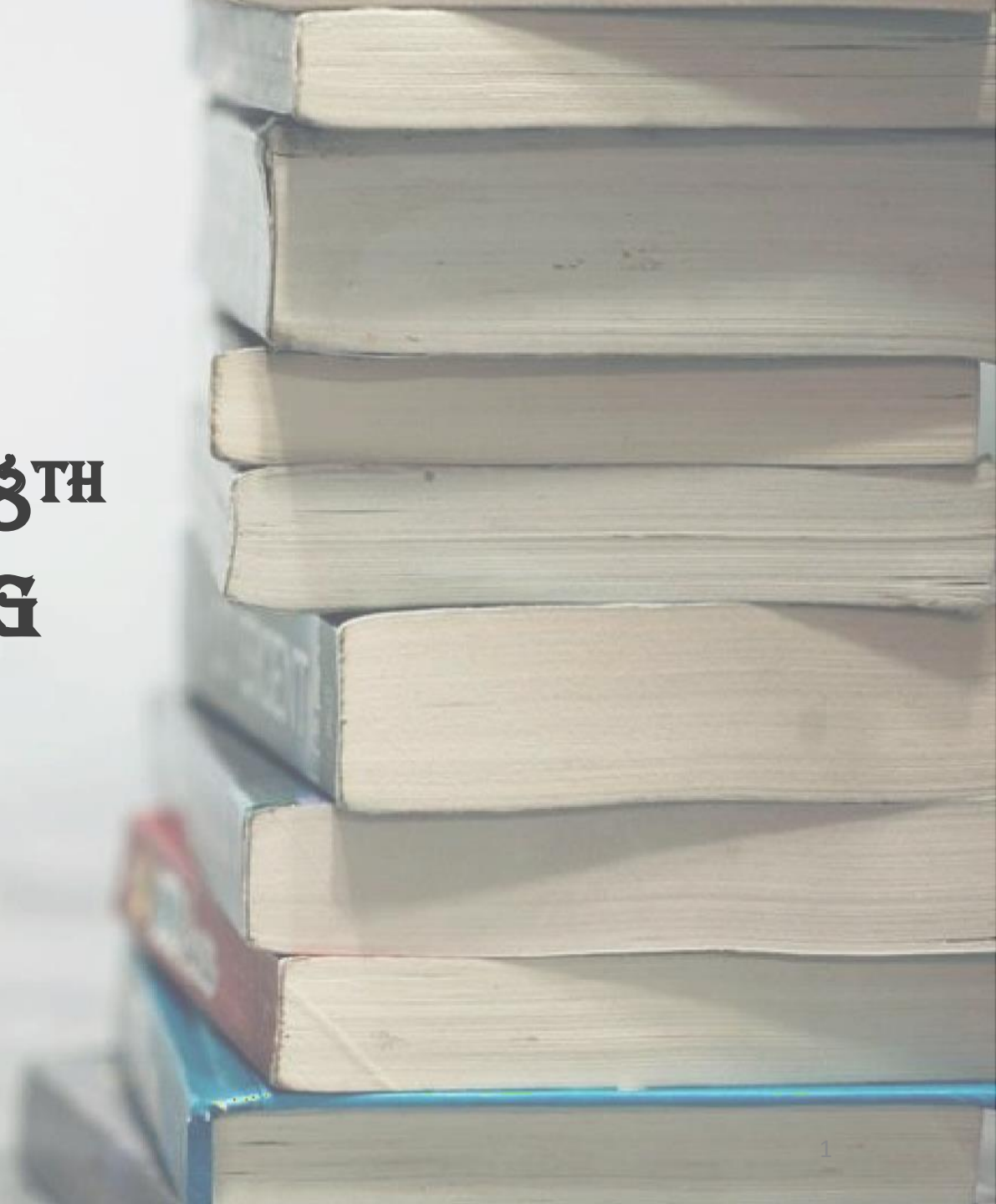


RECOMMENDATIONS OF 48TH GST COUNCIL MEETING

By CA Umesh Sharma



Agenda

About GST Council Meeting

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Recommendations

**Gst
Council
Meeting**

Explanation

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Conclusion

Gst Council Meeting

GST Council held its 48th GST Council Meeting at New Delhi via virtual mode on 17th Dec 2022 which was chaired by Finance Minister Nirmala Sitharaman. The GST Council recommended measures for facilitation of trade and measures for streamlining compliances in GST.



