

GST Bills Introduced in Lok Sabha

On Monday, Finance Minister Arun Jaitley introduced four Bills in the Parliament pertaining to the Goods and Services Tax regime, namely Central Goods and Services Tax Bill, 2017 (CGST Bill), Integrated Goods and Services Tax Bill, 2017 (IGST Bill), Union Territory Goods and Services Tax Bill, 2017 (UTGST Bill) and Goods and Services Tax (Compensation to States) Bill, 2017.

The above Bills have been introduced as money bills which only require approval from Lok Sabha in which the ruling party has clear majority. Rajya Sabha has only recommendatory powers over money bills. The Lok Sabha can choose to accept or reject the recommendations put forth by Rajya Sabha.

A cursory glance at the new Bills indicate some significant changes from the earlier drafts including the increase in cap rate of CGST from 14% to 20% and IGST from 28% to 40%. Composition scheme has been extended to small restaurants in addition to manufacturers and suppliers having turnover of less than Rs 50 Lakhs. Also, Jammu & Kashmir will not come under the GST regime automatically, whereas earlier it extended to whole of India including Jammu & Kashmir.

The CGST Bill also contain provisions for imprisonment, on the direction of Tax Commissioner, in case of suppression of any transaction or evading taxes, but the prescribed limits have been increased. A person convicted is punishable by up to 5 years of imprisonment and/or fine. The Compensation Law has capped the rates of cess to be levied over and above the peak rate of 28 percent on certain items.

The IGST Bill has extended the benefits granted to exporters under the Model GST Law to supplies made to SEZ Developers/SEZ Units as well. SEZ Units can now procure goods and services from a registered taxable person without payment of IGST subject to prescribed conditions.

The four bills will be taken up for discussion in the Lok Sabha on Wednesday. A fifth Bill — State GST(SGST) — is required to be approved by the respective assemblies. The GST Council will take up for debate the proposed rules at a meeting on Friday. After this, a committee of officers will look at fitment of rates.

The new indirect tax regime looks set for a July 1 roll-out, even though the industry is still apprehensive due to the complexities in the law and little time afforded for preparations.

Amicus Tax Team

The information contained in this newsletter is solely intended to provide general guidance on matters of interest. Nothing herein constitutes professional or legal advice, nor does any information herein constitute a comprehensive or complete statement of the issues discussed. It is recommended that you seek a professional advice to confirm your understanding on the issues dealt above.

For Tax/Transfer Pricing queries you may contact:

Mr. Ashutosh Mohan Rastogi

+91 9818084707

ashutosh@amicusservices.in

Amicus - Advocates & Solicitors

Ashutosh Mohan Rastogi

+91 9818084707

ashutosh@amicusservices.in

Shivi Agarwal

shivi@amicusservices.in

+91 9999775630

Madhav Rastogi

madhav@amicusservices.in

+91 9818117517

+91 11 41553433

info@amicusservices.in

Visit us at www.amicusservices.in

Ranked amongst Leading
Indian Law Firms For Tax/
Transfer Pricing Services - 2017



Tax Law Firm of the year
India - 2016



Amicus
Transcending Frontiers

A-137, Lower Ground Floor,
Defence Colony, New Delhi-24

www.amicusservices.in