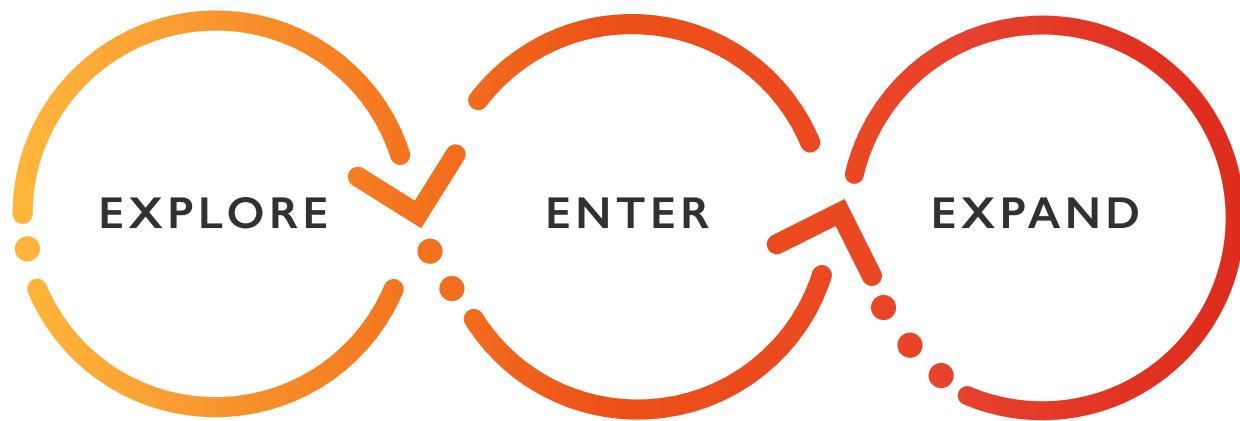
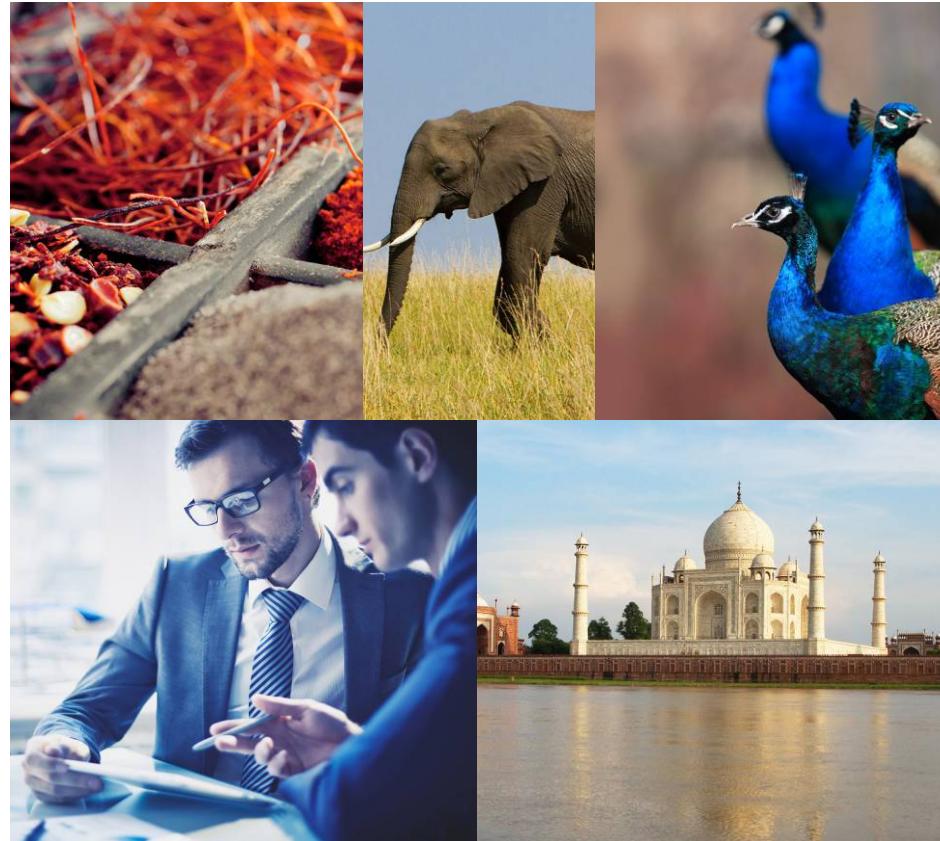




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Goods & Service Tax (GST) in India – Recent important updates

The Indian Government continues to push for a target date of April 1st, 2017 for the roll out of the GST country-wide. In this update we share some of the recent outcomes of government GST council meetings on rates and registrations – which is an important next step for foreign organizations doing business in India.



What is tax rate structure proposed under GST?

In GST council meeting held on 3rd November, 2016 has finalized a 4 tier rate structure:

- Four GST slabs have been set at 5%, 12%, 18% and 28% for different items or services.
- To keep inflation in check, essential items including food will be taxed at a 'zero' rate. The lowest rate of 5% would apply to common use items.
- The peak rate of 28% will apply to luxury goods. Luxury cars, tobacco products and aerated drinks will attract an additional cess on top of the highest tax rate.
- The additional cess and a clean energy cess will create a revenue pool which can be used to compensate states for any loss of revenue during the first five years of the implementation of GST.
- The Finance Minister has pointed out that the average tax rate is lower than the 18% demanded by opposition parties.
- GST on services will go up from 15% (ServiceTax rate) to 18 % which will lead to a short term increase in cost of services.
- Fitment or categorization of items for each slab will be done by officials and will then be approved by the GST Council.

How can a registration under GST be obtained?

GST registrations shall start on November 8, 2016. Taxpayers with existing tax registrations (PAN) shall be allowed to fill details & submit proofs. All the taxpayers registered under any of the other regulations which are to be subsumed under GST, have to visit the GST System Portal and enroll themselves.

Before enrolling with GST, one must ensure to have requisite information and documentation at hand. Please reach out to us in case you need any further details of the type of documents required. Documents shall include details of company incorporation, the authorized signatory, bank as well as contact details.

Newslink: - <http://bit.ly/2f0jrbk> / <http://bit.ly/2ejWUCf> / <http://bit.ly/2epS7FB>

What do I need to do next?

- (I) Watch out for more updates on laws / timelines proposed by the Government for implementation of GST
- (ii) Reach out to us to conduct an impact assessment once rules are finalized. Currently these rules are on fast track and are expected to be finalized in the next 3-4 months
- (iii) Understand from us how tax rates and compliances will impact your business and be ready for the new law to be in full force from April 1, 2017
- (iv) Ensure that all steps are taken during the transition phase to smoothly integrate GST with current systems

ABOUT SANNAM S4

We enable globally-ambitious organizations such to explore, enter and expand into dynamic and high-growth markets throughout the world. Our focus is to always act as your trusted partner, doing our utmost to ensure that your organization establishes a strong in-country platform and maximizes the return on your expansion investment.

In all the countries that we operate, our local teams deliver a comprehensive range of services – including market feasibility, financial compliance, finding and managing people, developing infrastructure and more – all backed by real, practical in-market experience and expertise.

For further details and to understand the impacts and actions to take related to above, please contact:



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