

AKGVG & ASSOCIATES CHARTERED ACCOUNTANTS

48th GST Council Meeting Recommendation



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48th GST Council Meeting

**Chaired by Finance Minister
Nirmala Sitharaman (Virtually)**

Held on 17.12.2022

Changes in the tax rate



Measures for trade facilitation



Measures for streamlining compliances in GST



Changes in Tax Rate

Changes in Tax Rate

S.no.	Description	From	To
1.	Husk of pulses including chilka and concentrates including chuni/churi, khanda	5%	Nil
2.	Ethyl alcohol supplied to refineries for blending with motor spirit (petrol)	18%	5%
3.	Supply of Mentha arvensis included under reverse charge mechanism.		
4.	Rab (<i>rab-salawat</i>) is classifiable under CTH 1702: GST rate 18%		
5.	Fryums manufactured using the process of extrusion is specifically covered under CTH 19059030: GST rate 18%.		
6.	Motor Vehicle (SUV, engine capacity exceeding 1500 cc, length exceeding 4000 mm and a ground clearance of 170 mm or above) to attract compensation cess of 22%.		
7.	Goods falling in lower rate category of 5% under schedule I of notification No. 1/2017-CTR imported for petroleum operations will attract lower rate of 5% and the rate of 12% shall be applicable only if the general rate is more than 12%.		
8.	GST not payable where the residential dwelling is rented to a registered person, if rented in his/her personal capacity for use as his/her own residence and on his own account.(Not on account of business).		

Measures for Trade Facilitation

Measures for Trade Facilitation

Decriminalization under GST

- Raise the minimum threshold of tax amount for launching prosecution under GST from Rs. One Crore to Rs. Two Crores, except for the offence of issuance of invoices without supply of goods or services or both;
- Reduce the compounding amount from the present range of 50% to 150% of tax amount to the range of 25% to 100%;
- Decriminalize certain offences specified under clause (g), (j) and (k) of sub-section (1) of section 132 of CGST Act, 2017, viz.-
 - obstruction or preventing any officer in discharge of his duties;
 - deliberate tempering of material evidence;
 - failure to supply the information.



Refund to unregistered person

Recommendation to amend 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.

Facilitation of e-commerce for micro enterprises

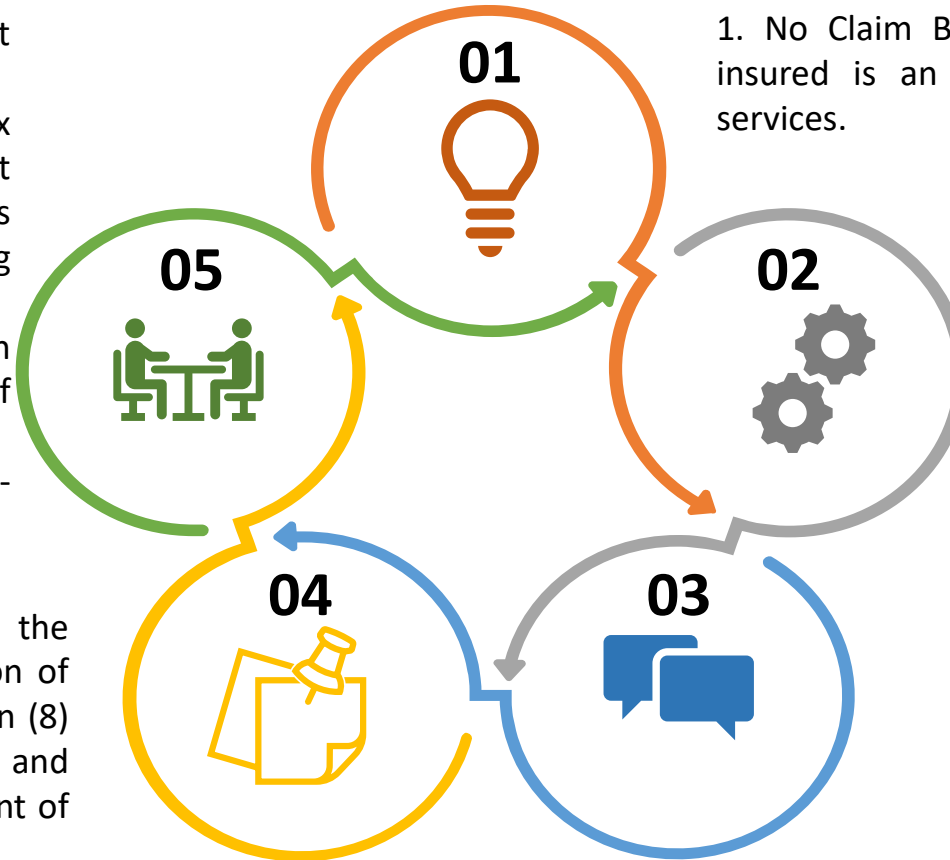
The implementation of in-principle approval for allowing unregistered suppliers and composition taxpayers to make intra-state supply of goods through E-Commerce Operators (ECOs), subject to certain conditions, as granted in 47th GST council meeting, deferred till 01.10.2023.

Issuance of circulars to remove ambiguity

5. Various issues benefiting tax payers at large:

- 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 FORM GSTR-2A during FY 2017-18 and 2018-19.
- Clarifying the manner of re-determination of demand in terms of sub-section (2) of section 75 of CGST Act, 2017.
- Clarification in respect of applicability of e-invoicing with respect to an entity.

4. Clarification on the issues pertaining to the place of supply of services of transportation of goods in terms of the proviso to sub-section (8) of section 12 of the IGST Act, 2017 and availability of input tax credit to the recipient of such supply.



1. No Claim Bonus offered by the insurance companies to the insured is an admissible deduction for valuation of insurance services.

2. Clarification on 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.

3. Clarification on mandatory furnishing of correct and proper information of inter-State supplies and amount of ineligible/blocked Input Tax Credit and reversal thereof in return in **FORM GSTR-3B**.

Measures for Trade Facilitation

6. Transactions/ activities 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 during the period 01.07.2017 to 31.01.2019 kept out of preview of GST w.e.f 01.02.2019. The council recommended to keep the effective date as 01.07.2017. 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 01.07.2017 to 31.01.2019.

5. 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, will be allowed cancellation of their registration on their request.

4. Facility for withdrawal of an application of appeal up to certain specified stage to be introduced.



1. Amendment of Rule 37(1) of the CGST Rules, 2017, with retrospective effect from **1.10.2022**, in terms of the second proviso to Section 16 of the CGST Act. This amendment will provide for the reversal of input tax credit (ITC) only proportionate to that amount not paid to the supplier in regard to the value of the supply, including the tax payable.

2. Insertion of 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.

3. To facilitate timely processing of appeals and ease the compliance burden for the appellants, rule 108(3) and 109 of CGST Rules, 2017 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.



Measures for streamlining compliances in GST

Measures for streamlining compliances



- 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.
- 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 by unscrupulous elements without knowledge of the said PAN-holder.
- Restriction on filing of returns/ statements to a maximum period of three years from the due date of filing of the relevant return / statement.
- 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.
- 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.
- Restriction on 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.
- 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



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