

## GST – Vast Opportunities for the Profession

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There is a famous quote that says, “**opportunities knock only once at your door**”. Indeed, GST is that one knocks in terms of opportunity to serve, learn and earn for us professionals. GST in India has been termed as “the biggest indirect tax reform since independence”. Since tax professionals – Chartered Accountants, are at the heart of the tax compliance system, they are bound to be impacted by this big-ticket reform. This has further special significance and opportunities for the CA profession, as elucidated further.

### Expansion of the Services Landscape

**Increase in Tax Payers** – It is estimated that there are around 9.5 million registered tax payers in the country today in the field of indirect taxes – Central Excise, Service Tax and VAT. Being a tax on ‘supply of goods and/or services’ with minimal number of exemptions and exempted sectors, the coverage of GST will be extensive – to virtually cover the entire business environment of the country. With a threshold limit of Rs 20 lakhs, that goes down to Rs 10 lakhs in North Eastern States, coupled with the definition of Aggregate Turnover which, *inter alia*, includes taxable supply, exempt supply, exports etc., even small businesses, professionals, kiranas, other brick and mortar retail will be impacted. Most of the businesses in composition scheme (up to Rs. 50 lacs turnover) will also have quarterly compliances, while a large part may not go for composition as their B2B customers will lose set off otherwise and also due to the restrictive coverage of assesses in composition scheme. Further, the reverse charge with its added complications of applicability in case of purchases from unregistered persons, will further push maximum businesses to be GST registered.

**Increase in Compliance Needs** - Statutory requirements like submission of audited accounts by taxpayers with turnover of +Rs 1 crore and an Annual Report reconciled with the audited balance sheet and profit and loss account will bring in significant amount of convergence between GST and indirect compliances accentuating the role of CA professionals. This statutory convergence will further be integrated as the compliance systems under both the Income Tax and GST go online and the databases get linked. The buzz word these days is 360-degree profiling. Tax compliances and tax accounts can no longer remain in separate silos for the two system of taxes. The responsibilities of tax professionals, particularly chartered accountants, will thus inevitably expand.

Further, the system of compliances being put in place, that involves minimum of three monthly returns, uploading invoice wise supply details both on sales and purchase side, matching of invoices and denial of input tax credits even on account of minor mismatches, that will have the potential of impacting the bottom lines by 18% of the value of purchases involved, underlines the work and opportunities that lie in store for tax professionals in the new regime. They will be expected to hand hold businesses almost on daily basis.

## **Synergy between Audit and Tax Practice**

**Automation, Reconciliation, Accounting** – Mandatory requirement for timely/pre-reconciliation, scenarios impacting availment of Input Tax Credit (ITC), ASPs providing reconciliations in line with GSTN database by real time accept/reject/modify all will lead to a need for making, tracking and in turn matching with the accounting records. There could be a need to create provisions or pass corresponding debit/credit notes to keep the two statutory records in sync. This too will be best done with help, guidance and supervision of a CA.

**Complementary Practice** – As an auditor, the audit, analysis and reconciliation between two records will be mandatory. This is best done by taking up the tax compliance work i.e. up front guidance, supervision or audit thus reaping the optimum synergies.

## **Advisory services Opportunity**

**Transition related advice and hand holding** - This would entail activities like impact assessment, planning optimizations, taking a look at competition, renegotiation of contracts, analysing business scenarios, finalizing business processes etc. each of which involves an important role for a tax advisor or a tax professional. Along with that the professionals having knowledge about tax, accounting, IT and costing will be best suited to assist the organisations in pricing revisions which seems to be likely after GST is implemented.

**Re-designing of Business Structure** - Present indirect taxes in India have driven businesses to structure and model their supply chain and systems owing to multiplicity of taxes and costs involved therein. GST will be a big game changing reform for Indian economy by developing a common Indian market and reducing the cascading effect of taxes on the cost of goods and services. The GST will change how India will do business. With advent of such big reforms the businesses also need to be in line with GST. GST will have far reaching consequences on almost all the realms of the business operations and will impact the tax structure, its incidence and computation, credit availment and utilization, compliance and other reporting aspects, leading to a complete overhaul of the current indirect tax system. Complete supply chain will see a radical change. Now, with the final law in place, the current supply chain has to be re-looked and re-structured. Tax professionals will be needed in such restructuring and reengineering exercises.

**Other Similar Opportunities** - Apart from this, there are many areas in which indirect tax professionals have new opportunities under the GST regime which include Tax structuring, Representation before revenue authorities in respect to SCN/Appeal, Legal opinions and procedural Guidance to clients, Handling compliance verification processes like audits and scrutiny, Handling legacy issues like past assessments/audits.

Litigation post GST will also have extended arms with the subjective and inclusive definition of term 'Supply', being the trigger point i.e. taxable event in GST, alongside others loose ends of drafting in GST Law.

## **An opportunity to leapfrog to the future professional services model**

**Digitisation Support** – With the GST reform the government is taking a big step in to full digitisation of the indirect taxation process. With the voluminous data, process and compliance involved a young forward looking professional will seize this opportunity to hand hold, advice, train and support the client base, which will be much needed, appreciated and valued.

**Assist in Simple, Secure GST Compliance** – The way ASP service providers like Easemygst, JioGST etc., are getting provisioned, it will be a best combination of understanding of law, use of high penetration of data connectivity, exploiting cloud based computing and handling case specific nuances through the expert advice of the tax practitioner. This makes an idea set up for the young professionals. Their clients can upload the transaction data using API based integration of their accounting and/or billing software or just taking them on a pen drive to the CAs office, where the assistant can run the program, validate the numbers and have them submit their GST returns with ease and under comfort of an expert supervision.

**Overall, it is that ‘once in lifetime opportunity’ for CAs who will get at the helm of this, assimilate GST and its implications, align with some exceptional tools or applications, master its use and take lead in the new Digitised Indian Business Landscape.**

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