



Agenda for 28th GST Council Meeting

Volume – 3

21 July 2018



File No: 390/28th GSTCM/GSTC/2018
GST Council Secretariat

Room No.275, North Block, New Delhi

Dated: 28 June 2018

Notice for the 28th Meeting of the GST Council scheduled on 21 July 2018

The undersigned is directed to refer to the subject cited above and to the earlier Meeting Notice dated 19 June 2018 and to say that in view of the Monsoon Session of the Parliament, scheduled to begin from 18 July 2018, the meeting of the GST Council will now be held on **21 July 2018 (Saturday)** as follows:

- Saturday, 21 July 2018 : 11:00 hours onwards (Physical Meeting)
2. In addition, an Officer's Meeting will be held as follows:
- Friday, 20 July 2018 : 10:00 hours onwards (Physical Meeting)
3. The Agenda Items and the Venue for the 28th Meeting of the GST Council will be communicated in due course of time.
4. Please convey the invitation to the Hon'ble Members of the GST Council to attend the meeting.

-SD-

(Dr. Hasmukh Adhia)

Secretary to the Govt. of India and ex-officio Secretary to the GST Council

Tel: 011 23092653

Copy to:

1. PS to the Hon'ble Minister of Finance, Government of India, North Block, New Delhi with the request to brief Hon'ble Minister about the above said meeting.
2. PS to Hon'ble Minister of State (Finance), Government of India, North Block, New Delhi with the request to brief Hon'ble Minister about the above said meeting.
3. The Chief Secretaries of all the State Governments, Delhi and Puducherry with the request to intimate the Minister in charge of Finance/Taxation or any other Minister nominated by the State Government as a Member of the GST Council about the above said meeting.
4. Chairperson, CBEC, North Block, New Delhi, as a permanent invitee to the proceedings of the Council.
5. Chairman, GST Network

Agenda Items for the 28th Meeting of the GST Council on 21 July 2018

1. Confirmation of the Minutes of 27th GST Council Meeting held on 04th May, 2018
2. Deemed ratification by the GST Council of Notifications, Circulars and Orders issued by the Central Government
3. Decisions of the GST Implementation Committee (GIC) for information of the Council
4. Decisions/recommendations of IT Grievance Redressal Committee for information of the Council
5. Review of Revenue Position
6. Issues recommended by the Law Committee for consideration of the GST Council
 - i. Proposals for amendments in the CGST Act, 2017, IGST Act, 2017, UTGST Act, 2017 and GST (Compensation to States) Act, 2017
 - ii. Creation of GST Appellate Tribunal (GSTAT)
 - iii. Simplification of GST Returns
7. Issues recommended by the Fitment Committee for consideration of the GST Council
8. Reports/recommendations of different Committees/Group of Ministers (GoMs) for information/approval of the Council:
 - i. Recommendations of the Committee on Lottery
 - ii. Recommendations of the Committee on IGST
 - iii. Recommendations of the Report of the Task Force to suggest measures for creating and Eco-System for Seamless Road Transport Connectivity
 - iv. Recommendations of the Group of Ministers on Digital Payments
 - v. Interim report of the Group of Ministers on imposition of Sugar Cess
 - vi. Recommendations of the Group of Ministers on Reverse Charge Mechanism
9. Minutes of 9th Meeting of Group of Ministers (GoM) on IT Challenges in GST Implementation for information of the Council and discussion on GSTN issues
10. *Ad hoc* exemption order issued under Section 25(2) of the Customs Act, 1962 for information of the GST Council
11. Any other agenda item with the permission of the Chairperson
12. Date of the next meeting of the GST Council

TABLE OF CONTENTS

<u>Agenda No.</u>	<u>Agenda Item</u>	<u>Page No.</u>
11	Any other agenda item with the permission of the Chairperson i. Agenda Note on legal changes required for enabling a quarterly return with monthly tax payments for smaller taxpayers and simplified GST return for others	6

Discussion on Agenda Items

Agenda Item 11: Agenda Note on legal changes required for enabling a quarterly return with monthly tax payments for smaller taxpayers and simplified GST return for others

Part B of Agenda Item 6(iii) proposes an option to be provided to smaller taxpayers to file a quarterly return with monthly payments, whereas, the CGST Act provides for monthly returns and monthly payments. In order to operationalize the proposed quarterly return, amendments would be required in the CGST Act.

2. Further, Sr. No. 26 and 27 of Agenda Item 6(i), propose the legal changes required for implementation of simplified GST return filing which have to be re-drafted in line with the decision of quarterly returns for smaller taxpayers.

3. Accordingly, the relevant sections of the CGST Act were re-examined and the legal changes required for enabling a quarterly return with monthly payments and simplified GST return instead of the proposal for law amendment as per Sr. No. 26 and 27 of Agenda Item 6(i) are placed below.

4. The GST Council is requested to grant approval for the amendment of the CGST Act.

39. Furnishing of returns

(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner **and within such time** as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed.; ~~on or before the twentieth day of the month succeeding such calendar month or part thereof.~~

Provided that the Government may, on the recommendation of the Council, and subject to such conditions and safeguards as may be specified, notify certain classes of registered persons who shall furnish return for every quarter or part thereof.

(2) A registered person paying tax under the provisions of section 10 shall, for each quarter or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services or both, tax payable and tax paid within eighteen days after the end of such quarter.

(3) Every registered person required to deduct tax at source under the provisions of section 51 shall furnish, in such form and manner as may be prescribed, a return, electronically, for the month in which such deductions have been made within ten days after the end of such month.

(4) Every taxable person registered as an Input Service Distributor shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within thirteen days after the end of such month.

