

ANNUAL REPORT INDIRECT TAXES COMMITTEE OF ICAI FOR THE YEAR 2016-17

INITIATIVES, ACTIVITIES & ACHIEVEMENTS

- *Over 95 Programmes, Seminars, Courses*
- *10 CBEC Officials Training Programmes*
- *Suggestions on Model GST Law, revised Model GST Law & draft GST Rules*
- *Presentation before the Empowered Committee of State Finance Minister*
- *Pre-Budget Memorandum, 2017*
- *21 Live Webcasts*
- *Video lectures on 25 topics of GST*
- *12 Technical Guides/ BGMs including revision*
- *18 Study Groups across country*
- *FIP I & II at 22 locations, wherein 364 new faculties identified*
- *11 Committee Meetings since Feb'16*

Indirect Taxes Committee



The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

Members of the Committee

CA. Madhukar N. Hiregange, Chairman
CA. Sushil Kumar Goyal, Vice- Chairman
CA. M. Devaraja Reddy, President, ICAI
CA. Nilesh Shivji Vikamsey, Vice-
President, ICAI
CA. Prafulla Premasukh Chhajed
CA. Mangesh Pandurang Kinare
CA. Dhinal Ashwinbhai Shah
CA. G. Sekar
CA. Tarun Jamnadas Ghia
CA. K. Sripriya
CA. Mukesh Singh Kushwah
CA. Atul Kumar Gupta
Shri Vithayathil Kurian
Shri Sunil Kanoria
Ms. Indu Malhotra

Co-opted Members

CA. S Venkatramani
CA. A. Jatin Christopher
CA. Jayesh Gogri
CA. Mandar Telang
CA. Arun Agarwal

Special Invitees

CA. Upender Gupta, Commissioner, GST
CA. Ashok Batra
CA. Kapil Vaish
CA. Rohini Aggarwal
CA. Bimal Jain
CA. Virendra Chauhan
CA. C. L. Agarwal
CA. Naresh Seth
CA Bargavi Natesan

Exploring New Avenues

➤ **Representation on audit u/s 42 (4) under Model GST Law**

The Committee submitted a representation to the Government requesting that the Audit of Financial record under section 42(4) {Now, section 53(4) in revised Model GST Law} of the Model GST Law be allowed to be carried out exclusively by Chartered Accountants. The said representation is also being made to State Finance Ministers constituting GST Council.

➤ **Annual Return cum Reconciliation Statement under ST/CE**

The Committee had submitted a preliminary draft format of annual return cum reconciliation Statement between Excise Return and Financial Statement *viz. a viz.* Service Tax to the Government on 30th May, 2016 with a view to enable smooth verification of returns with financial statements.

➤ **Revising audit fees of Service Tax Audit U/s 72A of Finance Act, 1994**

The Committee submitted a representation to the CBEC on 16th November, 2016 for issuing *Notification/Circular* specifying the reasonable Audit fee for Special Audit U/s 72A, which may be at par with the market rate.

➤ **Application for accreditation for training in GST**

ICAI has made an application for imparting quality GST Training to industry, trade and other stake holders, as 'Approved Training Partners' (ATPs) under the 'GST Training Accreditation Programme' of NACEN as a part of the Government of India's Trade Outreach Programme for successful rollout of GST.

Partnering the Government in Nation Building

A. Input/suggestions submitted to the Government

➤ **Post Budget Memorandum, 2016 - Indirect Taxes**

The Committee submitted its Post Budget Memorandum, 2016 on Indirect Taxes to the Government on 1st April, 2016. The Memorandum contains suggestions for removing the practical difficulties which may arise on implementation of budget proposals.

➤ **Pre-Budget Memorandum, 2017 - Indirect Taxes**

The Committee submitted its Pre-Budget memorandum, 2017 on Indirect Taxes, containing suggestions to improve tax collection, reduce/minimize litigations, rationalize provisions of taxation laws and removing administrative and procedural difficulties, to the Ministry of Finance on 17th November, 2016. Further, gist of suggestions was also presented before the Revenue Department on 7th November, 2016.

➤ **Background Material on Revised Model GST Law - New**

The Committee has developed "*Background Material on Revised Model GST Law*". This background material contains a clause by clause analysis of the Model GST Law along with comparisons to related provisions of existing law, FAQ's, MCQ's, Flowcharts and Illustrations etc. and is improved version of earlier background material.

