

## Outcome of 27<sup>th</sup> meeting of GST Council

The 27<sup>th</sup> meeting of GST Council was held in New Delhi on May 4, 2018. The below information is uploaded on GST Council's decision and it will be subject to further vetting during which the information may undergo some changes. Key takeaways from such meeting are as under:-

### **I. Return Simplifications:-**

1. GSTR 1 and GTR 3B will continue for the next 6 months.
2. New Single-return plan will go live after 6 months. Thus, there will be only 12 returns a year, instead of 36 returns.
3. Post the new return going live, provisional credit can be claimed by the return preparers in the transitional phase of 6 months based on self- calculations.
4. The GSTN shows the buyer, invoices uploaded by the seller and thus buyer can check the gap between the credit claimed by him and actually allowed to him.
5. After 6 months of the transition period, if it is noticed that after uploading the invoices, the seller has not paid the tax amount to the government, GSTN has all the right to recover these taxes from the buyer. There will be no automatic reversal of credit from the buyer in these cases.
6. No provisional credit can be claimed after this 6 month transition period.
7. Nil return preparers and Composition dealers will file GST returns quarterly.

### **II. Changes in GST Rate:-**

1. Incentive to promote Digital Transactions.
2. Imposition of Sugar Cess over and above 5% GST and reduction in GST rate on ethanol

### **III. Change in Shareholding pattern of GSTN:-**

1. The GSTN will now be a government owned company with the central government holding 50% and state governments holding the balance 50% of the stake holding. The holdings by the state governments will be on pro-rata basis based on the GST ratios.
2. There is a scope for better employment as GSTN looks forward to recruit more people.