

49th GST Council Meeting Recommendations

Prepared By : Team Tattvam

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Policy Changes

- The GST council has adopted the report of Group of Ministers with certain modification in respect to establishment of GST Tribunals.
- The final drafts amendments to the GST laws shall be circulated to Members for their Comments. The Chairperson has been authorized to finalise the same.

Tattvam Comments:

The above proposal demonstrates the efforts being put in by the government towards establishment of GST Appellate Tribunal thereby granting relief to the taxpayers who either had to go to High Court for a relief or wait for establishment of GST Appellate Tribunal. The establishment of GST Tribunal will also reduce the burden of pending cases before the High Courts.

- The GST Council has recommended to improve the revenue collection from the commodities like pan masala, gutkha, chewing tobacco etc. namely:
 - the capacity based levy not to be prescribed;
 - compliance and tracking measures to be taken **to plug leakages/evasions**;
 - **exports** of said commodities to be allowed **only against LUT** with consequential refund of accumulated ITC;
 - compensation cess levied on such commodities to be changed from *ad valorem* to specific tax based levy to boost the first stage collection of the revenue



Measures for facilitation of trade:

Sr. No.	Issue	Description	Relief
1	Cancellation of Registration	Registration cancelled on account of non-filing of return and application for revocation of cancellation of registration could not be filed within 30 days	Allow filing of application for revocation of cancellation of registration by specified date , subject to certain conditions.
2	Best Judgment Assessment	Taxpayer did not file valid return within 30 days of best judgement assessment order under Section 62 of the CGST Act, 2017	Conditional deemed withdrawal of said order where the taxpayer has filed valid return with applicable interest and late fee.
3	Pending Returns	<ul style="list-style-type: none"> • Composition taxpayer (GSTR-4) • Annual return (GSTR-9) • Final return (GSTR-10) 	Conditional waiver/ reduction in late fee

- ✓ **For application for Revocation of Cancellation of Registration:** The GST Council has recommended to amend the Section 30 of CGST Act, 2017 and Rule 23 of the CGST Rules 2017 as follows:
 - The time line for filing an application for revocation of cancellation of registration extended from **30 days to 90 days**
 - Further extension allowed by the Commissioner or an officer authorized by him for the period not exceeding **180 days**

- ✓ **To file valid return for deemed withdrawal of best judgement assessment order:** The GST Council has recommended to amend Section 62 of the CGST Act, 2017 to **increase the time limit to file valid return from 30 days to 60 days, further extendable by additional 60 days for deemed withdrawal** of best judgement assessment order.

Rationalisation of late fee for Annual return (GSTR-9) for FY 2022-23 onwards:

Sr. No	Aggregate Turnover	Current Provisions	Proposed Provision
1	Up to Rs.5 Crore	Late fee of Rs. 200 per day (Rs. 100 CGST + Rs. 100 SGST), subject to maximum of 0.5% of turnover in the State or UT (CGST + SGST)	Late fee of Rs. 50 per day (Rs. 25 CGST + Rs. 25 SGST), not exceeding 0.4% of turnover in the State or UT (CGST + SGST)
2	More than Rs. 5 crores and up to Rs. 20 crores		Late fee of Rs. 100 per day (Rs. 50 CGST + Rs. 50 SGST), not exceeding 0.4% of turnover in the State or UT (CGST + SGST)

Place of supply for transportation of goods:

- Recommended to delete **Section 13(9)** of the IGST Act so as to provide that the place of supply of services of transportation of goods shall be the location of the recipient of services. Currently Section 13 reads as under:

"13. Place of supply of services where location of supplier or location of recipient is outside India.

(9) The place of supply of services of transportation of goods, other than by way of mail or courier, shall be the place of destination of such goods."

Tattvam Comments:

Supplier	Recipient	Goods	Current place of supply	GST Implication of current provision	Recommended place of supply	Implication of recommendation
Outside India	In India	Outside India	Outside India	No import of service	In India	Import of service GST payable under RCM
In India	Outside India	In India	In India	No export of service	Outside India	Export of services provided other conditions are fulfilled



Changes in GST rates of Goods and Services

- The GST Council has recommended to changes in GST rates on followings Goods:

Particulars	Old	New
"Rab"	18%	5%-if sold prepackaged and labelled. Nil- If sold otherwise
"Pencil"	18%	12%

- ✓ It has been decided to regularize payment of GST on '**rab**' during the past period on '**as is basis**' on account of genuine doubts over its classification and applicable GST rate.

Changes in GST Rate on Goods and Services.

- ✓ GST Council has recommended to amend *Notifications No 104/94-Customs dated 16.02.1994* to **exempt tag-tracking device or data logger already affixed on a container** from the levy of IGST
- ✓ *S. No. 41A of Notifications No 1/2017-Compensation Cess (Rate) dated 28.06.2017* is proposed to be amended to cover both coal rejects supplied **to and by** a coal washery, arising out of coal on which Compensation cess has been paid and no ITC thereof has been availed by any person
- ✓ **Extension of GST exemption to any authority, board or body** set up by the Central or State Examination including the National Testing Agency for conduct of entrance examination for admission in educational institutions
- ✓ GST Council has recommended GST to be payable under **RCM on payments made by the Courts and Tribunals** in respect of taxable services supplied by them such as renting of premises to telecommunication companies for installation of towers, renting of chamber to lawyers etc.


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Thank You

