

# EDITORIAL



Greetings!!!

The Goods and Services Tax (GST) regime completes three years since it was first introduced on July 1, 2017. The biggest tax reform for indirect taxes in India has created a single market emulating international best practices. The introduction of GST is a game-changer for the Indian economy as it has replaced multi-layered, complex indirect tax structure with a simple, transparent and technology-driven tax regime. It has integrated India into a single, common market by breaking barriers to inter-State trade and commerce. GST aims to eliminate the cascading effect of taxes and reduce transaction costs.

The journey started with the 3 Return forms GSTR1, 2 & 3. GSTR1 is continued to date but the other two were suspended. GSTR-2A has automatically generated for a taxpayer from his seller's GSTR-1 as a reconciliation based response. Taxpayers were required to reconcile Purchase Registers with GSTR-2A. GSTR-3 was replaced by a composite Return GSTR-3B. In the year 2019, GST has gone through various reforms; as new GST returns announced, an extension of filing of Annual Return of the first year due to lack of preparedness of the portal, e-invoicing, and so on.

The GST Council has approved the proposal to introduce electronic-invoice on a voluntary basis in its 37<sup>th</sup> meeting dated 20 September 2019. E-Invoice messaging is a key factor in ensuring the seamless transmission of invoice information in the standard schema notified, in a secured way.

In the present global health crisis caused due to pandemic COVID-19 disease, the Indian Government is providing statutory relief in tax compliances. The GoI has adopted a collective approach, including on taxation front by easing the procedural framework. Extension of statutory deadlines relating to GST annual returns/audit certification to 30 September 2020 and postponement of new GST returns system and e-invoicing to 1st October 2020 is a welcome move and has been well acknowledged, however, next is to address the situation of cash crunch; though the penal provisions on delayed payment of taxes and filing of GST returns have been liberalized.

In the forthcoming days, revisiting the law can make

the necessary changes and will further ease the process of tax filing by removing the unnecessary flaws, improve the country's GDP growth, ease of doing business, expansion of trade, and industry in the country making India a significant economic power. It is important to lay down a clear, taxpayer-centric strategy to ensure predictability and consistency in the application of the GST laws and procedure. Efforts should be undertaken to widen the tax-base, rationalize rates, and simplify the law. Initiatives such as E-invoicing should be broadened to cover pre-filled return/refund claims as well as risk-based E-Audit. The IT platform should be made more robust for richer user experience. Input Tax Credit, the very soul of GST, should be freed of needless restrictions. The data-analytics driven compliance strategy should target the fraudsters, rather than impose fetters on the honest taxpayers. A more judicious advance ruling mechanism and commencement of the GBST Appellate Tribunal would greatly benefit taxpayers.

The Cost Accountants have an emerging and dynamic role to play in the regime of GST. The CMAs may provide the required guidance and advisory services to eradicate bottlenecks in finance, production, taxation, administration, supply chain management, etc. They are competent enough to maintain systematic records of the credit of input/output service and its proper utilization, assist the businesses entities in providing assistance towards GST registration, claiming tax credits, ensuring all necessary legal compliances, procedural formalities and other administrative follow-ups; make representations before the Appellate Tribunals for Dispute Resolution of GST; perform audit functions like a review of record & procedural aspects, verification of returns, reconciliation between submissions to various authorities, statutory compliance & Audit, Internal Audit and System improvement.

This issue presents a good number of articles on the cover story theme '*Goods & Services Tax (GST): Recent Changes and Emerging Issues*' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at [editor@icmai.in](mailto:editor@icmai.in). We thank all the contributors to this important issue and hope our readers enjoy the articles.