



GST @ 6 An insight into the sixth year of GST



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- **Exploring the GST catalyst:** Impetus on business and efficient tax administration
- **Scope for upgrades:** Analysing areas of improvement under GST
- **Navigating the way forward:** The industry's strategic suggestions for enhancing GST implementation

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Objective

- Ascertain industry views on GST journey, with focus on areas of **ease of doing business (EoDB) and tax technology adoption**
- Analyse industry suggestions to boost **investment centric-growth** and 360-degree **profiling of taxpayers**
- Examine industry suggestions and **recommendations for GST implementation**



Methodology

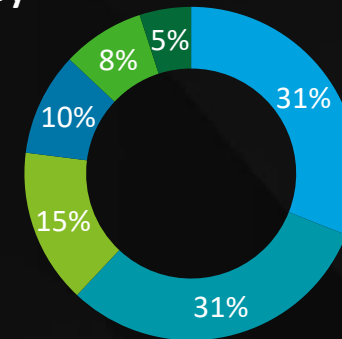
- Online survey conducted with senior leaders across industries and categories of companies
- The survey comprised **28** questions on organisations' tax experience, the impact of recent compliance initiatives, tax technology and recommended measures to expedite industry growth
- A total of **612** responses were collated from **six** industries

Note: The survey contained multiple select and single-select questions. The sum of the percentages of multiple-choice questions will be more than 100 percent.



Respondent Profile

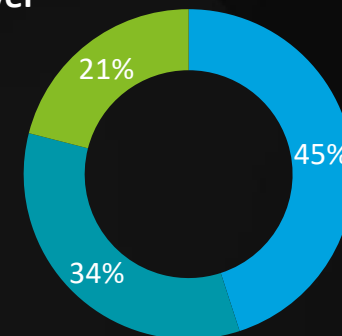
Industry



- Consumer
- Energy, Resources & Industrials
- Lifesciences & Health care
- Technology, Media and Telecommunications
- Financial Services
- Government & Public Services

N - 612

Turnover



- Above INR 3,000 crores
- INR 250 crore – INR 3,000 crore
- Less than INR 250 crore

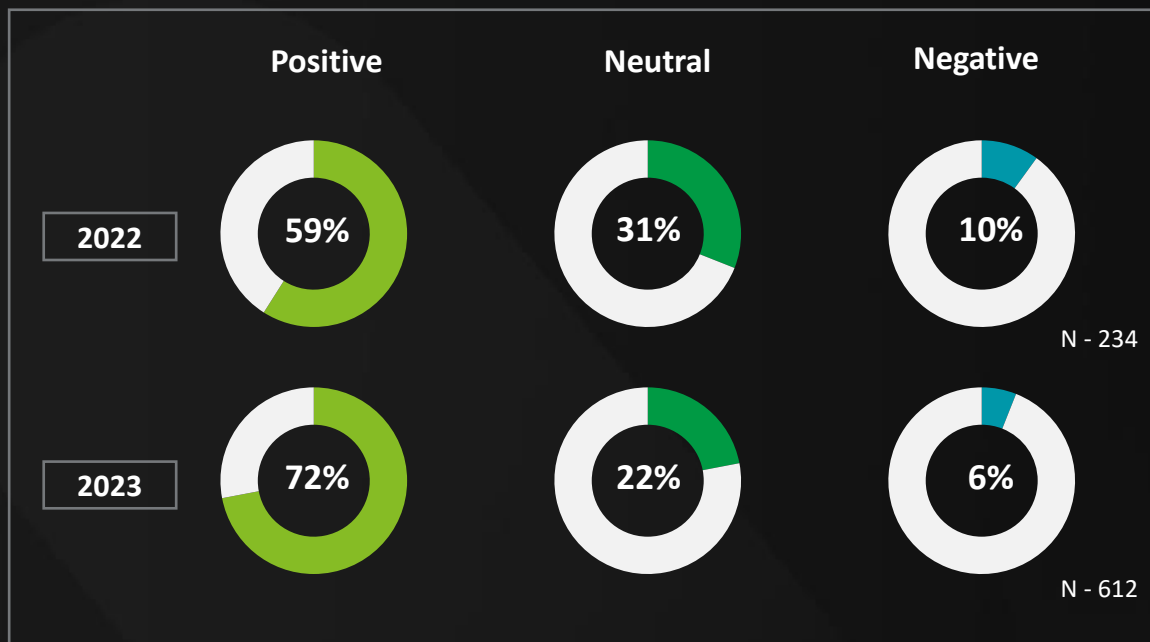
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Survey snapshot – GST @6

