

Key Highlights of the 48th Gst Council meeting held at delhi on 17th December 2022; via video conferencing

Part II

1. Scheme for SME Micro enterprises-- not required to take Gst registration for getting registered with E Commerce Operators ECOs for intra state supply:

Composition tax payers and small scale micro enterprises are facilitated not to take compulsory Gst registration to get themselves registered with ECOs for making intra state supply of goods. The same is proposed to be implemented wef 01.10.2023 to gain time for the preparedness of the Gst portal and ECOs also.

2. Retrospective effect to keep transactions outside the Gst purview wef 01.07.2017

Paras 7, 8(a), 8(b) inserted in Schedule III Of CGST Act to be proposed to be made applicable retrospectively from 01.07.2017 instead of 01.02.2019 so as to keep transactions outside the scope of Gst such as supplies of goods from a place outside the taxable territory to another place outside the taxable territory, high sea sales and supply of warehoused goods before their home clearance.

Any Gst tax paid shall not be available as refund in the above case.

3. Proportionate reversal of ITC in case of late payment to suppliers:

As per second proviso to Section 16 and Rule 37(1), it is proposed to reverse the proportionate ITC proportionate to the unpaid amount which is not paid to the supplier out of the total invoice value.

This is a welcome move settling aside the confusion on the proportionate reversal of ITC vis a vis the unpaid amount to the supplier being made effective from 01.10.2022.

4. Non payment of tax by the supplier:

Proposal for Insertion of rule 37A, In case of non payment of tax by the supplier within the specified date; reversal of ITC is proposed and on subsequent payment by the supplier, a mechanism to re-avail the credit by the registered recipient u/s 16(2)(c) of CGST Act.

5. Long pending demand eased out with proposal to provide clarity on requirement of submission of certified copy of the appellate order:

In many instances, it was practically impossible to obtain certified copy of order to be appealed against being adjudicating authority in a different state and the registered dealer in a different state and practically difficulty to obtain original certified copy of the order.

Specially in various e way bill matters, detention and confiscation matters being in the farthest states or places, it was difficult to obtain the orders with truck drivers not able to send back the original orders; this proposal is a welcome sigh of relief.

6. **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.
7. Proposal 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.**
8. **Bio metric based Aadhaar authentication and risk based physical verification** of registration applicants to be proposed as a pilot project in the state of Gujarat
9. **Gst REG 01 to carry mobile number and e mail address fetched from CBDT database:**

Linking of Income tax data base with Gst registration certificate to provide for verification and authenticity of the applicant. PAN-linked mobile number and 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.

This measure shall curb fake Gst registrations obtained on the basis of fraudulent documents and OTP based verification at the time of Gst registration to provide more authenticity.

10. Difference in reported liability as per Gst 1 and paid liability as per Gst 3B to be made available on the Portal for explanation by the registered person:

DRC 01B being intimation on the portal about the differences in liability.

Rule 88C and FORM GST DRC-01B to be inserted in CGST Rules, 2017 for intimation to the taxpayer, by the common portal, about the difference between liability reported by the taxpayer in FORM GSTR-1 and in FORM GSTR-3B for a tax period, where such difference exceeds a specified amount and/ or percentage, for enabling the taxpayer to either pay the differential liability or explain the difference.

11. Filing of Gst 1 can be restricted if the differential tax liability not deposited or reply to DRC 01 B not furnished by the registered person.

Further, clause (d) to be inserted in sub-rule (6) of rule 59 of CGST Rules, 2017 to restrict furnishing of FORM GSTR-1 for a subsequent tax period 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.

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