

**Suggestions**  
on  
**Leveraging of Technology - Improvement of Taxpayer Services  
and Widening of Tax Base**

July, 2023



*GST & Indirect Taxes Committee*

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

**NEW DELHI**



## INTRODUCTION

1. The Institute of Chartered Accountants of India considers it a privilege to submit its suggestions on the theme, 'Leveraging of Technology - Improvement of Taxpayer Services and Widening of Tax Base.'
2. We look forward to contributing in the smooth implementation of GST laws in India.
3. In case any further clarifications or data is considered necessary, we shall be pleased to furnish the same. The contact details are:

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## I. Suggestions on GST Portal

S. No.	Type of the suggestions	Function -ality proposed	Suggestions in brief	Justification for the suggestions
1	2	3	4	5
A.	<b>Improvement of taxpayer services</b>	Existing	<p>1. GSTN does not allow to add more than 10 partners / directors in the GST registration application form (Form GST REG-01).</p> <p><b>Suggestion</b></p> <p>Addition of more than 10 partners / directors may be allowed by the GST portal.</p>	<p>As per the Company Act, 2013, there can be maximum of 15 directors in terms of section 149(1)(b) in a private or public limited company. It has also been provided under company law that a company can appoint even more than 15 directors after passing a special resolution.</p> <p>Also, there can be more than 10 partners in a Partnership firm or Limited Liability Partnership (LLP).</p>
			<p>2. There is no facility on the GST Portal to amend exempt, nil rated, non-GST supply reported in Form GSTR-1 during any tax period.</p> <p><b>Suggestion</b></p> <p>A new table may be added to amend the same in Form GSTR-1.</p>	<p>It will be beneficial for the taxpayers as well as for the department for proper reporting of information.</p> <p>For example, in a particular month, the amount of credit note is higher than the amount of bill of supply issued, in this case, taxpayer is unable to feed negative figures on Form GSTR-1 as there is only one column and negative figures are not allowed.</p>



		<p>3. B2B invoices of recipients whose registrations have been cancelled, suspended or are inactive cannot be uploaded in GSTR-1.</p> <p><b>Suggestion</b></p> <p>Uploading of invoices of recipients whose registrations have been cancelled, suspended or are inactive in GSTR-1 may be allowed.</p>	<p>This will enable the recipient to take ITC when the cancellation of registration is revoked. Also, there will be no difference in reporting of liability by the supplier.</p>
		<p>4. While filing appeal in Form GST APL-01, GST Portal is rejecting appeal by considering the time limit from the date of order.</p> <p><b>Suggestion</b></p> <p>Enable 'date of communication' of Orders along with 'date of order' in online Form GST APL-01. Filing of appeal in Form GST APL-01 may be allowed by the GST portal after considering date of communication of order.</p>	<p>Date of order is not date of communication of Order. Online appeals are often rejected by the portal.</p> <p>Section 107(1) also states that <i>"any person aggrieved by any decision or order passed under this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act by an adjudicating authority may appeal to such Appellate Authority as may be prescribed <b>within three months from the date on which the said decision or order is communicated to such person</b>".</i></p>
		<p>5. GST Portal does not allow to report negative figures in Table 3.1 of Form GSTR-3B.</p> <p><b>Suggestion</b></p> <p>Allow negative figures to be reported in Table 3.1 of Form GSTR-3B.</p>	<p>There are many taxpayers whose business are seasonal in nature e.g. readymade garments. In these sectors during festival season, sales are massive but later on there are sales return without any sales resulting in sales return more than sales. Form GSTR-1 allows to report credit</p>



				note but Form GSTR-3B does not allow the same even if these figures are auto-populated.
		<p><b>6.</b> Currently, if a taxpayer is making outward supply of good/services liable to be taxed under reverse charge mechanism (RCM), the same is reported in Table 4B in Form GSTR-1 which is subsequently auto-populated in row (a) of Table 3.1 in Form GSTR-3B.</p> <p><b>Suggestion</b></p> <p>The outward supplies taxable under reverse charge may be auto-populated in Form GSTR-3B in either row (c) of Table 3.1 or a new row may be introduced for this purpose.</p>	<p>Details relating to outward supply of goods and / or services which is liable to tax under RCM, auto-populates in row (a) of Table 3.1. When a taxpayer edits the table and manually feeds in row (c) by removing from row(a), the GST portal converts the table into RED color.</p> <p>To ensure proper reporting of information, figures should be auto-populated into relevant row.</p>	
		<p><b>7.</b> GST portal only generates monthly and quarterly Form GSTR- 2B for the purpose of reconciliation.</p> <p><b>Suggestion</b></p> <p>It would be more beneficial for the taxpayers if the GST portal generates Form GSTR-2B on annual basis also.</p>	<p>This will enable the taxpayer to reconcile input tax credit and will reduce chances of errors to large extent.</p>	
	New	<p><b>8. Suggestion</b></p> <p>Notices, communications, intimations sent to the taxpayer should be shown as a pop up in the</p>	<p>The taxpayers often miss important communications as they are not adequately displayed in the portal to catch his attention.</p>	



			<p>taxpayer's dashboard whenever the taxpayer logs in to his account. This will reduce the chances of taxpayers missing important information.</p> <p>9. Any query raised on <a href="http://gst.gov.in">gst.gov.in</a> by the taxpayer is replied by the technical team of GSTN through its portal - <a href="https://selfservice.gstsystem.in/">https://selfservice.gstsystem.in/</a> and no communication is shared with proper officer. Also, the communication to proper officer is made offline and is not a part of GST portal system.</p> <p><b>Suggestion</b></p> <p>All kinds of grievances may be raised only on GST portal and all related communications be also shared with the Proper officer also for his information. Every communication chain should contain a reference number.</p>	
<b>B.</b>	<b>Widening of tax base</b>	New	<p>1. GSTIN may be made mandatory for opening a current account in a bank and suppliers who are not liable to GST may be required to give an undertaking/declaration to this effect.</p>	<p>Current account is a business account and thus, GSTIN should be made mandatory so that the eligible businesses are captured in the system from the inception. Undertaking/declaration from the exempted ones may also be used for verification from time to time.</p>
			<p>2. Income tax law has provisions of presumptive taxation for small assesseees who can declare</p>	



			income at a prescribed rate and, in turn, are relieved from tedious job of maintenance of books of account and also from getting the accounts audited. System-based verification of such assesseees can be done with respect to GST compliance.	
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## II. Other Suggestions

S. No.	Type of the suggestions	Function ality proposed	Suggestions in brief	Justification for the suggestions
1	2	3	4	5
A.	Improveme nt of taxpayer services	New	1. Allow credit on RCM payments <i>via</i> Form GST DRC-3 also by permitting linking into electronic credit ledger	When restriction under section 17(5)(i) is not applicable, denial of credit on payments under 73(5) via Form GST DRC-3 is contrary to law
		New	2. Amnesty scheme may be introduced in order to resolve the pending litigation under indirect taxes to reduce pendency and augment Government revenue.	Reducing litigation and augmenting Government revenue