

# Info Capsule

## CABINET APPROVES FOUR GST BILLS<sup>1</sup>

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the following four GST related bills:

1. The Central Goods and Services Tax Bill 2017 (The CGST Bill)
2. The Integrated Goods and Services Tax Bill 2017 (The IGST Bill)
3. The Union Territory Goods and Services Tax Bill 2017 (The UTGST Bill)
4. The Goods and Services Tax (Compensation to the States) Bill 2017 (The Compensation Bill)

The above four Bills have been earlier approved by the GST Council after thorough, clause by clause, discussion over 12 meetings of the Council held in the last six months.

The CGST Bill makes provisions for levy and collection of tax on **intra-state** supply of goods or services for both by the Central Government. On the other hand, IGST Bill makes provisions for levy and collection of tax on **inter-state** supply of goods or services or both by the Central Government.

The UTGST Bill makes provisions for levy on collection of tax on **intra-UT** supply of goods and services in the Union Territories without legislature. Union Territory GST is akin to States Goods and Services Tax (SGST) which shall be levied and collected by the States/Union Territories on intra-state supply of goods or services or both.

The Compensation Bill provides for **compensation** to the states for loss of revenue arising on account of implementation of the goods and services tax for a period of five years as per section 18 of the Constitution (One Hundred and First Amendment) Act, 2016.

### Background:

The Government is committed to early introduction of GST, one of the biggest reforms, in the country as early as possible. GST Council has decided 1<sup>st</sup> July as the date of commencement of GST. The Finance Minister in his Budget Speech has mentioned that country-wide outreach efforts will be made to explain the provisions of GST to Trade and Industry.

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<sup>1</sup> Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

## **EPFO TAKES VARIOUS STEPS FOR SPEEDY SETTLEMENT OF CLAIMS<sup>2</sup>**

The Employees' Provident Funds Organization (EPFO) has taken various steps for speedy settlement of claims which inter alia include:

- Composite Claim Form (Aadhaar) and Composite Claim Form (Non-Aadhaar) has been introduced by replacing the erstwhile Claim Forms No. 19, 10C and 31, with a view to simplify the submission of claims by the subscribers. The Composite Claim Form has been further simplified to include self-certification by EPF subscribers. The Composite Claim Form (Aadhaar) can be submitted to the EPFO without attestation of their employers.
- EPFO has mandated to settle claims within 20 days.
- Online Transfer Claim Portal (OTCP) has been introduced to facilitate seamless transfer of claims.
- An online payment facility has been developed for employers for payment of dues. The internet banking (INB) facility enhances efficiency and payment and ensures anytime, anywhere online access while usage of existing internet bank account to make payments online.
- National Electronic Fund Transfer (NEFT) has been introduced for payments.

The Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952 is applicable to every establishment employing 20 or more persons which is either a factory engaged in any industry specified in Schedule-I of the Act or an establishment to which the Act has been made applicable by the Central Government by notification in the Official Gazette.

There was a total of 17.14 crore Employees' Provident Fund (EPF) accounts as on 31.03.2016. 12.21 lakh accounts were pending for updation. As per consolidated Annual Accounts of EPFO for the year 2015-16, the closing balance in Interest Account as on 31st March, 2016 is Rs. 45,135.25 crore.

This information was given by Shri Bandaru Dattatreya, the Minister of State (IC) for Labour and Employment, in written reply to a question in Lok Sabha.

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<sup>2</sup> Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

## **REVIEW OF IMPLEMENTATION OF SEZ POLICY<sup>3</sup>**

Ongoing review and reform, as necessary, of Government policy and procedure is inherent to Public Policy. The Government, on the basis of inputs/suggestions received from stakeholders on the policy and operational framework of the SEZ Scheme, periodically reviews the policy and operational framework of SEZs and takes necessary measures so as to facilitate speedy and effective implementation of SEZ policy. Whenever, SEZ policy is reviewed, efforts are made to maintain a level playing field for Domestic Tariff Area industries vis-a-vis SEZ units/Developers.

