

## **Important Key Highlights of 50<sup>th</sup> GST Council Meeting**

The 50th meeting of the Goods and Services Tax (GST) Council was held on July 11, 2023, under the chairpersonship of the Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman.

To mark the milestone of the 50th meeting of the GST Council, Chairperson released a short video film titled 'GST Council- 50 steps towards a journey' in the august presence of the Members of the Council.

The film depicts the journey of the GST Council and has been made in Hindi, English and 11 regional languages. Besides, to mark this occasion, the first set of a Special Cover and customised 'My Stamp' were also presented to the Chairperson and Members of the Council by the Chief Post Master General, Delhi.

In the 50th Meeting of the GST Council, inter-alia the following recommendations relating to changes in GST tax rates, measures for facilitation of trade and measures for streamlining compliances in GST were made:

### **Trade friendly measures**

- GTA will not be required to file declaration for paying GST under forward charge every year unless they want to revert to reverse charge mechanism and last date of filing such declaration will be March 31 instead of March 15
- Supply of food and beverages in cinema halls is taxable at 5% without ITC when supplied independently
- If sale of cinema ticket and supply of food and beverages clubbed together then GST rate of cinema ticket will apply being a composite supply

- Only name of State and not the full address of the unregistered recipient will be required on tax invoice in cases of supply of taxable services by OIDAR service provider or through/by an E-commerce operator

**Clarification related to GST compliance :**

- Similar to Circular 183/15/2022 dated December 27, 2022 (procedure for verification of ITC mismatch) Government will issue circular prescribing procedure for verification of ITC mismatch in GSTR-3B and GSTR-2A for the period starting from April 01, 2019 till December 31, 2021
- Exemption from filing GSTR-9 for FY 2022-23 to taxpayers having AATO upto 2 Cr. in the financial year and relaxation from filing GSTR-9C to taxpayers having AATO upto 5 Cr.
- Relaxations provided in FY 2021-22 in respect of various tables of FORM GSTR-9 and FORM GSTR-9C be continued for FY 2022-23
- Amnesty schemes notified vide notifications dated 31.03.2023 regarding non-filers of FORM GSTR-4, FORM GSTR-9 & FORM GSTR-10 returns, revocation of cancellation of registration and deemed withdrawal of assessment orders issued under Section 62 of CGST Act extended till August 31, 2023
- Amendment may be made in GST law to make ISD mechanism mandatory for distribution of ITC of services procured from third parties
- Clarification to be issued pertaining to TCS liability under Section 52 of the CGST Act, in transaction where multiple E-commerce operator are involved
- Recommendation to issue clarification that registered person liable to issue e-invoice are required to issue e-invoices for supplies made to Government Departments or establishments / Government agencies / local authorities / PSUs, etc. which are registered solely for the purpose of TDS

- While calculating interest to be paid in respect of wrongly availed and utilized IGST credit in case of wrong availment of IGST credit the balance of ITC in electronic credit ledger under the heads of IGST, CGST and SGST taken together
- Procedure to be prescribed for manual filing of appeal against the orders passed by proper officers in respect of TRAN-1/ TRAN-2 claims

#### **Legal disputes:**

- No RCM on services supplied by the director to the company in his personal capacity such as supplying services by way of renting of immovable property to the company
- Clarified that mere holding of securities of a subsidiary company by a holding company cannot be treated as a supply of services and therefore, cannot be taxed under GST
- Introduction of system-based intimation vide FORM DRC-01C to the taxpayers in respect of the excess availment of ITC in FORM GSTR-3B vis a vis that made available in FORM GSTR-2B
- Activates of online gaming, horse race and casino to be taxed @ 28% on the full value of the bets placed in Online Gaming or Gross gaming receipt, irrespective whether it is game of chance or game of skill, for which suitable amendment will be made in Schedule III as taxable actionable claims
- Detailed Circular to be issued providing clarity that no reversal of ITC to be done by the manufacturer in case of warranty replacement of parts and repair services provided to customer during warranty period without any consideration

#### **Proposed amendments in GST Law**

- Section 123 of Finance Act, 2021 which amends section 16 of IGST Act, 2017 to be notified w.e.f. October 01, 2023
- Amendment in CGST Rules to strengthen the registration process:

**Amendment in rule 10A** to provide that the details of bank account and PAN of the registered person, within 30 days of grant of registration or before filing GSTR-1/ IFF, whichever is earlier

**Amendment in rule 21A(2A)** to provide for system-based suspension of the registration in respect of such registered persons who do not furnish the details of valid bank account under rule 10A with the time period prescribed under the said rule.

**Insertion of 3rd proviso in rule 21A(4)** to provide for automatic revocation of such system-based suspension upon compliance with provisions of rule 10A.

**Amendment in rule 59(6)** to provide that where a registered person has not furnished details of a valid bank account under rule 10A, the said registered person may not be allowed to file GSTR-1/ IFF.

**Amendment in rule 9 and rule 25** to do away with the requirement that the physical verification of business 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.

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