It may be mentioned that based on the request received from the Government, the Committee had earlier developed "*Background Material on Model GST Law*" within 1 month of release of Model GST Law.

➤ **Suggestions on revised Model GST Law**

The Committee has submitted its suggestions on revised Model GST Law to the Government. The Memorandum was finalized based on the suggestions received from members, branches and Study Groups etc.

It may be mentioned that the Committee had earlier submitted its suggestions on Model GST Law to the Government in two parts viz. on 10th August, 2016 and 2nd September, 2016.

➤ **Suggestions on Draft Rules on Registration, Refund and Return etc.**

CBEC released draft GST Rules on Registration, Payment and Invoice on 26th September & on Return & Refund on 27th September 2016 with a request to provide suggestions by 28th September 2016. ICAI has submitted its suggestions on Draft Rules on Registration, Refund and Return etc. to the Government on 28th and 29th September, 2016.

➤ **Preliminary Study Report - Impact of Ind AS on Indirect Taxes**

The Committee has submitted a "Preliminary Study Report - Impact of Ind AS on Indirect Taxes" to the CBEC on 22nd November, 2016 for their consideration. This study report contains critical issues which may differ in treatment and may require suitable explanation/clarification.

- **Presentation before the CBEC & Empowered Committee of State Finance Minister**
In response to the invitation received, the Committee presented its suggestions on policy issues of GST, including making Matching Principal workable before the CBEC on 18th August 2016.
Further, the Committee presented the suggestions on “Transitional Issues and IGST” before the Empowered Committee of State Finance Minister on 30th August, 2016.
- **Support extended to Goods and Services Tax Network (GSTN)**
Based on the request from GSTN, following supports have been provided:
 - (i) List of IT Firm collected from the members of ICAI and provided to GSTN for providing training so that IT Firm may make necessary changes compatible with GST.
 - (ii) Sharing data of ICAI’s members for online validation by GSTN.
 - (iii) Nominating members for providing feedback on the software module of GST developed by GSTN.
- **Impact of GST Regime on Finances & Economy in Delhi**
With a view to facilitate the Government of Delhi in understanding the impact of GST on Delhi Taxation System, the Indirect Taxes Committee has submitted a Study Report to the Delhi Government. The report entails the impact of GST implementation on Delhi economy, provides a comparative report on revenue under the present and GST regime etc.
- **Letter to State Government for utilising expertise of the ICAI**
Letters have been sent to the State Finance Ministers and Commercial VAT Commissioner for nominating ICAI in the Group/Committee formed for implementation of GST in their State and utilizing the expertise of members of ICAI.
- **Mechanism for resolving administrative issue of GST**
The Committee has suggested PAN based mechanism to the Government for administering GST by the Centre & State Governments.
- **Representation to Commissioner of Commercial Taxes, Delhi**
The Committee submitted a representation to Commissioner of Commercial Taxes, Delhi on 27th May, 2016 for removing the condition of being a member of Sales Tax Bar Association for empanelment as Auditors for conducting special audit u/s 58-A.
- **Representation to CBEC on Krishi Kalyan Cess**
The Committee submitted a representation to the CBEC on 30th May, 2016 for clarifying certain issue like whether Krishi Kalyan Cess (KKC) is applicable on services rendered before 1st June, 2016. The anomaly has been clarified vide *Notification No. 35/2016 – ST dated June 23, 2016* and Services provided prior to 31st May 2016 have been exempted from Krishi Kalyan Cess (KKC).

➤ **Training Programme on Service Tax for Officials of CBEC**

With a view to help the Government in its capacity, the Committee has been regularly organising Training Programmes for Officials of Excise and Service Tax Commissionerate. During the period, Committee has organised 10 such training programmes for the following Commissionerate/NACEN.

NACEN, Chennai (3 times)	Service Tax VI & VII Commissionerate, Mumbai
Service Tax I Commissionerate, Delhi	Central Excise Commissionerate, Alwar
Central Excise -IV Commissionerate, Mumbai	Central Excise & Service Tax Commissionerate, Ludhiana
Audit II Commissionerate, Ghaziabad	Central Excise, Service Tax and VAT Commissionerate, Ludhiana

B. Meeting/Interaction with Government

➤ **Meeting with Revenue Department, Government of India**

In response to the request from Revenue Department, Government of India, a meeting was held at revenue department, Government of India on 1st June, 2016 which was chaired by Shri B.N. Sharma, Additional Secretary (Revenue). In the meeting, it was decided that ICAI would draft the Background Material on GST for training of CBEC Officials.

