

TAX INFO

S. No. 019 Dated 20.02.2023

Latest update on GST Law: Information regarding **Summary of 49th Meeting of GST Council dated 18th February, 2023.**

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1. **GST Amnesty Scheme for GSTR 4, GSTR 9 and GSTR 10**

The Amnesty Scheme in respect of the following pending returns by way of conditional waiver/ reduction of late fees is recommended-

- GSTR 4 – Annual Return of Composition Taxpayers
- GSTR 9 – Annual Return of Regular Taxpayers
- GSTR 10 – Final Return

2. **Rationalisation in late fees for Annual Return for FY 2022-23 and onwards**

Rationalisation in late fees for annual return i.e., GSTR-9 for FY 2022-23 and onwards for registered person having aggregate turnover in that financial year **up to Rs. 20 crore** is recommended as under:

Aggregate turnover limit	Recommendation
Up to 5 Crores	Rs. 50 per day, subject to the maximum of 0.04% of turnover in state or Union territory
5 Crores – 20 Crores	Rs. 100 per day, subject to the maximum of 0.04% of turnover in state or Union territory
Above 20 Crores	No Change. As per Existing Law, it is Rs. 200 per day subject to maximum of 0.5% of turnover in a state or union territory.

3. **Amendment to Section 62 of the CGST Act**

As per Section 62(2) of the CGST Act, 2017, the best judgment assessment order issued u/s 62(1) is deemed to be withdrawn if the relevant return is filed within 30 days of service of the said assessment order.

- It has been recommended to amend section 62 so as to increase the time period for filing of return for enabling deemed withdrawal of such best judgment assessment order, from the present 30 days to 60 days, extendable by another 60 days, subject to certain conditions.
- The Council has also recommended to provide an amnesty scheme for conditional deemed withdrawal of assessment orders in past cases where the concerned return could not be filed within 30 days of the assessment order but has been filed along with due interest and late fee upto a specified date, irrespective of whether appeal has been filed or not against the assessment order, or whether the said appeal has been decided or not.

4. **Extension of time limit for application for revocation of cancellation of registration**

- Amendment in Section 30 of CGST Act, 2017 and Rule 23 of CGST Rules, 2017 is recommended so as to provide that the time limit for making an application for revocation of RC cancellation be increased from 30 days to 90 days; and where the registered person fails to apply for such revocation within 90 days, the said time period may be extended by the Commissioner or an officer authorised by him in this behalf for a further period not exceeding 180 days.
- An amnesty scheme is also recommended for all the past cases, where registration has been cancelled on account of non-filing of the returns, but the application for revocation of cancellation of registration could not be filed within the time specified in section 30 of CGST Act, by allowing such persons to file such application for revocation by a specified date, subject to certain conditions.

5. **Recommendations relating to GST rates on Goods and Services**

1. Recommendation of changes in the GST rates on Goods as under:

Sr. No.	Description	From	To
Goods			
1.	'Rab'	18%	5% - if sold prepackaged and labelled Nil - if sold otherwise
2.	Pencil Sharpener	18%	12%

2. It has been decided that no separate IGST shall be levied on tag-tracking or data logger devices in cases where such devices are already affixed on the container.

3. It has been decided to amend entry at Sl. No. 41A of notification No. 1/2017 Compensation Cess (Rate) so that exemption benefit covers both coal rejects supplied to and by a coal washery, arising out of coal on which compensation cess has been paid and no input tax credit thereof has been availed by any person.

4. Extension of the exemption available to educational institutions and Central and State educational boards for the conduct of entrance examination to any authority, board or a body set up by the Central Government or State Government including the National Testing Agency for the conduct of entrance examination for admission to educational institutions.

6. Reverse charge applicable on certain activities of courts/tribunals

It is clarified that taxable services such as renting of premises to telecommunication companies for installation of towers, renting of chamber to lawyers provided by the Courts or Tribunals are under reverse charge.

7. Capacity Based Taxation and Special Composition Scheme in certain Sectors on GST:

With a view to plug the leakages and improve the revenue collection from the commodities like pan masala, gutkha, chewing tobacco, the Council approved the recommendations such as:

- the capacity-based levy not to be prescribed;
- exports of such 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

8. Rationalization of provision of place of supply of services of transportation of goods

It is recommended to delete the provision of Section 13(9) of IGST Act, 2017 so as to provide that the place of supply of services of transportation of goods, in cases where the location of supplier of services or location of the recipient of services is outside India, shall be the location of the recipient of services.

9. Proposed GST Appellate Tribunal

The Group of Minister (GoM) recommendations were accepted by the Council subject to some minor language modifications. The proposed Structure of GST Tribunal will have a National level Principal bench, along with separate benches at state levels. Each bench is expected to have a strength of Four Members, 2 Judicial and 2 Technical. The GoM and the Council have taken a balanced approach in this regard. One Judicial Member will be from the Centre, and the other from the state. The same applies to Technical Member composition also i.e., Both the State and Centre will have equal representation in the adjudicatory proceedings, resembling the constitution of Authorities for Advance Ruling (AAR). No Regional Benches are currently under consideration of the GST Council for ensuring proper State Government representation. States are also proposed to be given the power to form multiple benches within the state, depending on the population or additional local benches as per high business activity of a region inside the state. Constitution of a single bench for multiple low population states like the North-Eastern States is also under consideration. The GST Council also clarified that there will be no threshold or monetary minimum limit for approaching the State or National GSTAT benches. The Council adopted the report of the Group of Ministers (GoM) with certain modifications. The final draft amendments to the GST laws shall be circulated to Members for their comments. The Chairperson has also been authorized to finalize the same.

10. Govt. decided to clear the entire pending balance GST compensation of Rs. 16,982 crores for June'2022

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