

1) **Definition of Goods as per Sec 2(48)** includes securities

Suggestion : The value of Securities as re not subject to any form of indirect tax world wide . Hence it is suggested to exclude securities from the definition of goods . Atleast an unconditional exemption should be extended to securities

2) **Definition of services as per Sec 2(88)** includes immovable property, intangible property , intangible property and actionable claim

Suggestion : Immovable property and actionable claims should be excluded from the definition of services

3) **Composition levy Sec 8** : the composition scheme is available only after permission from proper officer

Suggestion : Composition scheme should ve available to taxable person after giving online intimation . the reuirement of seeking permission should be done away with

4) **Time Of Supply of Goods Sec 12** provides for point of taxation as earliest fo following events ‘

- a. Date of which goods are removed
- b. Date of issue of invoice by supplier
- c. Date on which supplier receives payment
- d. Date on which recipient show receipt in his books of accounts

Suggestion : The point of taxation should only be date of issue of invoice by the supplier . In any case date of on which supplier recives payment should have no bearing on point of taxation as including the same would make advance received a taxable event

- 5) **Value of Supply Sec 15(4)** : provide for valuation of supply according to the valuation rules and thereby rejecting the transaction value **in case there is reason to doubt the truth or accuracy of the transaction value declared by the supplier** even when supplier and recipient are not related and price is the sole consideration

Suggestion : the transaction value should not be challenged when supplier and recipient are not related and price is the sole consideration . Giving power to challenge the transaction value even when above conditions are satisfied merely on the basis of reasons to doubt will lead to harassment of supplier . Hence this provision should be scrapped .

- 6) **Input Tax credit Sec 16 (11) c** : provide that input tax credit would be available to the recipient only when “ the tax charged in respect of such supply has been actually paid to the credit of appropriate government either in cash or through utilisation of **input tax credit admissible in respect of such supply**”

Suggestion : payment of tax by the supplier to govt should not be a precondition for availability of credit to the recipient . Possession of original invoices issued by registered taxable supplier should be the only condition . denying the credit to recipient even after procuring goods/service from a registered taxable supplier due to non payment by the supplier is injustice to him .

Further the even when the supplier has paid the tax by utilising credit and later on his itc is found to be inadmissible then credit availed by his recipient would get effected . In case of inadmissibility of credit of the supplier his corresponding recipient should not be effected at all . the amount should be recovered from the supplier

- 7) **Returns chapter VIII** : the act provide for three returns viz , outward supply , inward supply and tax return on different dates

Suggestion . 3 returns each month would be a time consuming and would require lot of energy and resources . instead all these returns should be merged into 1 (similar to vat monthly return) . the unmatched transaction should be informed later on which can be corrected by the supplier by making necessary corrections .

- 8) **Maintainence of electronic credit ledger** all inward supply will get updated in electronic credit ledger of the supplier . however the admissibility of the credit would depend on input tax credit rules .

Suggestion : the credit which is not available to the supplier should not get updated in his electronic cash ledger or a warning message should be displayed if the the supplier avails the same .

- 9) **Jobwork** : the goods can be supplied to a job worker only after permission by the commissioner

Suggestion : there should be no requirement of permission , . the intimation by the supplier should be enough . also outward supply returns should included details of such transfer without payment of tax therefore department can always have a check and record of goods transferred ot jobworker without payment of tax

- 10) **Summons Sec 63** : provide power to CGST/SGST officer to summon any person and require his personal attendance

Suggestion : Summons requiring personal attendance are often used as a tool of harassment by some officers . provision should be made that all summons can be attended by authorised representative in accordance with the ease of doing business policy

11) Power to arrest prosecution

No powers to arrest or prosecution should be there for defaults under GST in accordance with the ease of doing business policy

12) Return of goods by unregistered recipient/consumer

The model gst law is silent on how to deal with return of goods by unregistered /consumer . in absence of any specific provision it appears their would be loss of credit in such cases , since there is no enabling provision for adjustment on account of returned goods and in case of unregistered /consumer the matching of credit note /debit note would not be possible .

Suggestion : a specific provision should be enacted to provide for adjustment of return of goods

13) Credit of excise to traders not having excise invoice but holding excisable goods on 1st day of GST regime

Excise credit chain breaks after third dealer , which leads to a situation wherein a trader is in possession of excise paid stock but he does not have any excise paying document . the model gst law does not provide for a mechanism for availing such credit on opening stock of GST regime . this would lead to double payment of tax first as excise (before gst kicks in) and then as central gst after gst regime is made applicable . this may result in hording of goods at manufactures end in the final months before gst regime kicks in .

Suggestion : a list of certain standard items (which are manufactured by non ssi manufactures such fresh plastic granules , mrp based goods)

should be prepared and an adhoc percentage of credit should be allowed on opening stock of gst regime .