➤ **Meeting with Goods and Services Tax Network (GSTN)**

A meeting was held with Officials of Goods and Services Tax Network (GSTN) and a team of Council Members led by Chairman, Indirect Taxes Committee on 21st June, 2016 at Head Office, ICAI, New Delhi. In the meeting it was decided that ICAI would share the details of members of ICAI for the purpose of online validation of members under the proposed GST Law.

➤ **Meeting with Chairman, CBEC**

Few members of the Committee met Sh. Najib Shah Chairman, CBEC on 10th August, 2016; discussed provisions contained in Memorandum on Model GST Law and provided their inputs on the same.

Further, CA. Sushil Kumar Goyal, Vice-Chairman met Sh. Najib Shah, Chairman, CBEC on 7th November, 2016 and discussed ICAI's support for smooth implementation of GST in the Country.

➤ **Interaction with Officials Punjab Government**

Members of Indirect Taxes Committee, ICAI met with officials of Punjab Government on 30th September 2016 and offer its services in drafting the SGST law for the state of Punjab and imparting trainings to their officials for GST.

➤ **Interaction with Officials of Uttar Pradesh Government**

Members of Indirect Taxes Committee, ICAI met with officials of Uttar Pradesh Government on 15th November, 2016 and offer its services for smooth implementation of GST law in the State.

E-Initiatives

➤ Video lectures on GST

The Committee developed video lecture(s) on all topics of Model GST Law and initially hosted on Committee website and ICAI TV. The links of the same have also been shared with the Revenue Secretary, Government of India.

The Committee has also launched its You Tube channel <https://www.youtube.com/indirecttaxcommittee> which contains aforesaid video recordings at a click of mouse and can be downloaded for offline viewing.

➤ GST Tab on ICAI app/PDC Website

In order to enable the members to be updated regarding GST with help of their mobiles and to support the digital information initiative, a ***GST tab*** on the Institute app ***ICAI Now*** has been launched by the Committee. The GST tab provides the links for E-lectures on GST, Publications on GST, Articles on GST, Suggestions on Model GST Law & draft GST Rules etc.

Further the above information has also been linked on Professional Development Committee's website, <http://pdicai.org>

➤ Webcasts on Indirect Taxes

The Committee has been organising regular webinars as a nationwide outreach programme for members. Accordingly, 21 webcasts have been organised on indirect taxes topics. All these webinars have been very well appreciated by members.

S. No.	Particulars: Live Webcast on	Date	Viewers hits		Total
			Live	Recorded	
1.	Highlights of Tax Proposals of Union Budget 2016-17	28 th Feb, 2016	6768		6768
2.	Value addition in Service Tax	21 st Mar, 2016	1425		1425
3.	CENVAT Credit Rules	18 th May, 2016	2518		2518
4.	CST & VAT including principles of CST involved in IGST under Model GST Law	28 th July, 2016	1248		1248
5.	Opportunities in GST - Impact Study	10 th Oct, 2016	2875		2875
6.	Opportunities in GST & Interactive Clarification - Panel Discussion	3 rd Nov, 2016	1893		1893
7.	Overview of Law	5 th Dec, 2016	6275		6275
8.	Overview of Procedures	30 th Dec, 2016	4592		4592

9.	Important Definition <i>Vis a Vis</i> GST concepts	12th Jan, 2017	4391	15405	19796
10.	Constitutional Amendments - An Analysis + Relevant Articles to GST.	13th Jan, 2017	2743	10086	12829
11.	Important Legal Maxims (With Examples)	16th Jan, 2017	1919	6605	8524
12.	Levy, Exemptions & Composition (Incl. Transition)	17th Jan, 2017	2611	6176	8787
13.	Time & Place of Supply (With Examples) (Incl Transition)	18th Jan, 2017	2114	5886	8000
14.	ITC + anti profiteering + Impact (Matching + ISD (Transition)	19th Jan, 2017	1244	3205	4449
15.	Value of supply	20th Jan, 2017	1057	3657	4714
16.	Stock Transfer, Job work, Returns & Rejects (Incl. Transition)	23rd Jan, 2017	1230	2954	4184
17.	Import Export, SEZ, Refund (Incl. Transition)	24th Jan, 2017	1057	719	1,776
18.	IGST + Other GST Concepts (Destination)	25th Jan, 2017	1356	777	2133
19.	Demand & Recovery Provisions under Model GST Law	27th Jan, 2017	902	251	1153
20.	Registration Law + Procedures (Incl. Transition)	28th Jan, 2017	800	138	938
21.	Other Transition Provisions + Penalty, Compounding & Prosecution, Settlement Commission, Advance Ruling	30th Jan, 2017	862	306	1168

Recordings of all the aforesaid webcasts can be viewed at <http://idtc.icai.org/cc/admin/live-webcasts.html>.

