

PRESS RELEASE

In the 39th meeting of the GST Council, held on 14.03.2020, Shri Nandan Nilekani, on behalf of Infosys, made a presentation addressing the system related issues that are being faced by the taxpayers in the GST system. He first gave the summary of the recently observed IT issues and the way forward to resolve them.

2. He suggested that in order to smoothen the rollout of the new return system, and to ensure a better uptake of the new return, the transition to the new return system may be made in an incremental manner. He suggested that the process may be initiated by addressing the compliance related issues first so that the problem of tax evasion and gaming of the system due to non-linking of **FORM GSTR-1** and **FORM GSTR-3B** is addressed immediately. The journey could start with linking of the details of the statement of outward supplies in **FORM GSTR-1** to the liability in **FORM GSTR-3B**. This would be followed by the linking of the input tax credit in **FORM GSTR-3B** to the details of the supplies reflected in the **FORM GSTR-2A**. In order to tackle evasion and preventing the gaming of the system, implementation of Aadhaar authentication and spike rules would also be initiated.

3. He informed the Council that to augment the capacity of the IT system to concurrently handle 3 lakh taxpayers from the present level of 1.5 lakh taxpayers, hardware procurement process has been initiated which is slightly impacted by the Covid-19 pandemic.

4. The GST Council further made the following suggestions after due discussions-

(a) Shri Nandan Nilekani would attend the next 3 meetings of the GST Council and update the council of the status of implementation of the decisions taken by the Council and assist the Council in taking appropriate decisions on technology related issues,

(b) To support the timely implementation of various initiatives, the Council gave a go ahead for deployment of additional manpower (60 in number) on T&M basis and assured that both on procurement of additional hardware and hiring of manpower, expeditious approvals would be given however the return filing experience of the taxpayers and removal of technical glitches needs to be carried out urgently.

5. Shri Nandan Nilekani assured that he would personally monitor the progress of the GSTN project and also agreed to attend the IT-GoM for the next 6 months or till such time the initiatives are implemented. The GST Council expects these initiatives to be implemented by the 31st of July, 2020.
