

# Bimal Jain

FCA, FCS, LLB, B.Com (Hons)

Dear Professional Colleague,

## Government releases Revised Model GST Law along with Draft GST Compensation Bill

With step-by-step progress towards Goods and Services Tax (“GST”), the Country is all set to witness the biggest indirect tax reform of unmatched importance in independent India. GST is a biggest game changing indirect tax reform for Indian economy, aimed at undoing Inter-State barriers to trade in goods and services by subsuming around 17 indirect taxes, viz. Excise Duty, Service Tax, VAT, CST, Luxury tax, Entry Tax, etc.

In order to engage with the stakeholders and invite comments from the public at large, the Central Government earlier put the Model GST Law on public domain on June 14, 2016. Industry Inc made threadbare analyses of the provisions contained therein and various suggestions were submitted to the Government through various forums.

Taking into consideration the suggestions received from Trade and Industry, the Central Government has now released Revised Model GST Law along with Draft GST Compensation Bill, which has now been put on public domain.

The Draft Law is a model which the Central Government and each of the State Governments would use to draft their respective Central and State GST Acts. Further, a Draft of the Integrated GST Act, 2016, which will govern levy of GST on inter-State supplies by the Central Government, is also issued.

The Revised Model GST Law provides an insight on the governing provisions regarding levy and collection of GST after incorporating various suggestions provided by the Stakeholders.

***“These Laws will be considered by GST Council in its meeting scheduled for 2<sup>nd</sup> and 3<sup>rd</sup> Dec and finalised.....”***

**Tweet by Dr. Hasmukh Adhia, Revenue Secretary**

The **Revised Model CGST/SGST Law** also states that the Act shall be referred as the Central/ State Goods and Services Tax Act, 2016. The Revised Model CGST/SGST Law consists of:

Revised Model CGST/SGST Law	Earlier Model CGST/SGST Law
197 Sections	162 Sections
27 Chapters	25 Chapters
5 Schedules: <ul style="list-style-type: none"><li>• <u>Schedule I</u>: Matters to be treated as supply even if made without consideration</li><li>• <u>Schedule II</u>: Matters to be treated as supply of goods or services</li></ul>	4 Schedules: <ul style="list-style-type: none"><li>• <u>Schedule I</u>: Matters to be treated as supply without consideration</li><li>• <u>Schedule II</u>: Matters to be treated as supply of goods or services</li><li>• <u>Schedule III</u>: Liability to be registered</li></ul>

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<ul style="list-style-type: none"><li>• <u>Schedule III</u>: Activities or transactions which shall be treated neither as a supply of goods nor a supply of services</li><li>• <u>Schedule IV</u>: Activities or transactions undertaken by the Central Government, a State Government or any Local Authority which shall be treated neither as a supply of goods nor a supply of services</li><li>• <u>Schedule V</u>: Persons liable to be registered</li></ul>	<ul style="list-style-type: none"><li>• <u>Schedule IV</u>: Activities or transactions in respect of which the Central Government, a State Government or any Local Authority shall not be regarded as a taxable person</li></ul>
No separate GST Valuation Rules provided	GST Valuation (Determination of the Value of Supply of Goods and Services) Rules, 2016

To access Revised Model CGST/SGST Law, please access the following link:

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/draft-model-gst-law-25-11-2016.pdf>

The **Revised Model IGST Law** also states that the Act shall be referred as the Integrated Goods and Services Tax Act, 2016. The Revised Model IGST Law consists of:

Revised Model IGST Law	Earlier Model IGST Law
24 Sections	33 Sections
11 Chapters	11 Chapters

To access Revised Model IGST Law, please access the following link:

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/draft-igst-law-25-11-2016.pdf>

Further, the **Draft Goods and Services Tax (Compensation to the States for loss of Revenue) Bill, 2016** has also been placed, to provide compensation to the States for loss of revenue arising on account of implementation of the GST for a period of five years as per Section 18 of the Constitution (One Hundred and First Amendment) Act, 2016.

To access Draft GST Compensation Bill, please access the following link:

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/draft-gst-compensation-law.pdf>

*Hope the information will assist you in your Professional endeavours. In case of any query/information, please do not hesitate to write back to us.*

Thanks & Best Regards,

**Bimal Jain**

Mobile: +91 98106 04563; E-mail: bimaljain@hotmail.com

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**Author of a book on Goods and Services Tax, titled, "GST LAW AND ANALYSES – WITH CONCEPTUAL PROCEDURES" (2<sup>nd</sup> Edition)**

**A2Z TAXCORP LLP**

**Tax and Law Practitioners**

**Delhi:**

Flat No. 34B, Ground Floor,

Pocket – 1, MayurVihar Phase-1

Delhi – 110091 (India)

Tel: +91 11 22757595/ 42427056

**Allahabad:**

B2-3/4-31 Sarojani Apartments

Sarojani Naidu Marg

Allahabad - 211001

**Chandigarh:**

H. No. 908, Sector 12-A,

Panchkula, Haryana - 134115

Email: bimaljain@hotmail.com

Web: www.a2ztaxcorp.com

LinkedIn: <https://in.linkedin.com/pub/bimal-jain/14/601/4b4>

Face book: [facebook.com/bimal.jain.90](https://facebook.com/bimal.jain.90)

Twitter: <https://twitter.com/JainTax>

YouTube: <https://www.youtube.com/channel/UCp0tT5ShjB4KHJRSIPc3t5w>

**We can now also be contacted at below mentioned address:**

Mobile: +91 98106 04563; E-mail: bimaljain@hotmail.com

# Bimal Jain

FCA, FCS, LLB, B.Com (Hons)

<b>Bengaluru Office:</b>	<b>Kolkata Office</b>	<b>Dhanbad Office:</b>
Adarsh Residency, Block F, 4th Floor, (F404) 47th Cross, Jaynagar 8 <sup>th</sup> Block,  Bengaluru, Karnataka-560070  Email: <a href="mailto:bengaluru@a2ztaxcorp.com">bengaluru@a2ztaxcorp.com</a>	10 Bow Street, 2 <sup>nd</sup> Floor, Near Central Metro Station, Besides Calcutta Motor Dealers Association,  Kolkata, West Bengal- 700012  Email: <a href="mailto:kolkata@a2ztaxcorp.com">kolkata@a2ztaxcorp.com</a>	2 <sup>nd</sup> Floor, Shree Laxmi Complex,  Dhanbad, Jharkhand- 826001  Email: <a href="mailto:dhanbad@a2ztaxcorp.com">dhanbad@a2ztaxcorp.com</a>

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