

## **PRESS RELEASE**

6<sup>th</sup> October, 2017

### **Recommendations made by the GST Council in the 22<sup>nd</sup> meeting at New Delhi on 6<sup>th</sup> October, 2017**

The GST Council, in its 22<sup>nd</sup> meeting held at New Delhi on 6<sup>th</sup> October 2017, has recommended the following facilitative changes to ease the burden of compliance on small and medium businesses:

#### **Composition Scheme**

1. The composition scheme shall be made available to taxpayers having annual aggregate turnover of up to Rs. 1 crore as compared to the current turnover threshold of Rs. 75 lacs. This threshold of turnover for special category States, except Jammu & Kashmir and Uttarakhand, shall be increased to Rs. 75 lacs from Rs. 50 lacs. The turnover threshold for Jammu & Kashmir and Uttarakhand shall be Rs. 1 crore. The facility of availing composition under the increased threshold shall be available to both migrated and new taxpayers up to 31.03.2018. The option once exercised shall become operational from the first day of the month immediately succeeding the month in which the option to avail the composition scheme is exercised. New entrants to this scheme shall have to file the return in FORM GSTR-4 only for that portion of the quarter from when the scheme becomes operational and shall file returns as a normal taxpayer for the preceding tax period. The increase in the turnover threshold will make it possible for greater number of taxpayers to avail the benefit of easier compliance under the composition scheme and is expected to greatly benefit the MSME sector.
2. Persons who are otherwise eligible for composition scheme but are providing any exempt service (such as extending deposits to banks for which interest is being received) were being considered ineligible for the said scheme. It has been decided that such persons who are otherwise eligible for availing the composition scheme and are providing any exempt service, shall be eligible for the composition scheme.
3. A Group of Ministers (GoM) shall be constituted to examine measures to make the composition scheme more attractive.

#### **Relief for Small and Medium Enterprises**

4. Presently, anyone making inter-state taxable supplies, except inter-State job worker, is compulsorily required to register, irrespective of turnover. It has now been decided to exempt those service providers whose annual aggregate turnover is less than Rs. 20 lacs (Rs. 10 lacs in special category states except J & K) from obtaining registration even if they are making inter-State taxable supplies of services. This measure is expected to significantly reduce the compliance cost of small service providers.