



PROPOSED AMENDMENTS IN THE GST LAW

BY

2019

Abbreviations

GST Law	Goods and Services Tax Law
CGST	Central Goods and Services Tax Act, 2017
IGST	Integrated Goods and Services Tax Act, 2017
SGST	State Goods and Service Tax Act, 2017
UTGST	Union Territory Goods and Services Tax Act, 2017
CTP	Casual Taxable Person
NRTP	Non Resident Taxable Person
NAAAR	National Appellate Authority for Advance Ruling
CT(R)	Central Tax (Rate)
Rs.	Rupees
Sec.	Section

Key highlights on proposed amendments in GST

REGISTRATION:

- It has been proposed to enhance the limit for obtaining registration under GST from current aggregate turnover limit of Rs. 20 lakhs to Rs. 40 lakhs for suppliers exclusively engaged in supply of goods, if the State/Union Territory chooses so.
- A new provision has been proposed requiring registered person as well as person opting new registration to:
 - undergo authentication or
 - furnish proof of possession of Aadhaar

Person shall be offered alternate and viable means of identification if they are not in possession of Aadhaar. If a person fails to undergo such authentication/proof of possession of Aadhaar /identification, the registration allotted to such person shall be deemed invalid

- In case of persons, other than an individual they shall furnish proof of possession of Aadhaar of the owners/management such as:
 - Karta
 - Managing Director
 - Whole time Director
 - Partners
 - Members of Managing Committee of Association
 - Board of Trustees
 - Authorised representative
 - Authorised signatory and
- Also, the Government may exempt class of persons from the above authentication by way of notification.

Key highlights on amendments in GST

COMPOSITION SCHEME:

- A new composition scheme at the rate of 6% (CGST + SGST) is proposed, mainly focusing on service providers and suppliers engaged in supply of both goods as well as services, who were earlier unable to opt for composition scheme.
- However, the following class of person are excluded from opting composition scheme:
 - supplier of goods and services not liable to tax
 - Supplier making inter state outward supply
 - Person supplying through electronic commerce operator
 - manufacturer of goods as specified by government
 - CTP or NRTP
 - Person whose aggregate turnover exceeds Rs. 50 lakhs
- It is proposed that Composition dealers will be able to pay their tax liability on quarterly basis as against their present requirement to pay tax on monthly basis
- The expression of aggregate turnover for person opting for composition scheme shall:
 - Include – the value of supplies from 1st April of the financial year until he becomes liable for registration
 - Exclude – Exempt supply provided by way of extending deposits, loan or advances in so far as the consideration is represented by way of interest or discount

Key highlights on amendments in GST

RETURNS:

- It has been proposed to empower Commissioner to extend the due date for furnishing Annual Return (FORM GSTR-9), reconciliation statement (FORM GSTR-9C), Statement for tax collected at source (FORM GSTR-8)
- It has been proposed to remove the current time limit to furnishing return u/s. 39 of the CGST Act, 2017 within 20 days from the end of the calendar month or part thereof from section 39 of the CGST Act, 2017. Such time limit shall now be prescribed by way of rules. Also, Government may notify certain class of taxpayer who shall furnish the above return quarterly
- A return for entire financial year or part thereof has been proposed for Composition dealers

NATIONAL APPELLATE AUTHORITY FOR ADVANCE RULING (NAAAR):

- A new provision is proposed for constituting National Appellate Authority of Advance Ruling for resolving conflicting advance rulings pronounced by the Advance Rulings of two or more States or Union territories
- Both the departmental authorities as well as Applicant shall be eligible to apply for Advance Ruling before NAAAR
- Necessary cosmetic amendments are also made throughout the Act

Key highlights on amendments in GST

TRANSFER OF TAX AMONGST CGST, SGST, IGST OR UTGST:

- A provision has been proposed for providing facility to tax payer for transferring tax, interest, penalty and any other amount between electronic cash ledger of CGST to IGST, SGST or UTGST
- The amount so transferred shall be treated as refund from one ledger and deposit in another

OTHER AMENDMENTS:

- **Anti Profiteering:** A penalty amounting to 10% of the profiteered amount has been proposed except if profiteered amount has been deposited within 30 days of date of passing of order by the Authority
- **Refund:** It has been proposed to empower Central Government for prescribing manner to disburse the refund of State tax
- **Interest:** Earlier interest was applicable on the Gross tax liability i.e. tax payable before offsetting ITC (also held in case of ***Megha Engineering & Infrastructure Ltd vs. Commissioner of Central Tax MANU/TL/0041/2019***). Now it has been proposed to levy interest only on that portion of amount which is paid through electronic cash ledger in case of delay in furnishing return

Key highlights on amendments in GST

OTHER AMENDMENTS:

- A new provision has been proposed to prescribe a class of registered person for providing option of electronic payment to the recipient of supply of goods or services or both subject to some conditions and restrictions
- A new provision has been proposed to prescribe a class of registered person to provide prescribed modes of electronic payment to the recipient of supply of goods or services or both made by him subject to some conditions and restrictions
- Central Government is empowered to amend notifications with retrospective effect. If the result of such retrospective amendment results in refund, then such refund shall not be granted
- Uranium Ore Concentrates were exempted vide notification no. 42/2017 – CT(R) w.e.f. 15.11.2017. It has been proposed to exempt the same with retrospective effect from 01.07.2017 (A similar amendment has also been proposed under IGST)

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