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GST Council Secretariat

Press Release

The 2nd National GST Conference of the Commissioners of State Tax and Chief Commissioners of Central Tax was held on 7.1.2020 in Vigyan Bhawan, New Delhi under the chairmanship of Shri Ajay Bhushan Pandey, Union Revenue Secretary. This multi-faceted Conference was focused on brainstorming session for streamlining Goods and Services Tax (GST) system and plugging revenue leakages. This was the second all India Conference where both tax administrations came together formally to build synergy and to share their knowledge and best practices with intent to bring about uniformity in tax administrations. Primarily, the Conference deliberated on a mechanism and machinery for disseminating inter-departmental data among various agencies like GSTC, CBDT, CBIC, FIU, DoR, DGGI and State Tax Administrations etc. in order to achieve efficiency in curbing evasion and augment revenue collection. All Chief Commissioners of Central Tax Zones, State Commissioners of State Taxes, Directors General of CBIC, members of CBIC, Chairman, CBDT along with his team of Senior officers, Director of FIU-India along with his team of Senior officers, Senior officers of the CBIC and Department of Revenue, technical team of GSTN led by EVP GSTN and officers from the GST Council Secretariat etc. participated in the Conference.

Various presentations were made in the Conference, notably, Commissioner (Investigation), CBIC presented an overview of fake/fraudulent ITC; DG, DRI presented few novel cases unearthed by them, including a case having Pan-India operation and methodology to curb misuse of refund of ITC/IGST; DG, ARM presented use of data analytics, artificial intelligence and machine learning for early identification of fraudulent practices needing enforcement action to bring a focused approach to the evaders without bringing inconvenience to the genuine taxpayers. CBDT and FIU-India made their presentations on exchange of data and disseminating STR for curbing evasion.

GST policy Wing, CBIC presented regarding bridging the compliance gap and enhancing revenue, which would result in recovering unmatched credit, reviewing refunds, management of non-filers, reporting of electronic invoice to GST system and comprehensive and coordinated audit.

As an outcome of in-depth deliberation, the following measures were decided for necessary action:

- (1) To constitute a Committee of Centre and State officers to examine and implement quick measures in a given time frame to curb fraudulent refund claims including the inverted tax structure refund claims and evasion of GST. The Committee will come

- out with detailed SoP within a week, which may be implemented across the country by January end.
- (2) Considering fraudulent IGST refund claims, it was explored to link foreign exchange remittances with IGST refund for risky and new exporter.
 - (3) All major cases of fake Input Tax Credit, export/import fraud and fraudulent refunds shall also be compulsorily investigated by investigation wing of the Income Tax Department.
 - (4) MoU would be signed among CBDT, CBIC and GSTN to exchange data through API, from CBDT to GSTN and CBIC and vice-versa. It was decided that this data should be shared on quarterly basis, instead of being shared on yearly basis.
 - (5) To explore access to banking transactions including the bank account details by GST system, in consultation with RBI and NPCI. It was also explored to make GST system aligned with FIU for the purpose of getting bank account details and transactions and also PAN based banking transaction.
 - (6) To share data of cases involving evasion and fraudulent refund detected by CBIC with CBDT and vice versa, so that proper profiling of these fraudsters could also be done.
 - (7) It was also explored to provide for that there should be single bank account for foreign remittance receipt and refund disbursement.
 - (8) A self-assessment declaration to be prescribed by suitable amendments in GSTR Forms in case of closure of businesses.
 - (9) To undertake verification of unmatched Input Tax Credit availed by taxpayers.

The Central Tax Zonal office of Mumbai and Vadodara also made presentations regarding best practices being followed by them in compliance management and revenue augmentation in their respective tax administrations. States, namely Gujarat and Andhra Pradesh presented the best practices followed by them.

The approach of strengthening enforcement through data exchange, sharing knowledge and best practices for a common national goal that leads to enhanced compliance management and revenue augmentation and at the same time ensuring that genuine taxpayers are not harassed was welcomed by all.
