGST, UTGST & IGST Law
- Levy & collection of Central Excise duty on products outside GST – Petroleum Products & Tobacco
- Levy & collection of Customs duties
- Developing linkages of CBIC - GST System with GSTN
- Training of officials of both Centre & States
- Outreach programs for Trade and Industry
- Director General of Anti – Profiteering, CBIC has been mandated to conduct detailed enquiry on anti-profiteering cases



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