➤ **Indirect Taxes Updates**

With a view to update the members, summary of significant notifications, circulars and other important development in the area of Indirect Taxes are regularly been circulated among the IDT NET members and further uploaded on the website of Indirect Taxes Committee.

➤ **E-Publications - a tool to update members**

The Committee has uploaded all its publications on its website which can be downloaded by members free of cost.

Publications - A Research Initiative

- **E-Flash on Amendment made by Union Budget 2016-17**

With a view to update the members on the changes made by Union Budget 2016-17, E-Flash on amendment made by Union Budget 2016-17 was prepared by the Institute and hosted on the website. The indirect portion of it was contributed by the Indirect Taxes Committee. E-flash may be downloaded by the members at <https://goo.gl/7A5NZT>.
- **Central Excise Law and Procedure for Jewellery Industry - New**

Considering that excise duty has been levied on articles of Jewellery w.e.f 1st March, 2016, the Committee has brought out a publication on “Central Excise Law and Procedure for Jewellery Industry. For ease of understanding, the concepts of levy, valuation, payment, exemption, registration, invoicing, return etc. have been explained in the form of frequently asked questions (FAQs).
- **Compliances of Service Tax in Banking Sector - Revision**

The Committee has revised its publication “Compliance of Service Tax in Banking Sector”. It inter-alia, contained Questionnaire for Service Tax Audit of Banks, which would have been helpful for the members in checking the compliance of service tax in Banking Sector in their audits for year 2015-16.
- **Background Material for Certificate Course on Service Tax - New**

The Committee has developed a Background Material for Certificate Course on Service Tax. The Background Material of the Course has been divided into two volumes i.e. Service Tax and General & Other allied laws like Central Excise, Customs, VAT, CST etc. relevant to Service Tax which have been duly updated with all the amendments made by the Finance Act, 2016.
- **Technical Guide to CENVAT Credit - Revised**

The Committee has thoroughly revised “Technical Guide to CENVAT Credit” with changes made by Finance Act 2016. New illustrations, case studies and recent judicial pronouncements have been incorporated in the Guide to facilitate easy understanding of the provision of CENVAT Credit Rules.
- **Revised Model GST Law - New**

The Committee has released a publication namely “*Revised Model GST Law*” containing bare draft revised law and comparison of old model GST Law and revised Model GST Law.
- **Background Material for Programme on Enabling Service Tax Practice - Revised**

The Committee has revised Background Material for Programme on Enabling Service Tax Practice with the Finance Act, 2016. This Material is distributed among the participants of the programme/ seminars/ conferences on service tax.

- **Background Material on Training Programme for CBEC Officials - Revised**
The Committee has revised Background Material on Training Programme for CBEC Officials with the Finance Act, 2016. This Material is distributed among the Officials attending the training programme.
- **Background Material for Course on Litigation Management - New**
The Committee has developed a Background Material for Course on Litigation Management, which is distributed among the participants of the Course. This Background Material is divided into six segments covering introduction, principles of evidence, drafting and pleadings, ethics and etiquette, litigation strategy and mock tribunal. The material, in appendices, also provides selection of statutory provisions and landmark decisions.
- **Background Material for Course on Customs and FTP - New**
The Committee has developed a Background Material for Course on Customs and FTP, which would be distributed among the participants of the Course. The book is designed to provide in depth practical and theoretical knowledge about levy and types of Custom duties, the taxable event, import/export procedure, provisions in respect of warehousing, duty drawback of Customs duty, the baggage rules etc., which have been duly updated with all the amendments made by the Finance Act, 2016.
- **A Handbook on Professional Opportunities for Members in Indirect Taxes**
The Committee developed a publication namely "A Handbook on Professional Opportunities for Members in Indirect Taxes" and hosted on its website. It contains various professional opportunities available in the area of Indirect Taxes for the members.

