

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

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EPCES CIRCULAR NO. 290

This is with reference to 27th GST Council meeting at Delhi. The salient features of the decisions taken in the meeting are as follows:

1. GST council has approved principles for filing of a **new return design** which would be implemented in 3 phases:

§ **1st phase** – Present system of filing of return i.e. GSTR-3B and GSTR-1 shall continue for a period not exceeding 6 months till the new return software would be ready. GSTR-2 and GSTR-3 shall continue to remain suspended.

§ **2nd phase** – The new return would be brought in the system which would facilitate *invoice wise data upload* and claiming *ITC on self-declaration basis i.e. on provisional basis*, as in case of GSTR-3B currently.

§ **3rd phase** – After 6 months of phase 2, the facility of *provisional credit will get withdrawn* and input tax credit will only be limited to the invoices uploaded by the sellers from whom the dealer has purchased goods.

Also, there are indications that the new return shall be simplified by reducing the content / information required to be filled with an idea of single return per month.

2. In order to incentivize digital payment, the Council has proposed to provide *concession of 2% in GST rate* (where the GST rate on supply is 3% or more) on *B2C supplies*, for which payment is made through *cheque or digital mode*, subject to a *ceiling of Rs. 100 per transaction*.

A welcome step by Government encouraging public by incentivizing in line with the motive of promoting digital Indian economy. However, its practical impact would be watchful considering the same is applicable only on B-2-C transaction with a capping of INR 100.

3. The Council has proposed to levy a new cess under GST viz. 'Sugar Cess' over and above 5% GST rate and further, council has recommended to reduce GST rate on ethanol;

With regard to recommendations mentioned at point no. 2 & 3, the Council has recommended for setting up of a Group of Ministers from State Governments to look into the proposals and make recommendations, keeping in mind the views expressed by GST Council.

This issues with the approval of Officiating Chairman EPCES.
