

REVENUE SECRETARY'S OFFICE ON TOP

GST Council clears 3-tier 'project management'

Adhia's office to be followed by GST Implementation Committee, 8 standing panels

AANCHAL MAGAZINE

NEW DELHI, JUNE 5

WITH THE Goods and Services Tax (GST) set to be rolled out from July 1, the GST Council has approved constitution of a three-tier structure for 'project management' of GST, consisting of the office of revenue secretary Hasmukh Adhia at the top, followed by a Project Management Team called GST Implementation Committee and eight standing committees. In addition to these, there will be 18 sectoral groups to look into the specific issues of sectors such as telecom, banking, mining and pharmaceuticals sectors, officials said.

The Project Management Team of the GST Implementation Committee shall include four officers from states, four officers from the Centre and one officer from the GST Council. Along with this, eight standing committees have been proposed that will include Law and Rules Committee, IT Committee, Single Interface Committee, Fitment Committee, Publicity and Outreach Committee, Capacity Building and Facilitation Committee, Fund Settlement Committee and Guidance Notes Committee. Each of the eight standing committees shall have two convenors, one from the states and one from Centre.

Each committee has been asked to identify steps to be taken in their area of responsibility and

18 ADDITIONAL SECTORAL GROUPS

■ In addition to the three-tiered structure, there will be 18 sectoral groups to look into the specific issues of sectors such as telecom, banking, mining and pharmaceuticals sectors, officials said

■ The Project Management Team of the GST Implementation Committee shall include four officers from the states, four officers from the Centre and one officer from the GST Council

to provide a blueprint for step-wise action to be undertaken with target dates. Among the eight committees, the Law Committee will look into finalisation of all rules, drafting of non-tariff notifications and examine all representations of trade on legal issues, while the IT Committee will be responsible for monitoring IT preparedness of states, Centre and GST Network (GSTN), the IT backbone of GST regime.

The Single Interface Committee shall coordinate migration and verification of past credit and state-wise coordination teams for assigning taxpayers, while the Fund Settlement Committee will be responsible for all issues relating to revenue subsumed and compensation post-GST rollout, CST compensation, IGST fund settlement.

Till now, there were only two committee of officers of the Centre and the states involved in the GST-related work. One was the Law Committee, which pre-

pared the draft GST laws and the second was the Fitment Committee, which was involved in recommending the GST rates on goods and services. The revenue secretary was of the view that more committees needed to be created in addition to the existing two committees to enable a smooth rollout of GST.

The Council has also approved eight sectoral groups for banking; financial and insurance; telecom; exports including export oriented units and special economic zones; IT/ITeS (Information Technology Enabled Services); transport and logistics; textiles; MSMEs, including job work; oil and gas (upstream and downstream); gems and jewellery; services received and provided by the government; food processing sector; e-commerce; big infrastructure (airport, power, housing/construction); travel and tourism; handicrafts (exports); media and entertainment and drugs and pharmaceuticals.

Initially, 17 sectors were identified for sectoral analysis, but then Rajasthan government's officials suggested addition of mining sector. Sikkim government also suggested addition of hydro projects, but after discussion in the Council, it was decided to include that in the 'big infrastructure' sector. Housing/construction were added in the 'big infrastructure' sector on suggestion of the Haryana government.

The states have been asked to nominate their members for the committees. The committees are expected to be vested more with responsibility rather than authority, with the decision making powers remaining with the GST Council.

During the discussions pertaining to the formation of the committees, Delhi's deputy chief minister and finance minister Manish Sisodia asked about the legal status of these committees, to which Adhia clarified that the entire scheme is an administrative arrangement and is not part of the law.

The GST Council, which is headed by Jaitley and includes representatives from states/union territories, has already finalised tax rates on almost all goods and services. All goods and services have been put in slabs of 5, 12, 18 and 28 per cent, with the exception of gold and precious metals, which will be taxed at 3 per cent and rough diamonds that will attract a tax of 0.25 per cent under GST.