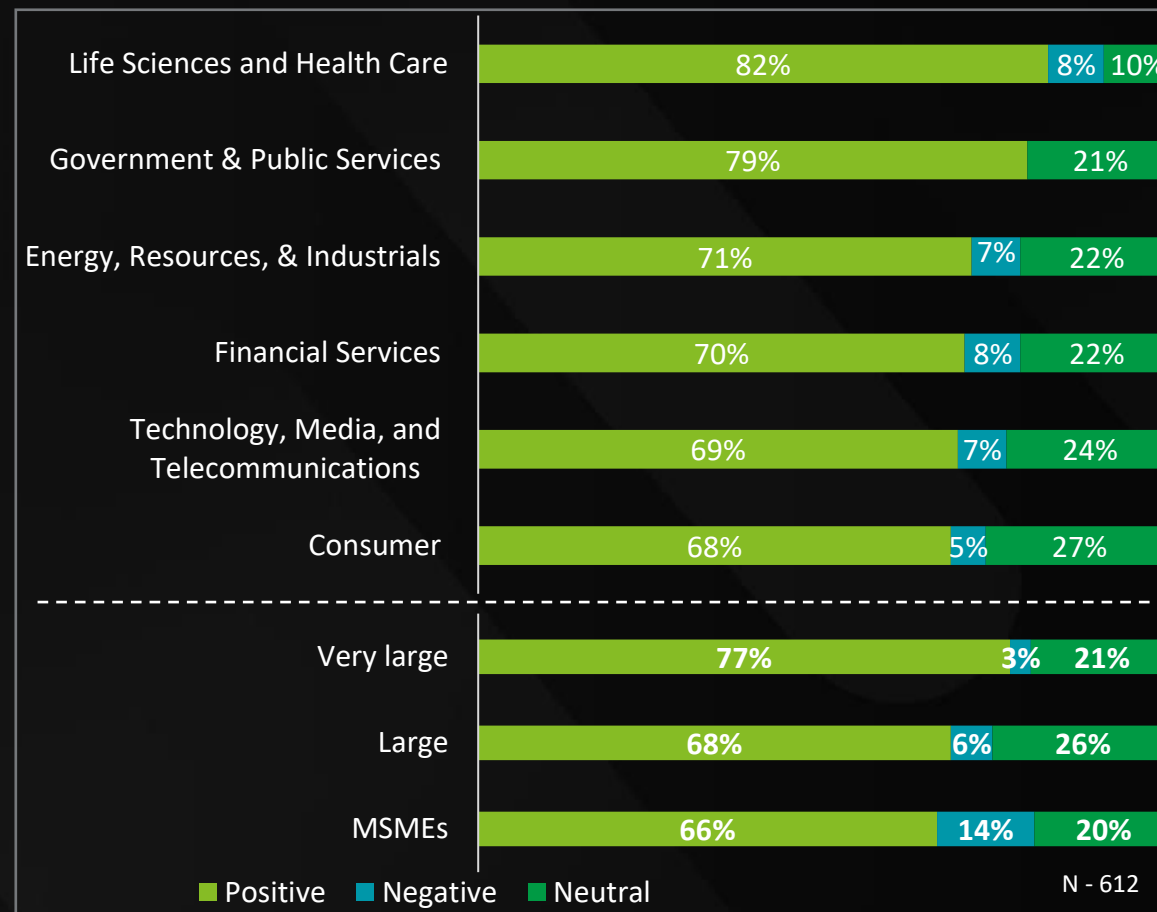


94% of respondents across industries expressed an affirmative sentiment towards GST

- 72 percent respondents highlighted that they had a positive experience with GST law in contrast with 59 percent agreeing with this sentiment last year.
- 6 percent respondents expressed less favourable views on their experience.



