



Week of 10th June, 2019

## A. CHANGES IN THE GST REGIME

### Transition plan for new GST filing system

The GST Council had in its 31st council meeting decided to implement a new GST return filing system for ease of taxpayers. The CBIC has vide press release dated 11th June, 2019 provided details regarding the transition plan to implement the new GST return filing system through timeline in a phased manner inter alia as follows:-

1. The main components to the new return are (i) main return (FORM GST RET-1) and (ii) two annexures (FORM GST ANX-1 and FORM GST ANX-2).
2. In May, 2019 a prototype of the offline tool has been shared on the common portal to give the look and feel of the tool to the users. The look and feel of the offline tool would be same as that of the online portal.
3. Between July to September, 2019, the new return system (FORM GST ANX-1 & FORM GST ANX-2 only) would be available for trial for taxpayers to make themselves familiar.
4. From October, 2019 onwards, FORM GST ANX-1 shall be made compulsory and FORM GSTR-1 would be replaced by FORM GST ANX-1. FORM GST ANX-2 may be viewed simultaneously during this period but no action shall be allowed on such FORM GST ANX-2.
5. From January, 2020 onwards, all taxpayers shall be filing FORM GST RET-01 and FORM GSTR-3B shall be completely phased out.

## B. PROPOSED CHANGES AND INDUSTRY ISSUES

### GST rate cuts

As per media reports, the GST Council may meet on 20th June, 2019 to review the GST rate structure to bring down certain items from the 28% slab rate as India faces problems in economic growth (reduced GDP growth). The lower tax rate encourages spending among consumers which may help in the overall growth of the Indian economy. The main focus is in the manufacturing, automobiles, construction and fast moving consumer goods sector.

### Export Promotion Capital Goods Scheme benefit under GST

Under the EPCG scheme, an exporter can import certain amount of capital goods without paying any duty for upgrading technology related with exports. In the GST regime, some of the benefits that were earlier allowed under the EPCG scheme were discontinued. In this regard, the exporters have moved to Delhi High Court to claim extension of benefits of EPCG scheme under GST regime.

## **Glossary**

**GST – Goods and Services Tax**

**GSTR – Goods and Services Tax Return**

**EPCG – Export Promotion Capital Goods**

**GST Council - A constitutional body comprising of members of the Central and the State Governments to recommend changes under the existing GST regime**

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