

Upcoming GST Regime and Chartered Accountants

With Prime Minister Shri Narendra Modi recently exuding confidence of the roll out of Goods and Services Tax in 2016, India is well set on course of the largest indirect tax reform since the introduction of the Value-Added Tax in 2005. The ICAI is all out in support of this mega tax reform, which will create a single, unified Indian market to make the economy stronger, besides boosting tax collections and reducing litigations, prices of commodities and cascading effect of taxes. It is estimated that India will gain \$15 billion a year by implementing GST as it would promote exports, raise employment and boost growth and ease of doing business. A study by the National Council of Applied Economic Research has estimated that the GST roll out would boost the GDP growth by anywhere between 0.9-1.7%. According to Finance Minister Shri Arun Jaitley also, the GST could indeed add up to 2 percentage points to the growth of our country. The Lok Sabha has already passed the Constitution (122nd Amendment) Bill relating to the GST and the same has also been introduced in the Rajya Sabha.

Convinced about the immense benefits of GST to the nation, the Indian accountancy profession is not only gearing up for facilitating effective and smooth implementation of GST but also readying for a plethora of professional opportunities that will be on offer. A process is already underway to prepare a clear pathway for the convergence of existing taxes with GST through a series of awareness and training programmes and conferences of ICAI members across the country and joint workshops/seminars with the Customs, Central Excise and State VAT Departments.

In this regard, it is also welcome that the Ministry of Finance has recently made available the draft Business Processes of GST regarding Registrations, Refund and Payment on the portal www.mygov.in to engage various stakeholders and know their opinion. The ICAI has sought comments and suggestions of its members on all the three draft reports of the Joint Committee on Business Processes of GST based on which a comprehensive response will be formulated for the Government. Meanwhile, the ICAI has also recently submitted to the Government a Study Report envisaging probable transitional issues and their solutions to enable smooth transition from pre-GST to post-GST Regime. The ICAI is also represented in the Advisory Committee of Goods and Services Tax Network (GSTN) for advising the GSTN Board on strategic matters.

The GST will subsume Central Excise Duty, Service Tax, Central Sales Tax, State Value Added Tax, Entry Tax, Octroi and other State levies and pave the way for formation of a national market. From the point

of view of the accountancy profession, the upcoming GST regime will also throw open a big window of professional opportunities. The CAs would be in much demand for Operational Consultancy *vis-a-vis* GST, which would involve Legislation Impact Analysis/Place of Supply Rules, Analysis of Costs and Price/Margin restructuring, Restructure Supply chain Management, Comparative Study of Laws, Understanding Principle of Destination, Financial management & Competition Analysis and Review of Existing Contracts.

Opportunities will also open up in the area of Network Support & Infrastructure with respect to GST, which will include Synchronising IT Systems & Old data, Strong Management Information System, System Reconciliations, Data Integration between Centre & States, Automation of returns and other utilities at the Centre as well as States, Updating of Amendments and Data Management for State Jurisdiction.

GST related opportunities in the realm of Accounting and Taxation Services would include Treatment of Incentives, Process Documentation for Accounting, Branch Transfers, Budgetary Controls, Refunds, Appeal and Adjudication and Point of Taxation analysis. The accounting professionals would also be required for Compliance services, Transitional Support and Centre/State Support Services and special Audit and Assurance Service with respect to GST.

With India firmly aligned with globalisation and a favourite of global investors and businesses, the proposed GST regime has also in store a range of global opportunities for Indian CAs, which would involve Tax Advisory Services, International Research issues, Information & Knowledge Sharing, Capacity Building Services and Technology Support Services. CAs with expertise in GST would also be required in large numbers in the area of knowledge process outsourcing, wherein they may undertake research activities and share tailored information with their clients.

The ICAI has already recently launched at the hands of the Chairman of Empowered Committee of State Finance Ministers on GST, Shri K. M. Mani, the 'GST Wheel', an innovative initiative that has compiled various professional opportunities that GST will bring in for Indian CAs. The same has also been hosted on the ICAI website.

The ICAI stands committed to the Government's vision to rationalise and simplify the tax regime to make it non-adversarial and conducive to investment, enterprise and growth. The Institute looks forward to the roll-out of GST, the biggest tax reform since independence, from the next financial year. ■

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