- Respondents acknowledged that the Government's proactive measures, specifically over the past year to simplify compliance, have played a crucial role in fostering a positive GST experience.



Executive summary

- Deloitte's point of view
- 6 Pillar Survey



01

GST revenue collections and e-waybill generation have come to be recognised as **high-frequency indicators** for measuring economic activity

02

72 percent of the GST@6 survey respondents acknowledge the **positive impact** of GST as compared with 59 percent in last year's survey. The percentage of neutral respondents has come down from 39 to 22 percent, indicating a wider acceptance of GST

03

Survey results reflect a positive outlook towards EoDB in India with enhanced **supply-chain efficiencies, working capital rationalisation, input cost reduction**, etc.

04

The GST@6 survey sought a deeper understanding of industry views on the **integration of GST with EoDB**

05

Continued focus on **simpler and more efficient tax technology initiatives** (GSTR 2B, sequential filing of returns, transition of e-invoicing data, etc.) have been positively received

06

MSMEs indicated a positive reaction towards tax **optimisation, threshold relaxation for compulsory registration**, etc.

07

Large and medium organisation have significantly **welcomed the introduction of e-invoicing**, while responses from MSMEs on this initiative has been moderate

08

FY2022-23 demonstrated GST collection buoyancy with a record **22 percent growth** (resilience of the economy)

1



Ease of doing business in India (EoDB)

- **Overall outlook:** 72 percent respondents highlighted that they had a positive experience with GST law in contrast with 59 percent last year. 6 percent respondents expressed less-favourable views on their experience.
- **Significant reduction of cost:** Respondents agreed on the reduction of goods and services costs (elimination of cascading, multiplicity of taxes).
- **80 percent** business leaders expressed that it was time for the next phase of GST reforms for **EoDB** and sectoral growth.
- **Government efforts over the last six years appreciated:** Structural and procedural efforts, so far, have been appreciated by respondents.
- **MSMEs' need for growth:** Enabling MSMEs (issues around input tax credits) have been seen as a catalyst for boosting economic progress.

2



Tax technology

- **Overall outlook:** Respondents have been appreciative of the Government's efforts in utilising technology to facilitate compliances and improve efficiency in tax administration.
- **Government efforts over the last six years appreciated:** Respondents appreciated Government efforts of simplifying compliances, streamlining vendor management, e-invoicing and integration of the e-invoice with the GST portal, introducing sequential filing of returns, etc.
- **MSME needs from a technology aspect:** About 13 percent MSME respondents believe that there is a need for the relaxation of the e-waybill procedure.

3



360-degree profiling of taxpayers

- Tax authorities can utilise digital laboratories to enhance capabilities in areas, such as risk assessments, comprehensive taxpayer profiling, and overall compliance levels.
- Areas where digital laboratories will help: Addressing and managing invoices and input tax credit fraud, undervaluation of taxable goods and services, the correctness of returns being filed, etc.
- 89 percent respondents believe real-time data will lead to first-time correctness in data processing and control, which 43 percent respondents believe will eventually reduce post-facto rectifications and amendments.
- A significant majority (79 percent) of the respondents recognise the detection of fake invoices as a prominent aspect following the establishment of digital forensic laboratories.

