

Summary of important recommendations of GST Council in its 26th Meeting on 10th March, 2018

The GST Council, in its 26th meeting held at New Delhi on 10th March 2018, has made various recommendations with regard to GSTR-3B Return Filing, E-way Bill, Reverse-charge Mechanism, E-wallet, TDS/TCS provisions and Grievance Redressal Mechanism.

A summarized analysis of the said recommendations is as follows:

1. Return Filing

The present system of filing of Summary Return in Form GSTR-3B and Return of Outward Supplies in Form GSTR-1 would be extended for another 3 months i.e., April to June, 2018 till the new return system is finalized.

2. Reverse-charge Mechanism

The liability of registered person to pay tax on reverse-charge basis in case of procurement of goods or services from an unregistered person has been deferred till 30th June 2018.

3. TDS/TCS Provisions

The provisions for deduction of tax at source (TDS) under section 51 of the CGST Act and collection of tax at source (TCS) under section 52 of the CGST Act shall remain suspended till 30th June 2018.

4. Grievance Redressal Mechanism

GST implementation Committee (GIC) has been tasked with the work of redressing the grievances caused to the taxpayers arising out of IT glitches.

5. Recommendations with respect to E-way Bill

The GST Council has recommended the introduction of E-way bill for inter-State movement of goods across the country from 1st April 2018. For intra-State movement of goods, E-way bill system will be introduced with effect from dates to be announced in a phased manner but not later than 1st June 2018.

Major changes in the E-way Bill Rules, as approved by the GST Council, are as follows:

S.No.	Existing Provisions	Proposed Changes	Implications
1.	Exclusion of Exempted Goods:		
	Value of exempted goods to be considered in value of the consignment while generating e-way bill	Value of exempted goods shall be excluded from value of the consignment while generating e-way bill	This move shall reduce compliances in case of revenue neutral transactions
2.	Validity of e-way bill		
	Validity of 24 hours from the time of generation of e-way bill.	Validity of one day will expire at midnight of the day immediately following the date of generation of e-way bill.	This change would bring uniformity in the expiration of e-way bills and it would also be helpful in dealing with situations involving entry restrictions for heavy transport vehicles within city limits.
3.	Extra validity for exceptional cases		
	(i) Validity of e-way bill was 1 day per 100 km of distance. (ii) Under circumstances of an exceptional nature, where the goods cannot be transported within the validity period of the e-way bill, transporter may generate another e-way bill after updating the details in Part B of FORM GSTEWB-01	(i) Extra validity period has been provided for Over Dimensional Cargo (ODC). (ii) If the goods cannot be transported within the validity period of the e-way bill, the transporter may extend the validity period in case of transshipment or in case of circumstances of an exceptional nature.	This change would facilitate hassle-free movement of goods.
4.	Acceptance/Rejection by recipient:		
	Time period for the recipient to communicate his acceptance or rejection of the consignment was 72 hours from the time at which details of e-way	Time period for the recipient to communicate his acceptance or rejection of the consignment would be the validity period of the concerned e-way bill or 72 hours, whichever is	The Government has clarified the timeline for acceptance/rejection by recipient in one situation i.e., where validity period of e-way bill is less than 72 hours.

	bill were being made available to recipient	earlier.	However, other cases such as arbitrary rejection by recipient while the goods are in transit also needs to be clarified.
5.	Bill-to Ship-to Cases:		
	Two e-way bills have to be generated. One e-way bill for the first invoice, second e-way bill is from 'Bill to' party to 'Ship to' party based on the invoice/bill of the 'Bill to' party	Movement of goods on account of Bill-To-Ship-To supply will be handled through capturing the place of despatch in PART-A of e-way bill.	This change would facilitate ease of doing business in Bill-to Ship-to cases.

6. Recommendations for Exporters

- i. It has been decided to extend the available tax exemptions on imported goods for a further period of six months beyond 31st March 2018. Hence, exporters availing various export promotion schemes can continue to avail such exemptions on their imports upto 1st October 2018, by which time an e-wallet scheme is expected to be in place to continue the benefits in future.
- ii. For merchant exporters, a special scheme of payment of GST @ 0.1% on their procured goods had been introduced to improve cash-flow for the taxpayers. Also, domestic procurement made under Advance Authorization, EPCG and EOU schemes were recognized as 'deemed exports' with flexibility for either the suppliers or the exporters being able to claim a refund of GST / IGST paid thereon. All these avenues and benefits have been extended upto 1st October 2018.