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Highlights - 17th GST Council Meeting and Notifications issued under GST



The 17th Goods and Services Tax (GST) council meeting was held on 18 June 2017 at New Delhi to consider the E-way Bill and other pending rules along with taxation on lottery.

The Key Highlights of the said meeting are as under:

1.0 Relaxation in return filing procedure under GST for the month of July and August

 With the objective of smooth rollout, GST Council has decided to allow to determine tax payable under GST for July and August 2017 based on summary of outward and inward supplies in Form GSTR-3B. However, the detailed outward and inward supply information needs to be furnished under regular GSTR-1 and GSTR-2 on or before extended due dates which are as under:

Month	GSTR-3B	GSTR-1	GSTR-2
July 2017	20 th August	1 st - 5 th September	6 th - 10 th September
August 2017	20 th September	16 th - 20 th Septem-	21 st - 25 th September

- The facility to provide details under GSTR-1 for July 2017 shall be made available by 15th July 2017 onwards.
- There will not be any late fees or penalty for this *interim period* i.e. July 2017 and August 2017 related to said Return filing under GST. This is done with intention to provide a sense of relief to the taxpayers and give them an elbow room to adjust themselves with the requirements of the changed system.

2.0 GST on Lottery

The GST council has approved following rates on lottery under GST regime:

Particulars	GST Rate
Where lottery is run by State Government	12%
Where lottery, authorized by State Government, is run by Private Entity	28%

3.0 Revision in GST rate for Hotels/Restaurants

 The Council has revised the rate of GST as 18% for Hotels having per day room tariff between Rs. 2,500 and Rs. 7,500 which was earlier subject to 28% if tariff exceeds Rs. 5,000.

Summary of revision is as under:

Sr.	Per day tariff	Proposed	
No.		Old Rates	Revised Rates
1	Less than Rs. 1,000	Exempt	Exempt
2	Rs. 1,000 or above but less than Rs. 2,500	12%	12%
3	Rs. 2,500 or more but less than Rs. 5,000	18%	18%
4	Rs. 5,000 or more but less than Rs. 7,500	28%	18%
5	Rs. 7,500 or above	28%	28%

 Supply of Food/drinks in air-conditioned restaurant in 5-star or above rated Hotel shall attract GST rate of 18% with full ITC as against earlier proposed rate of 28% of GST.

4.0 Other aspects

- The GST council in previous meeting held on 11 June 2017 has recommended to increase turnover limit for Composition Levy from 50 Lakh to 75 Lakh for all eligible registered persons. However in this meeting council has clarified that increased turnover limit of Rs. 75 lakh for Composition Levy will not be available for Special category states i.e. existing limit will be applicable to them. Further, turnover limit for the Composition Levy for the state of. Jammu & Kashmir will be decided in due course.
- In addition to above, council has recommended that composition scheme will not be available for manufacturer of following goods

Sr. No.	Classification	Description
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa
2	2106 90 20	Pan masala
3	24	Tobacco and manufactured tobacco substitutes

- The GST Council has deferred mandatory requirement of E-way Bill. This means, at present, the state, which has existing Way bill structure, may continue with it and other states may have their own decision on applicability of E-way Bill in that states.
- The GST Council also recommended that the GST rate on dried singhada and makhana will be 5%.
- The GST council has approved the following 4 pending rules:
 - Advance Ruling Rules and format
 - Anti Profiteering Rules
 - Appeals and Revision Rules and format
 - Assessment and Revision and format

5.0 Notifications

 On 19 June 2017, the Central Board of Excise and Customs (CBEC) has issued following Notifications for Central Tax and Integrated Tax which shall be effective from 22 June 2017, details of GST notification is as under:

Notification issued in relation to	Notification No
Authority to grant GST Registration in case of online information and database access or retrieval services to person who is located in non-taxable territory and received by non-taxable online recipient	02/2017-Integrated Tax
Notified the certain section of the IGST Act, 2017	01/2017-Integrated Tax
Notified the certain section of the CGST Act, 2017	01/2017-Central Tax
Notifying jurisdiction of Central Tax Officers	02/2017-Central Tax
Notifying the CGST Rules, 2017 on registration and composition levy	03/2017-Central Tax
Notifying www.gst.gov.in as the Common Goods and Services Tax Electronic Portal	04/2017-Central Tax
Seeks to exempt persons only engaged in making taxable supplies, total tax on which is liable to be paid on reverse charge basis	05/2017-Central Tax
Modes of verification under CGST Rules, 2017	06/2017-Central Tax

 The next meeting of GST Council shall be held on 30 June 2017 to launch GST by having a Special Midnight Session in Parliament. For further information please contact:

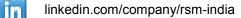
RSM Astute Consulting Pvt. Ltd.

- 13th Floor, Bakhtawar, 229, Nariman Point, Mumbai 400021.
- T: (91-22) 6108 5555 / 6121 4444
- F: (91-22) 6108 5556 / 2287 5771
- E: emails@rsmindia.in
- W: www.rsmindia.in

Offices: Mumbai, New Delhi - NCR, Chennai, Kolkata, Bengaluru, Surat, Hyderabad, Ahmedabad, Pune, Gandhidham and Jaipur.



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This newsflash is general in nature. In this newsflash, we have summarized the extracts of the 17th GST Council meeting held at New Delhi on 18 June 2017. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

19 June 2017

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