4



Focus on investment-centric growth

- **93 percent respondents perceive the GST regime to supplement the Government's Make in India (Atmanirbhar Bharat) movement.**
- **In pursuit of investment-driven growth, respondents highlight the significance of area-based exemptions and recognise the role played by the GST regime in supporting the Make in India initiative.**
- **91 percent respondents agreed that area-based exemptions can effectively address regional imbalances by attracting businesses to economically disadvantaged areas.**
- **Export rule liberalisation under the GST law was cited by 78 percent respondents as the most-needed impetus.**

5



Implementation aspects relating to GST

- Respondents cited dual investigation by multiple tax authorities as a prominent challenge.
- Almost all respondents consider clarification issuances for intermediary services as helpful but face implementation challenges.
- 77 percent respondents expressed the need for clarification when it comes to cross-charge related issues.
- 30 percent respondents expressed the need for clarity on inter-branch services.
- 56 percent respondents highlighted the need for clarifications on certain overseas group company/related-party transactions.

6



Forward-looking ideas

- **Measures for EoDB:** Upgrade technology to facilitate the auto-population of returns, measures to curb tax evasion, resolve legal ambiguities, introduce measures to ensure consistency in the approach followed by tax officers/advance ruling authorities across jurisdictions, credit eligibility for past taxes paid for secondment, etc.
- **Ideas impetus to business:** Some of the ideas impetus to business:
 - a) PAN-India-level registration and a uniform list of documentation;
 - b) Guidelines on registration requirement for co-working spaces;
 - c) Virtual visits for on-site premise verifications and Relaxation from physical PPOB;
 - d) Introduction of an amnesty scheme;
 - e) GST assessments should be compulsory for all taxpayers;
 - f) Area-based exemptions should be introduced under GST;
 - g) GST rates should be rationalised for composition schemes;
 - h) Refund of the ITC on capital goods etc.
- **No revenue impact:** Deemed supplies should be taxable only when the recipient is not entitled to full input tax credit, permit transfer/utilisation of ITC (at least CGST portion), etc.

Industry perceptions



Key themes	Consumer	Technology, Media and Telecommunication	Energy, Resources and Industrials	Financial Services	Lifesciences and Health Care	Government and Public Services
Tax journey last year	Positive – 68% Neutral – 27%	Positive – 68% Neutral – 24%	Positive – 71% Neutral – 22%	Positive – 70% Neutral – 22%	Positive – 82% Neutral – 10%	Positive – 79% Neutral – 21%
Aspects where the implementation of GST has had a positive impact	Supply chain optimisation	Reduction in cost of goods and services	Supply-chain optimisation	Reduction in goods and services costs	Reduction in goods and services costs	Supply-chain optimisation
Key changes from a taxability standpoint	Permitting refund of input tax credit on capital goods for exporters	Permitting refund of input tax credit on capital goods for exporters	Permitting refund of input tax credit on capital goods for exporters	Deemed supplies to be taxable only when recipient is not entitled to full input tax credit	Permitting refund of input tax credit on capital goods for exporters	Deemed supplies to be taxable only when recipient is not entitled to full input tax credit
Most beneficial compliance module	Sequential filing of GST returns	Sequential filing of GST returns	Sequential filing of GST returns	Sequential filing of GST returns	Sequential filing of GST returns	Static Inward form GSTR-2B
Introduction of GSTR-2B has led to better vendor account management				Yes		
Transferring CGST/IGST cash ledger balance has reduced working capital blockage	Agree	Agree	Agree	Disagree	Agree	Disagree
User-friendly features of the GST portal	Transition of information from an e-invoice to a GST portal					

Industry perceptions



Key themes	Consumer	Technology, Media and Telecommunication	Energy, Resources and Industrials	Financial Services	Lifesciences and Health Care	Government and Public Services
Key issues in complying with GST law	Dual investigation by multiple authorities					
Industry expectations for sector growth	Unlocking working capital measures	Liberalisation of export rules under GST	Liberalisation of export rules under GST	Removing ITC restrictions	Removing ITC restrictions	Liberalisation of export rules under GST
Proposed key focus areas for the Government's attention and action	Resolving legislative ambiguities	Promotion of ease of doing business	Promotion of ease of doing business	Promotion of ease of doing business	Promotion of ease of doing business	Introducing measures to curb tax evasion
Preferred approach for registration except for Aadhar	Implement PAN-India level for GST registration					
Thoughts on "introduction of an amnesty scheme"	Needed to resolve procedural disputes					
Should area-based exemptions be given?	Yes	Yes	Yes	Yes	Partially agree	Partially agree
Perception for conducting GST assessments without considering the threshold limit	Yes, to promote compliance hygiene					
Will capturing real-time data help in the future?	Yes					

