



Week of 24th June, 2019

## **A. CHANGES IN THE GST REGIME**

### **Recommendations by the 35th GST Council meeting**

The 35th GST Council meeting held on 21st June, 2019 *inter alia* provided the following recommendations: -

- Extension of tenure for national anti-profiteering authority by two years i.e. till November 2021
- Imposition of an additional penalty of up to 10% of the profiteered amount if companies do not pay fine in 30 days
- E-invoicing for companies from January 2020
- E-ticketing for multiplexes
- Use of Aadhar for GST registration
- Extension of due date to file annual return by two months to August 31
- Establishment of GST Appellate Tribunal in various states

## **B. PROPOSED CHANGES AND INDUSTRY ISSUES**

### **Entities to face GST audit based on risk parameters**

As per media reports, the GST department has come out with a plan to audit accounts of GST registered businesses based on the risk parameters. The guideline for the audit plan is issued by the director general of audit (indirect taxes) to the field formation officers. Based on the guidelines, the audit plan will be designed such that the taxpayers, along with their risk scores would be divided into three categories — large, medium, and small of which (1) 70% will have to be audited in each category on the basis of risk parameters in order of sequence; (2) 10% will be selected randomly; and (3) 20% would be picked by the commissioner considering the local risk parameters. Risk parameters may include history of tax evasion, irregular filing of returns and employing questionable accountants.

## **Glossary**

### **GST – Goods and Services Tax**

**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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