GOODS AND SERVICES TAX:

NEXT STEPS

THE ROADMAP TO GST

- Establishment of Legal Framework
- Preparation of IT infrastructure
- Change Management:
 - Training of Officials and Staff
 - Outreach and Consultation with trade and industry
- Target date of GST Roll Out: 1st April 2017

ESTABLISHMENT OF LEGAL FRAMEWORK

- Passage of the Constitution Amendment Bill from Parliament: First week of August 2016
- 2. Ratification by 50% States
- 3. Presidential Assent of Constitution Amendment and notification in official Gazette
- 4. Cabinet Approval for Formation of GST Council
- 5. Recommendation of Model GST laws by GST Council
- Cabinet Approval for the CGST and IGST laws by Centre and for SGST laws by ALL states
- 7. Passage of CGST and IGST laws in the Centre and passage of SGST laws in ALL states: Winter Session 2016
- 8. Notification of GST Rules

PREPARATION OF IT INFRASTRUCTURE

- Goods and Services Tax Network (GSTN): Not-for-profit, non-Government Company set up by Centre and States to provide shared IT infrastructure and services to Central and State Governments, tax payers and other stakeholders.
 - **Frontend Processes**: Common modules for registration, returns and payments being developed by GSTN.
 - **Backend Processes**: Modules for backend processes of tax authorities such as processing registration/returns, assessments, audit, appeals, etc.
 - Development of GST Frontend and Backend for 17 States by GSTN: End
 December 2016
 - CBEC's Backend systems: End November 2016
 - Backend systems of 14 States: End November 2016
 - Backend systems of Pr. CCA, Banks, RBI & State accounting authorities: End November 2016
 - Testing and integration of GST Frontend and backend of all stakeholders: Jan – March 2017

CHANGE MANAGEMENT

- 60,000 officials of Centre and State Governments to be trained on GST laws and IT framework: till lowest level assessing officer in States and Centre
- Training on GST Laws:
 - Phase I: Source Trainer's workshop (25 officers) Completed.
 - Phase II: Master Trainer Sessions (350 officers) Till Mid August 2016
 - Phase III: Trainer Sessions (1000 officers) Till October 2016
 - Phase IV: Last leg training sessions (60,000 officers): End December
 2016
- Training on GST IT systems: To be held in similar pyramidal structure by GSTN: December 2016 – March 2017
- Outreach and sensitisation for trade and industry:
 - Stakeholder consultation and outreach workshops to be organised across the country – have already started with Hyderabad and Jaipur
 - To be completed by March 2017

REGISTRATION

- Existing dealers: No fresh registration needed for existing dealers. Existing VAT/Service tax/Central Excise dealer data to be migrated to GST system.
- New dealers: Single application to be filed online for registration under Goods & Services Tax (GST).
- The registration number will be PAN based and will serve the purpose for Centre and State.
- > Each dealer to be given unique id GSTIN
- > Registration to be granted within 3 days.
- > Post registration verification in risk based cases only.

RETURNS

- Common return would serve the purpose of both Centre and State Government.
- Most average tax payers would be using only four forms for filing their returns. These are return for supplies, return for purchases, monthly returns and annual return.
- Small taxpayers: Small taxpayers who have opted composition scheme shall have to file return on quarterly basis.
- Filing of returns shall be completely online.
- All taxes can also be paid onine.

MAJOR CHALLENGES

- Calculation of Revenue Base of Centre and States, along with compensation requirements of Centre
- GST Rates structure
- List of Exemptions
- Forming of consensus on Model GST Bill
- Threshold limits
- Compounding limits
- Cross Empowerment to mitigate ill-effects of Dual Control

Thank you!