Perceptions by business size



Key themes	Very large	Large	MSMEs
Tax journey last year	Positive – 77% Neutral – 21%	Positive – 68% Neutral – 26%	Positive – 66% Neutral – 22%
Aspects where the implementation of GST has had a positive impact	Supply chain optimisation	Reduction in goods and services costs	Reduction in goods and services costs
Key changes from a taxability standpoint	Deemed supplies to be taxable only when the recipient is not entitled to full input tax credit		
Most beneficial compliance module	Sequential filing of GST returns		
Impact of Introduction of GSTR-2B	Yes		
Evaluate the efficiency of transferring CGST/IGST cash ledger balance	Agree	Agree	Neutral
Effectiveness of portal features	User services for GST registrations	Transition of information from e-invoice to GST portal	Transition of information from e-invoice to GST portal

Perceptions by business size



Key themes	Very large	Large	MSMEs
Key issues in complying with GST law		Dual investigation by multiple authorities	
Industry expectations for sector growth	Unlocking working capital measures	Liberalisation of export rules under GST	Liberalisation of export rules under GST
Proposed key focus areas for the Government's attention and action		Promotion of ease of doing business	
Preferred approach for registration except for Aadhar		Implement PAN-India level for GST registration	
Thoughts on the “introduction of an amnesty scheme”		Needed to resolve procedural disputes	
Should area-based exemptions be given?	Yes	Partially agree	Partially agree
Perspective on conducting GST assessments without considering the threshold limit		Yes, to promote compliance hygiene	
Will capturing real-time data help in future?		Yes	

Survey findings

- Exploring the GST catalyst: Impetus on business and efficient tax administration
- Bandwidth for updates and upgrades: Analysing areas of improvement under GST
- Navigating the way forward: The industry's strategic suggestions for enhancing GST implementation

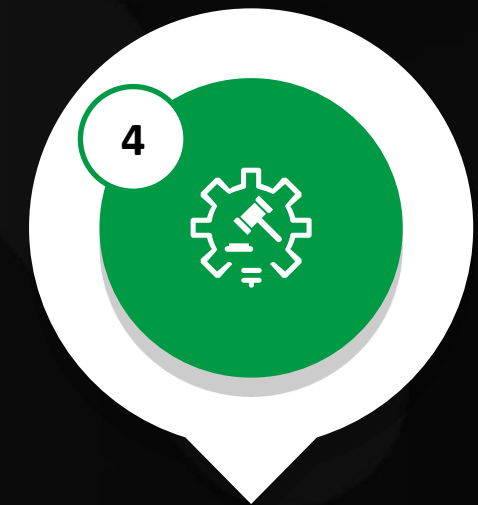
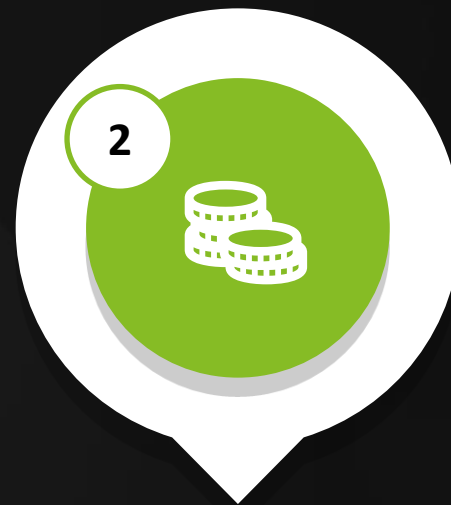
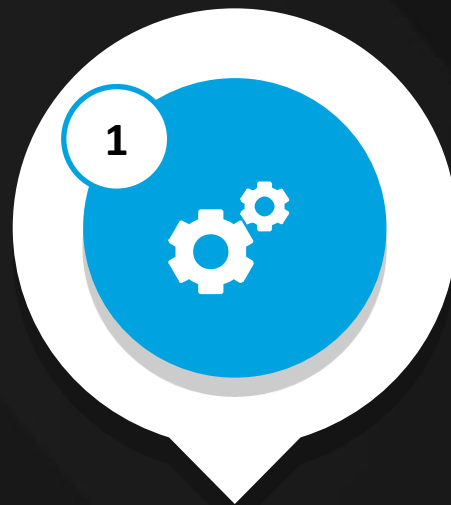