Changes related to GST tax rates

1. Tax rate on **Husk of pulses** including chilka and concentrates including chuni/churi, khanda



As a relief measure, the Council decided to regularize the intervening period starting from the date of issuance of Circular (3.08.2022) on " **as is basis** " on account of genuine doubts.

2. Tax rate on **Ethyl alcohol** supplied to refineries for blending with motor spirit (petrol)



A close-up photograph of a dense patch of green mint leaves, likely Mentha arvensis. The leaves are serrated and have a vibrant green color. A white text box with a purple border is overlaid on the center of the image.

3. Include supply of **Mentha arvensis** under reverse charge mechanism as has been done for Mentha Oil.

4. No GST is payable where the **residential dwelling** is rented to a registered person if it is rented it in his/her **personal** capacity for use as his/her own residence and on his own account and not on account of his business.



5. **Incentive** paid to banks by Central Government under the scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of **subsidy** and thus not taxable





Clarifications

Particulars	HSN code	GST Rate
Rab (rab-salawat)	CTH 1702	18%
Motor vehicle fulfilling all 4 conditions, namely, it is popularly known as SUV, has engine capacity exceeding 1500 cc, length exceeding 4000 mm and a ground clearance of 170 mm or above		22%(Compensation CESS)

Particulars	HSN code	GST Rate
Fryums manufactured using process of extrusion	CTH 19059030	18%
Goods falling in lower rate category of 5% under schedule I of notification No. 1/2017- CTR imported for petroleum operations		5% and 12% only if the general rate is more than 12%



Measures for facilitation of trade

1. Decriminalization under GST:

Raise the **minimum threshold** of tax amount for launching prosecution from Rs. **1 Crore to Rs. 2 Crores**, except for **fake invoicing**



1. Decriminalization under GST:

Reduce the **compounding amount** from the present range of **50% to 150%** of tax amount to the range of **25% to 100%**



1. Decriminalization under GST:

- ❑ Clause (132)(1)(g) of CGST Act, 2017, obstruction or preventing any officer in discharge of his duties,
- ❑ Clause (132)(1)(j) of CGST Act, 2017, deliberate tempering of material evidence
- ❑ Clause (132)(1)(k) of CGST Act, 2017, failure to supply the information



2. Refund to unregistered persons:

Amendment in CGST Rules, 2017, along with issuance of a circular, to prescribe the procedure for filing application of refund by the unregistered buyers in cases where the **contract/ agreement for supply of services, like construction of flat/house and long-term insurance policy**, is cancelled and the time period of issuance of credit note by the concerned supplier is over.



3. Issuance of the following circulars

Procedure for verification of input tax credit in cases involving difference in input tax credit availed in **FORM GSTR-3B** vis a vis that available as per bduring **FY 2017-18 and 2018-19.**

Reconciliation between
GSTR-2A and **GSTR-3B**

2A

GSTR

3B

3. Issuance of the following circulars

Clarifying the manner of **re-determination of demand** in terms of Section 75(2) of CGST Act, 2017.



