

50TH GST COUNCIL MEETING

SUMMARY OF SOME IMPORTANT RECOMMENDATIONS

A Changes with respect to Goods

1. The GST rates on the following goods were reduced:
 - Uncooked / unfried snack pellets reduced from 18% to 5%
 - Fish soluble paste reduced from 18% to 5%
 - Imitation zari threads/yarn reduced from 12% to 5%
 - LD slag to be at par with blast furnace slag and fly ash and reduced from 18% to 5%
2. To exempt IGST on Dinutuximab (Quarziba) medicine when imported for personal use.
3. To amend the entry 52B in compensation cess notification to include all utility vehicles by whatever name called provided they meet the parameters of Length exceeding 4000 mm, Engine capacity exceeding 1500 cc and having Ground Clearance of 170 mm & above and to clarify by way of explanation that 'Ground clearance' means Ground Clearance in un-laden condition.
4. GST exemption on satellite launch services supplied by ISRO, Antrix Corporation Limited and New Space India Limited (NSIL) may be extended to such services supplied by organizations in private sector also to encourage startups.

B. Changes with respect to Services

5. GTAs will not be required to file declaration for paying GST under forward charge every year. If they have exercised this option for a particular financial year, they shall be deemed to have exercised it for the next and future financial years unless they file a declaration that they want to revert (RCM). Further, the last date of exercising the option by GTAs to pay GST under forward charge shall be 31st March of preceding Financial Year instead of 15th January of preceding Financial Year shall be the start date for exercise of option.
6. Services supplied by a director of a company to the company in his private or personal capacity such as supplying services by way of renting of immovable property to the company are not taxable under RCM. Only those services supplied by a director of company, which are supplied by him as or in the capacity of director of that company shall be taxable under RCM in the hands of the company.

7. Casinos, Race Courses and Online Gaming Services
 - To be taxed at the uniform rate of 28%.
 - Tax will be applicable on the face value of the chips purchased in the case of casinos, on the full value of the bets placed with bookmaker/totalisator in the case of Horse Racing and on the full value of the bets placed in case of the Online Gaming.
8. Supply of food and beverages in cinema halls is taxable at 5%. If the sale of cinema ticket and supply of food and beverages clubbed together then GTS rate of cinema ticket will apply.

C. Measures for facilitation of trade:

9. The Council has recommended the Rules governing appointment and conditions of President and Members of the proposed GST Appellate Tribunal for enabling smooth constitution and functioning of GST Appellate Tribunal. It also recommended that provisions of Finance Act, 2023 pertaining to GST Appellate Tribunal may be notified by the Centre w.e.f Aug 01, 2023
10. Annual Returns for FY 2022-23: The relaxations provided in FY 2021-22 in respect of various tables of GSTR-9 and GSTR-9C be continued for FY 2022-23. Further, smaller taxpayers, exemption from filing of annual return in GSTR-9/9A, for taxpayers having aggregate annual turnover upto Rs 2 crore, to be continued for FY 2022-23 also.
11. Recommended that Input Services Distributor (ISD) mechanism is not mandatory for distribution of ITC of common input services procured from third parties to the distinct persons, and to clarify issues regarding taxability of internally generated services provided by one distinct person to another distinct person.
12. Clarifications to be issued on various refund related issues:
 - refund of accumulated input tax credit (ITC) under Section 54(3) of CGST for a tax period to be restricted to ITC on inward supplies reflected in GSTR-2B of the said tax period or any previous tax period.
 - the value of export goods, to be included while calculating “adjusted total turnover” in the formula under rule 89(4).
 - on admissibility of refund in cases where export of goods, or the realization of payment for export of services is made after the time limit provided.

13. Clarification to be issued regarding TCS liability under Sec 52 of the CGST in cases where multiple E-commerce Operators (ECOs) are involved in a single transaction of supply of goods or services or both.
14. Only name of the State of the recipient, and not the name and full address of the recipient, on the tax invoice in cases of supply of taxable services by or through an ECO to an unregistered recipient.
15. Recommendation to extend the amnesty schemes regarding non-filers of GSTR-4, GSTR-9 & GSTR-10, revocation of cancellation of registration and deemed withdrawal of assessment orders issued u/s 62 of CGST, till August 31, 2023.

D. Measures for streamlining compliances in GST:

16. To strengthen the registration process and to effectively deal with the menace of fake and fraudulent registrations in GST:
 - to furnish the details of bank account within 30 days of grant of registration or before filing of Form GSTR-1/ IFF, whichever is earlier.
 - to provide that where a registered person has not furnished details of a valid bank account, the said registered person may not be allowed to furnish the details of outward supplies in FORM GSTR-1 or using IFF.
 - to provide for automatic revocation of such system-based suspension upon compliance with provisions of rule 10A.
 - to do away with the requirement that the physical verification of premises is to be conducted in the presence of the applicant and also to provide for physical verification in high risk cases even where Aadhaar has been authenticated.
17. Mechanism to deal with differences in ITC between GSTR-2B and GSTR-3B: Recommended for system-based intimation to the taxpayers in respect of the excess availment of ITC in GSTR-3B vis a vis available in GSTR-2B above a certain threshold, along with the procedure of auto-compliance, to explain the reasons for the said difference or take remedial action in respect of such difference.
18. To prescribe that the value of supply of goods from Duty Free Shops at arrival terminal in international airports to the incoming passengers to be included in the value of exempt supplies for the purpose of reversal of input tax credit.