

## **Model GST law being drafted**

**NEW DELHI, 17 July 2015.** The Government remains committed to roll out the Goods and Services Tax (GST) from April 1, 2016. Currently a Central GST Law and a model legislation for the States were being drafted to levy GST on intra-state supplies; on inter-state supplies and levy of GST on imports.

The GST Council would be constituted after the enactment of the Constitution Amendment Bill which is currently with the Select Committee of the Rajya Sabha, said **Mr. V S Krishnan, Member - Service Tax and GST, Central Board of Excise and Customs (CBEC), Ministry of Finance, in an interface with media at FICCI Federation House**, here today.

He added that the reports of various Committees/sub-committees on Place of supply rules, IGST Model and Business processes relating to Registration, Refunds, Returns & Payments were awaiting approval.

Mr. Krishnan said that the issues under discussions were Rates of CGST, IGST & SGST; threshold limits of exemptions & compounding; List of exempted goods & services; Transitional provisions for treatment of accumulated CENVAT credit; Dispute resolution mechanism; Distribution of responsibility between Centre & State in implementing the three pillars of the compliance verification system – Return Scrutiny, Audit and Anti-evasion.

**Mr. Navin Kumar, Chairman, GST Network (GSTN)**, said that the GST Automated System will be one-stop-shop for the key needs of taxpayers of the entire nation. The mandate of GSTN is to provide shared IT infrastructure and services to Central and State governments and taxpayers for implementation of GST. He added that implementation of GST needs a strong IT infra and services backbone, which enables capturing, processing and exchanging of information amongst stakeholders (taxpayers, state, central government, banks and RBI).

Mr. Kumar said that GST rollout strategy provides two options to the State Governments for creating GST infrastructure. In the first model, States/CBEC would develop their own backend modules and exchange data with GST common portal using APIs over a secured network. In the other, GSTN would develop backend modules for States and host the same at central data centre location. 13 states have exercised the option to use the backend systems of GSTN.

**Mr. Rajeev Dimri, Partner, BMR & Associates LLP and Co-Chairman, FICCI's Taxation Committee; Mr. S Madhavan, Ex. Sr. Partner, PwC and Co-Chairman of the FICCI's Task Force on GST and Mr. Sachin Menon, Chief Operating Officer - Tax and National Head - Indirect Tax, KPMG and Co-Chairman of the FICCI's Task Force on GST**, also shared their perspectives on GST and discussed the challenges that will be faced by businesses on introduction of GST.

**FICCI MEDIA DIVISION**