The evolving GST regime has helped businesses with supply-chain optimisation, achieving reduced and competitive goods and services costs



MSMEs attribute the reduced goods and services costs to improved uniformity in the GST regime

- The simplified tax regime has reduced price disparities and supply-chain complexities across states and promoted fair competition amongst businesses.
- Respondents unanimously agree that the elimination of the cascading effect and multiple taxes has reduced goods and services costs. This is a common sentiment amongst respondents from the Life Sciences (82 percent) and TMT (77 percent) industries.
- 88 percent respondents from MSMEs acknowledged that the lowered goods and services costs were due to GST.

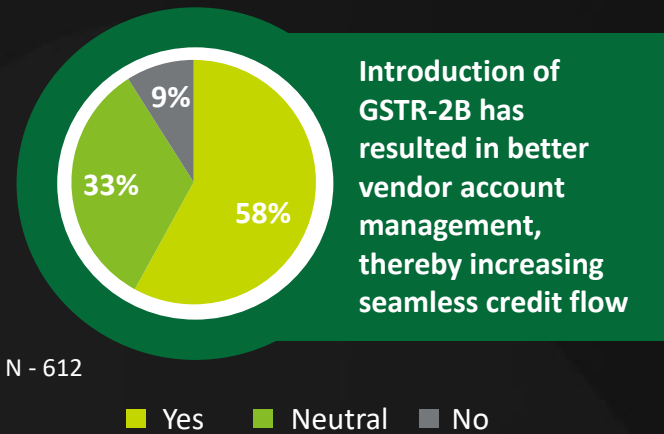


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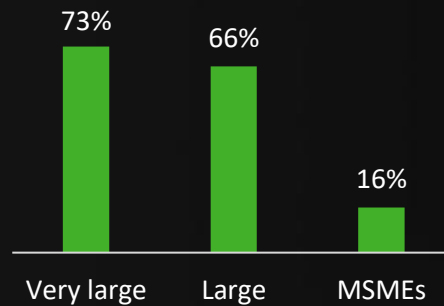
Most large taxpayers agree that the introduction of 2B facilitates vendor management, while MSMEs seek relaxation in the 2B matching statutory requirement



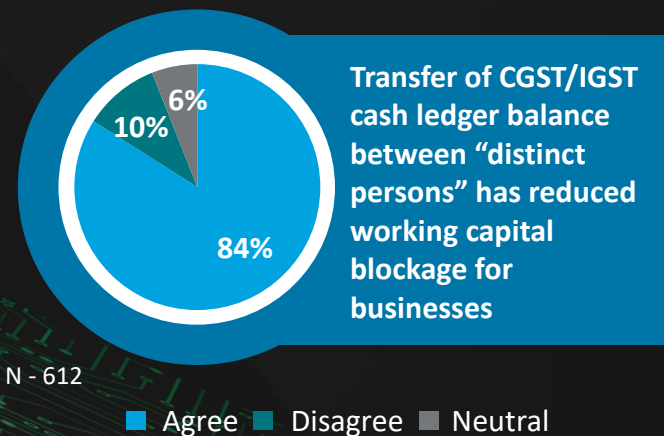
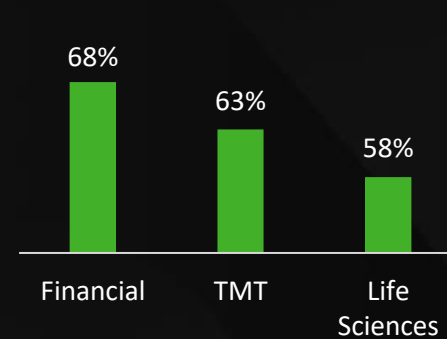
More than 80 percent businesses concur that the transfer of CGST and IGST cash ledgers amongst “distinct persons” ensures seamless intra-organisational transactions and efficient cash-balance utilisation.



