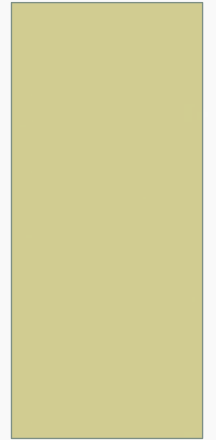


# **GOODS AND SERVICES TAX:**

**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: 1<sup>st</sup> April 2017**

# ESTABLISHMENT OF LEGAL FRAMEWORK

1. 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**
6. 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 online.

# 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!