3. Issuance of the following circulars

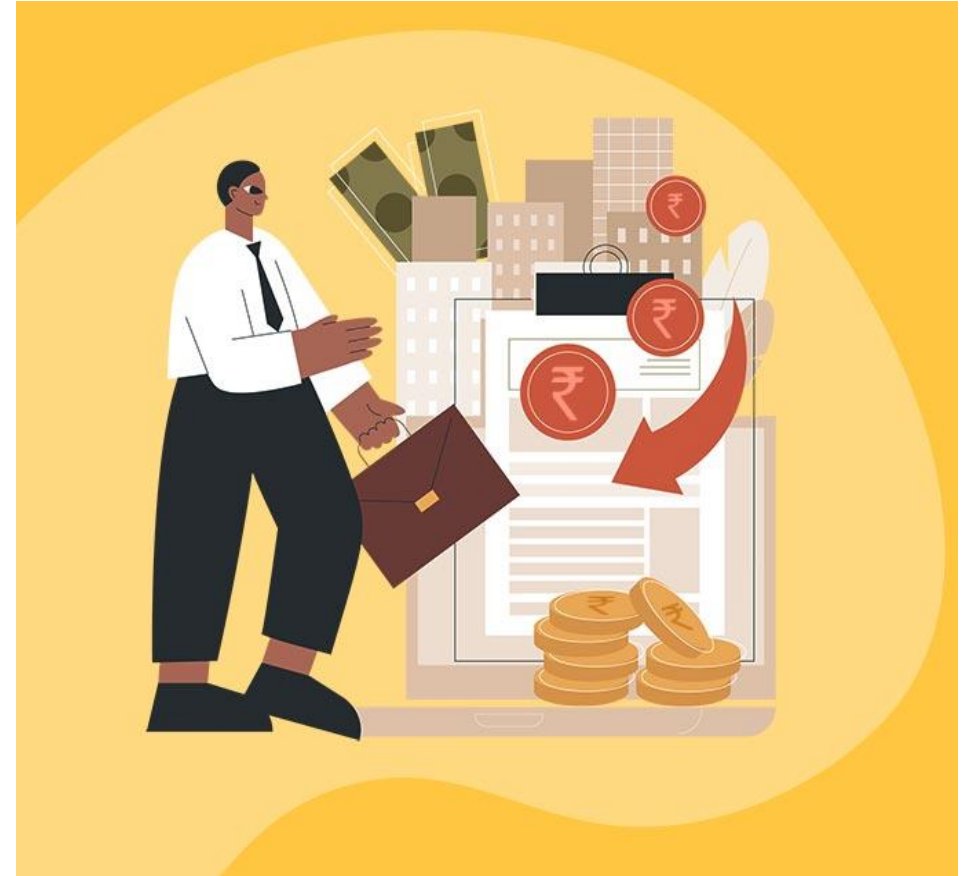
Clarification in respect of applicability of **e-invoicing** with respect to an entity.



4. **Paras 7, 8(a) & 8(b) were inserted in Schedule III** of CGST Act, 2017 to make effective from 1.7.2017. However, **no refund** of tax paid shall be available in cases where any tax has already been paid in respect of such transactions/activities during the period 1.7.2017 to 31.1.2019.



5. Amend **sub-rule (1) of rule 37** of CGST Rules, 2017 retrospectively with effect from 01.10.2022 to provide for **reversal of input tax credit**, in terms of second proviso to section 16 of CGST Act, only **proportionate** to the amount not paid to the supplier vis a vis the value of the supply, including tax payable.



6. Insert **Rule 37A** in CGST Rules, 2017 to prescribe the mechanism for **reversal of input tax credit** by a registered person in the event of **non-payment of tax** by the supplier by a specified date and mechanism for **re-availment** of such credit, if the supplier pays tax subsequently.



7. Sub-rule (3) of rule 108 And rule 109 of the CGST Rules, 2017 to be amended to provide clarity on the requirement of submission of certified copy of the order appealed against and the issuance of final acknowledgment by the appellate authority. This would facilitate timely **processing of appeals** and ease the compliance burden for the appellants.



8. **Rule 109C and FORM GST APL-01/03 W** to be inserted in the CGST Rules, 2017 to provide the facility for **withdrawal** of an application of **appeal** up to certain specified stage. This would help in reducing litigations at the level of appellate authorities.



9. Circular to be issued to clarify that **No Claim Bonus** offered by the **insurance companies** to the insured is an admissible **deduction** for valuation of insurance services.



10. Circular to be issued for clarifying the issue of treatment of statutory dues under GST law in respect of the taxpayers for whom the **proceedings have been finalised** under Insolvency and Bankruptcy Code, 2016. Rule 161 of CGST Rules, 2017 and **FORM GST DRC-25** also to be amended for facilitating the same.



11. Sub-rule (3) of rule 12 of CGST Rules, 2017 to be amended to provide for facility to the registered persons, who are required to **collect tax at source under section 52** or **deduct tax at source under section 51** of CGST Act, 2017, for cancellation of their registration on their request.