Upcoming Publications

- Handbook on GST for Traders
- Handbook on GST for Manufacturers
- Handbook on GST for Service Providers
- FAQ on Model GST Law
- Guidance Note on Accounting Treatment of Goods and Services Tax
- Research Paper on Unjust Enrichment
- Research Paper on Seamless Credit under GST
- Research Paper on Taxation of E-Commerce under GST
- Research Paper on Valuation under GST

Formation of Study Groups

With the approval of the President, following State level Study Groups on Indirect Taxes / GST have been formed:

S. No.	Location	Name of the convenor	S. No.	Location	Name of the convenor
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1.	Bangalore	CA Vishnumurthy S	10.	Ahmedabad	CA Nilesh Suchak
2.	Chennai	CA K Sivarajan	11.	Delhi	CA Gaurav Gupta
3.	Hyderabad	CA Satish Saraf	12.	Indore	CA Arvind Chawla
4.	Kerala	CA Soman N L	13.	Surat	CA Avinash Poddar
5.	Kolkata	CA Daya Shankar Agarwal	14.	Kanpur	CA Dharmendra Srivastava
6.	Guwahati	CA Om Prakash Agarwal	15.	Jaipur	CA. Jatin Harjai
7.	Bhubaneshwar	CA Tarun Kr Agarwalla	16.	Patna	CA. Arun Kumar Khowala
8.	Mumbai	CA Rajiv Luthia	17.	Telangana	CA. Vijay Bhaskar
9.	Pune	CA Dilip Satbhai	18.	Gurgaon	CA Sundeep Gupta

Programmes and Courses

Certificate Course on Service Tax

The Committee launched a Certificate Course on Service Tax to facilitate members in industry as well as in practice by providing specialized and updated knowledge of service tax along with its relevance to other areas like value added tax, central excise duty, customs duty, Foreign Trade Policy and GST in a systematic manner to enable them to take up various professional opportunities offered by this area. During the year, following batches were organised:

S. No	City	Date of Commencement	Date of Completion	No. of Members
1.	New Delhi	4 th June, 2016	3 rd July, 2016	56
2.	Bangalore	11 th June, 2015	10 th July, 2016	39

Identification and Training of new speakers on GST

The Committee has organised two series of Faculty Identification programme and Train the trainer programme across all the majors' cities in India and have identified and trained approx. 364 new speakers in Model GST Law making the expert pool of over 500 faculties across India.

National Conferences/Seminars

With a view to update the members and assist them to continue to enjoy the edge over other profession, the Committee has organised twenty National Conferences/Seminars at the following cities as a nationwide outreach programme for members:

Ernakulam(2)	Ahmedabad	Kanpur	Pune	Mangalore
Coimbatore	Bellary	Surat	Noida	Ranchi
Mangalore	Coimbatore	Bhopal	Bellary	Surat
Noida	Ranchi	Rourkela	Indore	

Other Programmes, Seminars and Conferences

The Committee has been organising a number of programmes, seminars, conferences and workshop with a view to update the members with the latest changes made in the area of Indirect Taxes. During the year, 73 programmes, seminars and conferences have been organised by the Committee, the summary of which are as follows:

Region	NIRC	EIRC	CIRC	WIRC	SIRC	Total
No of Programmes	9	10	17	14	23	73

Future Initiatives of the Committee

- Nationalised PPT on GST
- E-newsletter on GST

Acknowledgements

We are thankful to CA. M. Devaraja Reddy, President, ICAI, CA. Nilesh Vikamsey, Vice-President, ICAI and all our council colleagues for reposing their faith in us for the working of the Indirect Taxes Committee. We thank all the members of Indirect Taxes Committee, Co-opted Members, Special Invitees for their substantial contribution in meetings, preparation/ vetting of publications, training the members, involvement in Faculty Identification & Train the Trainer programme etc. and supporting in all the endeavours of the committee. We would also like to thank Convenors and members of the study groups who have always been supportive for every initiative of the committee.

We are grateful to CBEC, GSTN and other Government departments for providing us wonderful opportunities to serve them and work with them towards creation of a better Indirect Taxes Regime. Lastly, we would like to thank Secretariat, Indirect Taxes Committee for their dedication and support.

CA. Sushil Goyal
Vice-Chairman
Indirect Taxes Committee

CA. Madhukar N Hiregange
Chairman
Indirect Taxes Committee