The following initiatives have been taken in recent years for implementation of the SEZ policy in the country and resolve the issues therein:

- i. Minimum Land Area requirement for setting up of new SEZs has been reduced to 50% for Multi-product and Sector-specific SEZs.
- ii. Sectoral broad-banding has been introduced to encompass similar / related areas under the same Sector.
- iii. A new sector 'agro-based food processing' sector has been introduced to encourage agro-based industries in SEZs.
- iv. Dual use of facilities like Social & Commercial infrastructure by SEZs and non-SEZs entities has been allowed in order to make SEZ operations more viable.
- v. Online processing of various activities relating to SEZ Developers and Units has been introduced for improving ease of doing business.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Lok Sabha yesterday.

## **FILING OF ONLINE RETURN FOR 3RD QUARTER OF 2016-17 — EXTENSION OF PERIOD THEREOF [CIRCULAR NO. 28 OF 2016-17]<sup>4</sup>**

In partial modification to the Department of Trade And Taxes Circular No. 26 of 2016-17 on the subject “**Filing of online return for 3rd quarter of 2016-17 — extension of period thereof**” and in exercise of the powers conferred under Rule 49A of the Delhi Value Added Tax Rules, 2005, I, H. Rajesh Prasad, Commissioner, Value Added Tax, do hereby extend the last date of filing of online/hard copy of third quarter return for the year 2016-17, in Form DVAT-16, DVAT-17 and DVAT-48 along with required annexure/enclosures to 31.03.2017.

However, the tax due shall continue to be paid in the usual manner as per the provisions of section 3(4) of the Delhi Value Added Tax Act, 2004. The dealers filing the returns through digital signature need not file hard copy of return/Form DVAT-56.

<sup>3</sup> Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

<sup>4</sup> Available at: <http://dvatonline.gov.in/Docs/Circulars/1728721.pdf>

## **RBI SEEKS COMMENTS ON DRAFT CIRCULAR ON MASTER DIRECTIONS ON ISSUANCE AND OPERATION OF PRE-PAID PAYMENT INSTRUMENTS (PPIS) IN INDIA<sup>5</sup>**

The Reserve Bank of India has placed on its website for public comments the Draft Circular on “**Master Directions on Issuance and Operation of Pre-paid Payment Instruments (PPIs) in India**”. The comments/suggestions/feedback, if any, may be sent by post to the Chief General Manager–In-Charge, Department of Payment and Settlement Systems, Reserve Bank of India, Central Office, 14th Floor, Shahid Bhagat Singh Marg, Mumbai-400001, or by email, on or before March 31, 2017.

The growing usage of PPis for purchase of goods and services as well as funds transfer has led to the requests from stakeholders and other entities for relaxations in certain areas while strengthening the norms for safety and security, risk mitigation and customer protection aspects related to usage of PPis. Accordingly, a comprehensive review of the PPI guidelines has been undertaken in preparation of these Master Directions and inputs received from various stakeholders over a period of time have also been considered.

The major changes being made in the Master Directions relate to change in entry point norms, KYC requirements, rationalisation of types of PPis, consolidation of various categories of PPis, customer service and protection related aspects such as safety and security of the transactions as also the system, risk mitigation measures, complaint redressal mechanism, forfeiture of unutilised balances, fraud monitoring and reporting requirements, etc.

As indicated in the Press Release dated September 02, 2016, the receipt of fresh applications from banks and non-banks for grant of authorisation to operate a payment system for PPI under Payment and Settlement Systems Act, 2007 was suspended till February 28, 2017. It has now been decided to extend the date till release of final guidelines i.e. April 30, 2017.

***Team ICSI***

*Disclaimer : The information in the Info Capsules is developed according to the information available in public domain and for academic purposes only. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.*

<sup>5</sup> Available at: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=39883](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=39883)