

Paving the Path for the Roll-Out of GST Regime

The mantra of Union Budget 2017-18 has been “Transform, Energise and Clean India” while ‘Tax Administration’ and ‘Ease of Doing Business’ are among the 10 themes on which the Budget has been premised. Walking the talk through sustained and successful efforts, the government is now a step closer to achieve these stated objectives through the new Goods and Services Tax regime—the country’s most comprehensive and biggest taxation-cum-economic reform since independence.

India’s wait for this game-changer ‘one-tax regime’ is most likely to be over this July as the President of India has on 12th April 2017 given his assent on four GST-supporting legislations earlier passed by Parliament, clearing the decks for the rollout of the historic tax reform. “New Year, New Law, New India,” tweeted Prime Minister Shri Narendra Modi as he congratulated the nation on the passage of the four Bills by Parliament. The four bills—The Central GST Bill 2017; The Integrated GST Bill 2017; The GST (Compensation to States) Bill 2017; and The Union Territory GST Bill 2017—were passed by Rajya Sabha on 6th April 2017 after it being earlier passed by the Lok Sabha on 29th March 2017. Now the action shifts to the States where State GSTs have to be passed while the GST Council is also working in full swing to put in place related regulatory framework. In its 31st March 2017 meeting, it approved amended rules for GST regime, and will meet again on May 18-19 to approve rate structure for individual commodities and services. The GST Council had earlier recommended a four-tier tax structure – 5, 12, 18 and 28 per cent.

Prime Minister Shri Narendra Modi, participating in the debate on GST Bill in Lok Sabha, had rightly linked the GST to the vision of *Ek Bharat, Shreshtha Bharat*, and termed it a great step towards transformation and transparency, which will not only benefit consumers but will also facilitate ‘ease of doing business’ and help curb black money and corruption. As rightly put by our Finance Minister Shri Arun Jaitley during a debate in Rajya Sabha, the GST could indeed add up to “1-1.45 per cent to the GDP, directly affecting employment.” It is estimated that India will gain \$15 billion a year by implementing GST. In line with the Government’s slogan of “One Nation, One Tax,” the culmination of all indirect taxes under one GST bracket will facilitate seamless transfer of goods and services across the country, create a unified national market and help to mitigate the cascading effects of taxes, leading to reduced prices of the goods and services to the end users.

Taking all the challenges in its stride, the Government has also been proactively preparing for GST rollout, and responding positively to the suggestions of the professional bodies, associations and other stakeholders, including the Institute of Chartered Accountants of India (ICAI). The Goods and Services Tax Network has already started migration of the present dealers registered under the Central Excise, VAT etc. in a phased manner. The Central Board of Excise and

Custom (CBEC) has recently released FAQs (frequently asked questions) on GST and 19 FAQs on GST Migration, which are available on the CBEC website, i.e. www.cbec.gov.in.

Meanwhile, one of the foremost proponents of GST, the ICAI remains committed for smooth roll-out of GST, and a process is already underway to prepare a clear pathway for its successful implementation through a series of countrywide awareness and training programmes for members and other stakeholders. It is constructively providing its inputs and suggestions to the Government besides creating awareness on GST through a range of initiatives. The ICAI suggestions have earlier been favourably considered in the Revised Model GST Law and other policy related matters. The Institute has been constantly working on related Background Materials and Video Lectures and Handbook on GST for Service Provider, Manufacturer and Trader, FAQ on GST, research paper on seamless credit, taxation of E-commerce and valuation, etc. As a knowledge partner at the programmes on GST, the ICAI recently provided its resources to the Service Tax Commissionerate, Delhi I and III, in organising an interactive programme on GST and an outreach programme on Migration to GSTN respectively in Delhi. A series of live webcasts on the Revised Model GST Law have been organised since January 2017 (GST Awareness Month of ICAI), recordings of which are available for offline viewing at <https://www.youtube.com/indirecttaxcommittee>. In a latest initiative, a series of GST webcasts were organised in association with Service Tax Commissionerate, Delhi on the theme “Chale GST ki Aur”. A consolidated information on all latest developments on GST is available on the website www.idtc.icai.org. Additionally, in another new initiative, a fortnightly newsletter on GST has also been launched for providing regular GST updates to interested members.

Nonetheless, the roll-out of GST will also immensely expand Chartered Accountants’ professional horizons and bring tremendous opportunities for them. Increased compliances requirement in the form of a number of Returns, challenge in transition to the new regime, etc. would definitely require a professional hand for adherence wherein Chartered Accountants can play a vital role. The provision for audit under section 53 (4) of the Revised Model GST Law akin to tax audit is a landmark opportunity for professionals to prove themselves as caretakers of the financial health of the country.

In addition to the normal consultancy, compliance and certification, the CAs may be called upon to study the impact of implementation of GST on business, analysing the costs and pricing of product, restructuring of supply chain management, review of existing contract, synchronising IT systems, treatment of incentives, knowledge sharing & capacity building, etc. Let’s gear up for this new opportunity, fast emerging in the garb of challenge. ■

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