

# GST BULLETIN

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## *No consensus on issue of dual control yet again*

The GST council meet on 3<sup>rd</sup> and 4<sup>th</sup> January was yet again inconclusive on the issue of dual control of the assessee. One of the main targets of the council was to decide the issue of dual control. However, the deadlock over the Goods and Service tax continued with the Centre and States refusing to budge from their positions on issues like tax payers and taxing high seas trade. .

## *GST Council takes up tax on high sea waters*

The GST council in its latest also took up tax on high sea waters. The coastal demanded that the GST be levied on trade of goods within 12 nautical miles offshore.

The Union Finance Minister Arun Jaitley has suggested seeking legal opinion from the law ministry to check if any constitutional issue arises.

The two-day meeting made headway in reaching consensus on the issue.

The next meeting of the GST council would be conducted on January 16. The council would discuss the issue of jurisdiction over assesseees as well as try and reach finality on taxation of territorial waters.

**COMMENT:** The April 1<sup>st</sup> rollout looks more and more uncertain amidst all the issues which are yet to be

Mr. Amit Mitra states that "All coastal states, irrespective of parties, said we must have 12 nautical miles within the state jurisdiction, whereas the draft IGST law was looking at having taxation rights with the Centre"

**COMMENT:** Taxing on high sea waters would receive a lot of flak from the industry but it would be one of the ways for

discussed. Consensus on dual control is the most important one of them.

## *PAN card must to migrate to new tax regime*

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CBEC in its latest order said that "Every person registered under any of the earlier laws and having a valid PAN shall be issued a certificate of registration on a provisional basis". It further stipulated that the assessee needs to obtain the PAN number and update the registration details on the ACES portal before the assessee can be migrated to GST". CBEC has also asked its field offices to launch awareness campaign and outreach programmes to facilitate migration of all excise and service taxpayers to the GST network by January-end

**COMMENT:** The assessee shall follow these directions for hassle free registration.

the Centre to generate revenue for compensating the Sates.

**Exporters will receive 90% duty refund within seven days under new tax regime**

The finance ministry has agreed to refund 90% of the duties paid by exporters in the process of manufacturing items for export within a period of seven days under the Goods and Services Tax (GST) regime.

Commerce secretary Rita teoatia assured the state ministers that the revamped ICEGATE portal would make sure refunds are made on time. Further, she stated that “If duty refunds could not be made within seven days, then government will pay interest to exporters. However, it is yet to be decided how much interest will be paid to exporters in such a scenario”.

**COMMENT:** This welcome step to the exporters as GST clearly mandates that all duties must be paid at the time of the transaction. This step would ensure minimum pain to the exporters.

**GST likely to be rolled out by July**

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The government is now targeting the implementation of GST by July as the delay in rolling out the nationwide goods and service tax seems inevitable. The government also has the option of putting the pending issues for voting though finance minister Arun Jaitley has underlined the need to resolve them through consensus. It was reported that sources within the government had said that the ground work is done for the implementation of GST and once pending issues including the one relating to dual control are resolved, GST can be immediately rolled out.

**COMMENT:** It is essential to get the ground work done for the implementation of GST to meet the deadline.