

**Dear Professional Colleague,**

### **GST Bill gets President's assent –Now becomes a law**

The Government's plan to roll out Goods and Services Tax ("GST") from April 1, 2017, has moved an inched closer to the reality with the Hon'ble President Shri. Pranab Mukherjee signing the Government's flagship Constitution (122<sup>nd</sup> Amendment) Bill, 2014 on GST ("GST Bill"), just a while ago. The much-awaited GST now becomes a law with President signing the GST Bill after more than 16 States (BJP-ruled Assam being the first one) ratified it.

After being assented by the President, the **GST Bill will be enacted as the Constitution (101<sup>st</sup> Amendment) Act, 2016**, to pave the way for much-awaited roll out of the landmark tax reform that will create a common national market of 1.25 billion people. GST, the biggest indirect tax reform since independence, is aimed at dismantling Inter-State barriers to trade in goods and services by subsuming a slew of around 17 indirect taxes viz. Excise Duty, Service Tax, VAT, CST, Luxury tax, Entertainment Tax, Entry Tax, etc.

Earlier, the Rajya Sabha has unanimously passed the ambitious GST Bill, as amended with over 2/3 majority on August 3, 2016, followed by its approval by the Lok Sabha on August 8, 2016. The key to forging consensus was the amendments the National Democratic Alliance (NDA) effected in the GST Bill, which importantly included dropping of 1% additional tax on Inter-State sale of goods and a definite provision in the statute for 100% compensating the States for any revenue loss for 5 years, amongst others.

With the President giving his assent to the GST Bill, a GST Council will be set up within 60 days of the enactment of the GST Bill, comprising the Union Finance Minister as Chairman, MOS–Revenue/Finance and State Finance Ministers as Members of the GST Council, which will make important recommendations on GST rates, Common list of Exempted goods and services, dual control & adjudication, subsumation of surcharge and cesses, etc. Thereafter, following legislations—Central GST (CGST) and Integrated GST (IGST) will have to be passed by Parliament and a State GST (SGST) legislation by each of the State Legislatures.

The States and the Centre are working overtime and talking to stakeholders to draft the CGST, SGST and IGST laws, which are to be passed in the Winter Session of Parliament in November this year. Today is indeed a landmark day for the economy.

### **Video Presentation on GST**

- **Highlights of Draft GST Law, 2016:** <https://www.youtube.com/watch?v=7ByfCXugAk0>
- **Presentation on Draft GST Law - Levy, Taxable Event: Supply, Taxable Person, Composition Scheme:** <https://www.youtube.com/watch?v=XrWHZMzf8GQ>
- **GST impact & preparedness for Service sector:**  
<https://www.youtube.com/watch?v=0Hwh92GSm-A>

*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,

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