(5) Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within twenty days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section(1) of section 27, whichever is earlier.

(6) The Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of registered persons as may be specified therein:

Provided that any extension of time limit notified by the Commissioner of State tax or Commissioner of Union territory/central tax shall be deemed to be notified by the Commissioner.

(7) Every registered person, who is required to furnish a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return.

Provided that the Government may, on the recommendation of the Council, and subject to such conditions and safeguards as may be specified, notify certain classes of registered persons who shall pay to the government tax due or part thereof as per such return before the last date on which he is required to furnish such return.

(8) Every registered person who is required to furnish a return under sub-section (1) or sub-section (2) shall furnish a return for every tax period whether or not any supplies of goods or services or both have been effected during such tax period.

(9) Subject to the provisions of sections 37 and 38, if any registered person after furnishing a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) or sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the return to be furnished for the month or quarter during which such omission or incorrect particulars are

noticed, **or in the amendment return prescribed for this purpose**, subject to payment of interest under this Act:

Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year, or the actual date of furnishing of relevant annual return, whichever is earlier.

(10) A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him.

Proposed Section 43A :

(1) Notwithstanding anything contained in sub-section (2) of section 16, section 37 or section 38, every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of section 10 or section 51 or section 52, shall electronically in the return furnished under section 39, in addition to the details of outward supplies or the inward supplies furnished, verify, validate, modify or delete supplies, for which details have been furnished by the suppliers.

(2) Notwithstanding anything contained in section 41, section 42 or section 43, the procedure for availing of input tax credit by the recipient and verification thereof shall be such as may be prescribed.

(3) The procedure for furnishing the details of a tax invoice by the supplier on the common portal, for the purposes of availing input tax credit by the recipient shall be such as may be prescribed.

(4) The procedure for availing credit on the basis of invoice not reported in terms of sub-section (3) shall be such as may be prescribed and such procedure may include the maximum amount of the input tax credit which can be so availed, not exceeding twenty percent of the input tax credit available on the basis of invoices reported as per sub-section (3).

(5) The amount of tax specified in an invoice for which the details have been furnished by the supplier under sub-section (3) shall be deemed to be tax payable by him under the provisions of the Act, notwithstanding the fact that return in respect of such invoice has not been furnished and tax specified therein has not been paid.

(6) The supplier and the recipient of a supply shall be jointly and severally liable to pay tax or to pay the input tax credit availed, as the case may be, in relation to invoices for which the details have been furnished in terms of sub-section (3) or sub-section (4) but return thereof has not been furnished.

(7) The procedure for recovery of the amount of tax payable or input tax credit availed, in respect of invoices for which details have been furnished under sub-section (3) or sub-section (4), but return thereof has not been furnished, shall be such as may be prescribed and such procedure may provide for non-recovery of an amount of tax or input tax credit not exceeding one thousand rupees.

(8) The procedure, safeguards and threshold of tax amounts in the invoices, the details of which can be furnished under sub-section (3) by a registered person within six months of taking a registration shall be such as may be prescribed provided that such threshold shall not exceed twenty five lakh rupees, which may be raised on sufficient reason being shown by the proper officer.

(9) The procedure, safeguards and threshold of tax amounts in the invoices, the details of which can be furnished under sub-section (3) by a registered person who has defaulted in payment of tax and where such default has continued for more than two months from the due date of payment of such defaulted amount, shall be such as may be prescribed.

TENTATIVE CHANGES ON ACCOUNT OF SECTION 37, 38 OR 41

47. Levy of late fee: NO ISSUE

(1) Any registered person who fails to furnish the details of outward or inward supplies required under **section 37 or section 38** or returns required under section 39 or section 45 by the due date shall pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum amount of five thousand rupees.

(2) Any registered person who fails to furnish the return required under section 44 by the due date shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter per cent. of his turnover in the State or Union territory.

48. Goods and services tax practitioners: NO ISSUE

(1) The manner of approval of goods and services tax practitioner, their eligibility conditions, duties and obligations, manner of removal and other conditions relevant for their functioning shall be such as may be prescribed.

(2) A registered person may authorise an approved goods and services tax practitioner to furnish the details of outward supplies under **section 37, the details of inward supplies under section 38** and the return under section 39 or section 44 or section 45 in such manner as may be prescribed.

(3) Notwithstanding anything contained in sub-section (2), the responsibility for correctness of any particulars furnished in the return or other details filed by the goods and services tax practitioners shall continue to rest with the registered person on whose behalf such return and details are furnished.

52. Collection of tax at source: MODIFIED

(1) Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier **under section 37 or section 39**, the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.

168. Power to issue instructions or directions: NO ISSUE

(1) The Commissioner specified in clause (91) of section 2, sub-section (3) of section 5, clause (b) of sub-section (9) of section 25, **sub-section (1) of section 37, sub-section (2) of section 38**, sub-section (6) of section 39, sub-sections (3) and (4) of section 35, sub-section (5) of section 66, sub-section (1) of section 143, sub-section (1) of section 151, clause (l) of sub-section (3) of section 158, and section 167 shall mean a Commissioner or Joint Secretary posted in the Board and such Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board. *{sub-section (2) absent in SGST Act and sub-section (1) exists as main section}*

49. Payment of tax, interest, penalty and other amounts: MODIFIED

(1) Every deposit made towards tax, interest, penalty, fee or any other amount by a person by internet banking or by using credit or debit cards or National Electronic Fund Transfer or Real Time Gross Settlement or by such other mode and subject to such conditions and restrictions as may be prescribed, shall be credited to the electronic cash ledger of such person to be maintained in such manner as may be prescribed.

(2) The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41 or 43A, to be maintained in such manner as may be prescribed.