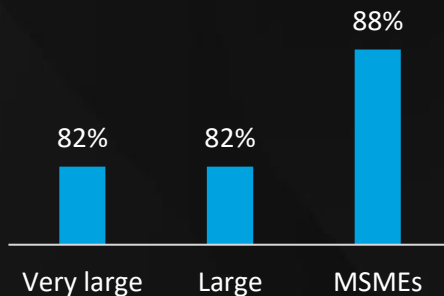
Variation of satisfaction by turnover



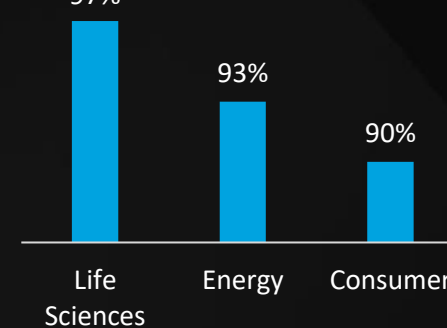
Variation of satisfaction by industry for GSTR-2B



Variation of satisfaction by turnover for ledger transfer



Variation of satisfaction by industry for ledger transfer

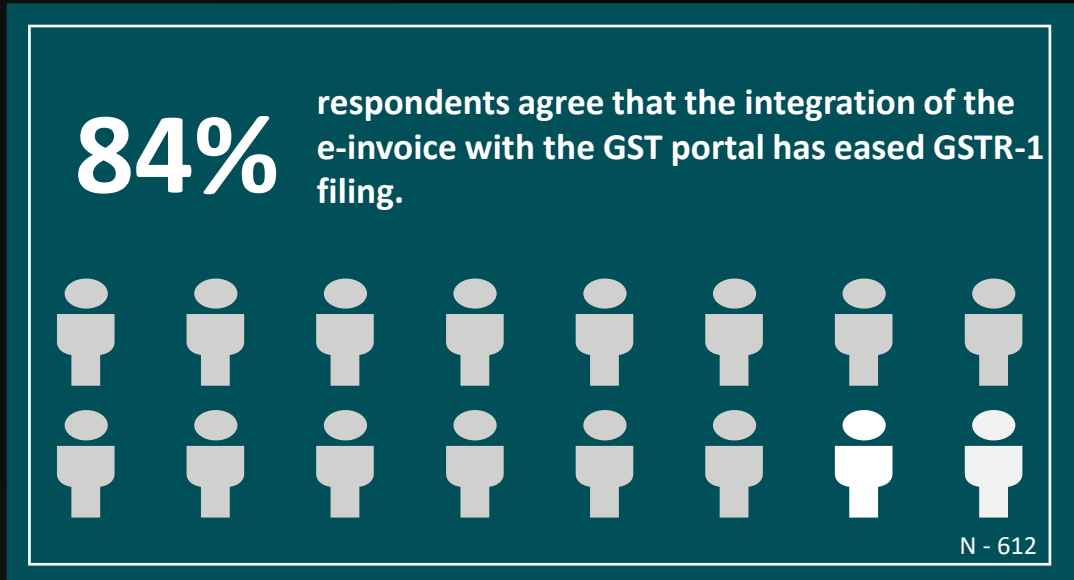
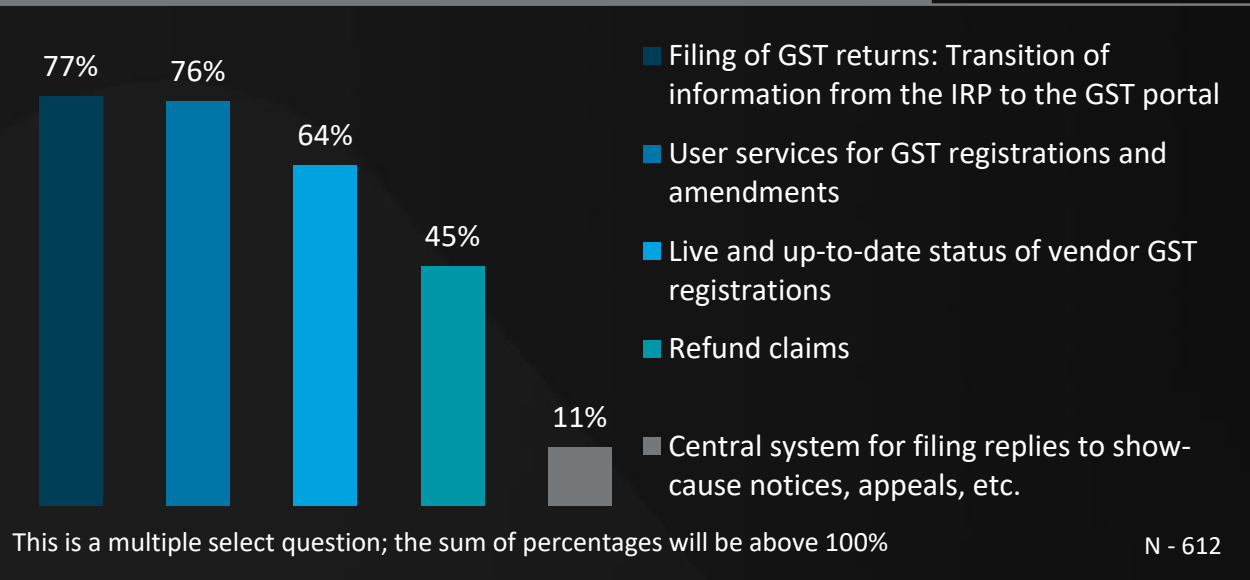


