

Key Takeaways from GST Council Meeting held on June 28-29, 2022

1. Decisions leading to advocacy wins for USISPF and its members

- **Parity between online and offline sellers**
 - Waiver of requirement of mandatory registration for person supplying goods through ECOs; and
 - Composition taxpayers would be allowed to make intra-State supply through e-commerce operators.
- **Refund of input services allowed in case of inverted duty rate structure**
 - Change in formula for calculation of refund under rule 89(5) to take into account utilization of ITC on account of inputs and input services for payment of output tax on inverted rated supplies in the same ratio in which ITC has been availed on inputs and input services during the said tax period.
 - This would help those taxpayers who are availing ITC on input services also.
- **Clarification on ambiguity around “specified officer” and “authorised officer”**
 - In respect of refunds pertaining to supplies to SEZ Developer/Unit, an Explanation to be inserted in sub-rule (1) of rule 89 of CGST Rules to clarify that “specified officer” under the said sub-rule shall mean the “specified officer” or “authorized officer”, as defined under SEZ Rules, 2006
- **Present exemption of IGST on import of goods under AA/EPCG/EOU scheme to be continued** and E-wallet scheme not to be pursued further.
- Explanation 1 after rule 43 of CGST Rules to be amended to provide that there is **no requirement of reversal of input tax credit for exempted supply of Duty Credit Scrips** by the exporters.
- The Council has decided to constitute a Group of Ministers to address various concerns raised by the States in relation to **constitution of GST Appellate Tribunal** and make recommendations for appropriate amendments in CGST Act.

2. Trade Facilitation Measures

- a. Amendment in CGST Rules to enable exporters of electricity to claim refund of unutilized Input Tax Credit (ITC) on zero-rated supplies

- b. **Supplies from Duty Free Shops (DFS)** at international terminal to outgoing international passengers to be treated as exports by DFS and consequential refund benefit to be available.
- c. UPI & IMPS to be provided as an additional mode for payment of Goods and Services Tax to taxpayers under Rule 87(3) of CGST Rules.
- d. Exemption from filing annual return in **FORM GSTR-9/9A** for FY 2021-22 to be provided to taxpayers having AATO upto Rs. 2 crores.
- e. Amendment in CGST Rules for handling of pending IGST refund claims where the exporter is identified as **risky exporter** requiring verification by GST officers. **Amendment in rule 96** of the CGST Rules has been recommended to provide for transmission of such IGST refund claims on the portal in a system generated **FORM GST RFD-01** to the jurisdictional GST authorities for processing.
- f. **Re-credit of amount in electronic credit ledger** to be provided in those cases where erroneous refund amount sanctioned to a taxpayer on account of accumulated ITC or on account of IGST paid on zero rated supply of goods or services.
- g. Amendment w.r.t **interest will be payable on the wrongly availed ITC** only when the same is utilized and **transfer of cash balance across states** of a distinct person **would be notified soon**.
- h. **Waiver of late fee** for delay in filing FORM GSTR-4 for FY 2021-22 and **extension of due date for filing FORM GST CMP-08** for Q1 of FY 2022-23.
- i. Clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification
- j. Clarification on various issues relating to applicability of demand and penalty provisions under the CGST Act in respect of transactions involving fake invoices.
- k. Clarification on mandatory furnishing of correct and proper information of inter-State supplies and amount of ineligible/blocked Input Tax Credit and reversal thereof in return in FORM GSTR-3B
- l. Clarification on issues pertaining to refund claimed by the recipients of supplies regarded as deemed export
- m. Clarification on the issue of perquisites provided by employer to the employees as per contractual agreement
- n. Clarification on utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities

3. Measures to ease GST Compliance

- a. Proposal for comprehensive changes in **FORM GSTR-3B** to be placed in public domain for seeking inputs/suggestions of the stakeholders.
- b. Provision for automatic revocation of suspension of registration would be implemented.

- c. **Time period from March 01, 2020, and February 28, 2022, to be excluded** from calculation of the limitation period **for filing refund claim** by an applicant under section 54 and 55 of CGST Act, as well as for **issuance of demand/ order (by proper officer) in respect of erroneous refunds** under section 73 of CGST Act. Further, limitation under section 73 for FY 2017-18 for issuance of order in respect of other demands linked with due date of annual return, **to be extended till September 30, 2023**

4. Rate Changes

The changes to GST rates and clarifications thereto with respect to impacted goods and services are consolidated in the [Press Release](#) issued by Ministry of Finance. Official notifications confirming these changes shall be issued in due course.