TCS UNDER GST



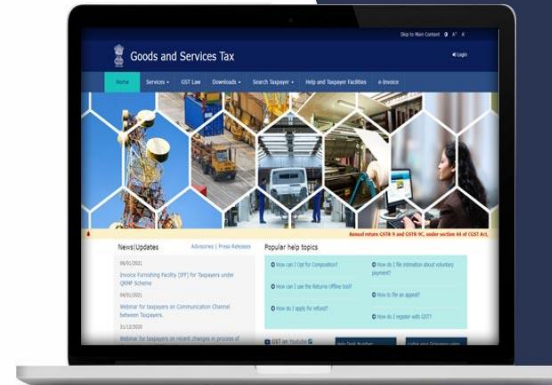
12. Circular to be issued for clarifying the issues pertaining to the **place of supply of services of transportation of goods** in terms of the proviso to sub-section (8) of sec 12 of the IGST Act,2017 and availability of **input tax credit to the recipient** of such supply. It has also been recommended that proviso to sub-section (8) of sec 12 of the IGST Act, 2017 may be omitted.





Measures for streamlining compliances in GST

Proposal to conduct a pilot in State of Gujarat for **Biometric-based Aadhaar authentication** and risk-based physical verification of registration applicants. Amendment in rule 8 And rule 9 of CGST Rules, 2017 to be made to facilitate the same. This will help in tackling the menace of **fake and fraudulent registrations.**



**AADHAAR
AUTHENTICATION FEATURE
UNDER GST FOR TAXPAYERS**



2. PAN-linked mobile number & e-mail address (fetched from CBDT database) to be captured and recorded in FORM GST REG-01 and OTP-based verification to be conducted at the time of registration on such PAN-linked mobile number and email address to restrict misuse of PAN of a person by unscrupulous elements without knowledge of the said PAN-holder.

3. Section 37, 39,44 And 52 of CGST Act, 2017 to be amended to restrict filing of returns/statements to a maximum period of **three years** from the due date of filing of the relevant return /statement.



4. FORM GSTR-1 to be amended to provide for reporting of details of supplies made through ECOs, covered under **section 52** and section **9(5)** of CGST Act, 2017, by the supplier and reporting by the **ECO** in respect of supplies made under section 9(5) of CGST Act, 2017.



5. Rule 88C and FORM GST DRC-01B to be inserted for intimation to the taxpayer, about the difference between liability in FORM GSTR-1 and in FORM GSTR-3B, where such difference exceeds a specified amount and/ or percentage.

Further, **clause 59(6)(d)** to restrict furnishing of FORM GSTR-1 if the taxpayer has neither deposited the amount specified in the intimation nor has furnished a reply explaining the reasons for the amount remaining unpaid.



6. Amendment in definition of “**non-taxable online recipient**” under section 2(16) of IGST Act,2017 and definition of “Online Information and Database Access or Retrieval Services(**OIDAR**)” under section 2(17) of IGST Act, 2017 so as to reduce interpretation issues and litigation on taxation of OIDAR Services.



The detailed press release for the recommendation can be accessed from the CBIC website. The recommendation of the GST council would be given effect through the relevant circulars/notifications/law amendments which alone shall have the force in law.



Thank you!!!



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Lokmat Times

BOOTO LINE

This winter Taxpayers may shiver due to GST notices

Arjuna (Fictional Character) Krishna, who has temporary shivering this winter due to GST.

Krishna (Fictional Character) Arjuna, the cold waves of winter have arrived and along with it cold waves in GST notices to be arrived in form of notices, as now-a-days department is continuously issuing notices to the taxpayers, for discrepancies in returns.

Arjuna: What is ASMT-10 and what action needs to be taken by the taxpayer?

Krishna: ASMT-10 is a section 10 of GST Act, intimating discrepancies in GST returns. Following are major discrepancies being reviewed:

Mismatch in GSTR-1B and GSTR-1

Discrepancies in outward supply is covered through this. After matching the difference one, the taxpayer must ensure that the return is correct. The 10-day period for the return is 10 days and 10 days for the return. The 10-day period for the return is 10 days and 10 days for the return.

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पोलिटिक

या हिवाळ्यात करदात्यांना जीएसटी नोटिसांमुळे हुडहुडी

कृष्ण : करदात्यांना हिवाळ्यात जीएसटी नोटिसांमुळे हुडहुडी पडणार आहे. या नोटिसांमुळे करदात्यांना अनेक समस्यांना तोंड द्यावे लागेल. या नोटिसांमुळे करदात्यांना अनेक समस्यांना तोंड द्यावे लागेल.

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