

49<sup>th</sup> GST COUNCIL MEETING

## SUMMARY OF SOME IMPORTANT RECOMMENDATIONS

**1. Reduction in late fee for annual returns – FY 2022-23 onwards**

The late fee for filing GSTR-9 has been reduced, which will be applicable for the financial year 2022-23 and subsequent years.

Turnover	Late Fee for delayed filing of GSTR-9
Up to 50 million	INR 50 each day, subject to a maximum of 0.04% of the turnover
More than 50 million to 0.2 billion	INR 100 per day, subject to a maximum of 0.04% of the turnover
More than 0.2 billion	INR 200 per day, subject to a maximum of 0.5% of the turnover

**2. Conditional amnesty scheme for arrear annual returns**

A conditional waiver or reduction in late fees is recommended with respect of Annual Returns, GSTR-9 (Regular Dealers), GSTR-4 (Composition Dealers) and GSTR-10 (Final Return after Cancellation of Registration) for the previous years which have not yet been filed.

**3. Relief in revocation the cancellation of registration**

The time limit for applying for revocation of cancellation is proposed to be increased to 90 days from the existing 30 days. Additionally, one-time amnesty may be provided for filing applications for past cases. Even after lapse of this 90 days, the commissioner or the officer authorized may have the power to extend this time up to 180 days.

The old cancelled registrations (Due to non-filing of returns) will also be given a “due date” where an application can be made to regularize these cancelled registrations with certain conditions.

**4. Time to cancel best judgment assessment is being extended and amnesty is being brought for old cases**

The time limit for withdrawal of best judgment assessment order by furnishing return is proposed to be increased to 60 days from the existing 30 days, extendable by another 60 days, subject to certain conditions. Additionally, a one-time amnesty may be provided for the conditional withdrawal of past assessment orders, irrespective of appeal status against the same.

**5. Revision on tax rate on certain items**

- a) Tax rate on pencil sharpener reduced from 18% to 12%
- b) Tax rate on Rab (liquid jaggery) reduced from 18% to 5% (if sold pre-packaged and labeled) and to Nil (if sold otherwise)

**6. The scope of exemption increased on fees for entrance examinations**

The scope of exemption on fees charged for entrance examinations has been further extended and now it includes all types of authorities and boards or body setup by the Central and State Governments, including the National Testing Agency, for conducting entrance examinations in educational institutions.

**7. Services by courts and tribunals to be taxed under RCM**

To extend the dispensation that is currently available to the Central Government, State Governments, Parliament, and State Legislatures with regard to payment of GST under the reverse charge mechanism (RCM) to the Courts and Tribunals also in respect of taxable services supplied by them, such as the renting of premises to telecommunication companies for the installation of towers, renting of chambers to lawyers, etc.

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

The Council recommended that section 13(9) of the IGST Act, 2017 be deleted to provide that the place of supply of services of transportation of goods, in cases where the location of the supplier of services or the location of the recipient of services is outside India, shall be the location of the recipient of services.

**9. Set up of Appellate Tribunal**

GST Council adopted the report of the Group of Ministers on the setting up of the GST Appellate Tribunal, and final draft amendments in this regard will be circulated to Council Members. It was recommended that the technical members shall be represented from the centre and states at 50% each. It is expected to put up the proposal before both the Houses of Parliament along with the Finance Bill 2023 in the first week of March.

Please note that the above recommendations of the 49th GST Council meeting would be given effect through the relevant circulars, notifications, and law amendments, which are the only documents that shall have the force of law.