- GSTR-2B facilitates vendor data reconciliation, ensures the timely availability of vendor information, helps identify eligible input tax credits, and enables efficient credit management.
- Close to 60 percent respondents agree that GSTR-2B has led to better vendor account management, supported by respondents from very large businesses.
- Respondents agree that the transfer of CGST and IGST cash ledgers amongst distinct persons improves the problem of working capital blockage.
- This enables businesses to focus on their core operations and reduce working capital blockages under the GST regime. This sentiment is supported by MSMEs and respondents from the Energy and Life Sciences industries.

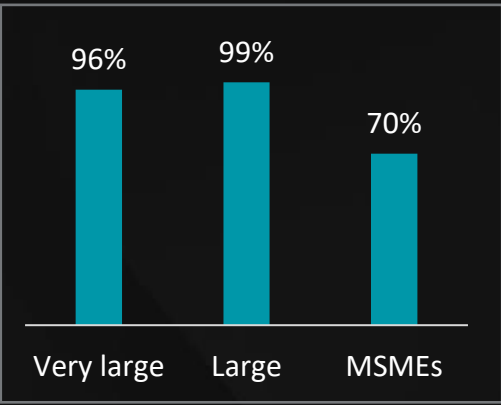
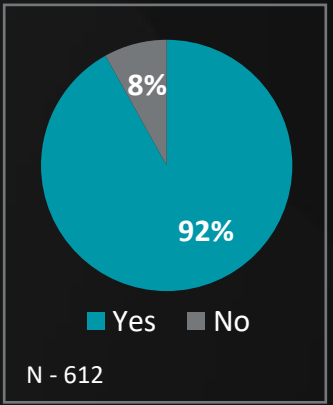
Respondents appreciate Government's efforts towards technological advancements

Large and very large businesses remain optimistic about e-invoicing, while MSMEs express challenges in meeting e-invoicing requirements.

Features of the GST common portal that are user-friendly



- E-invoicing has significantly reduced the manual reporting time and expedited the availability of Input Tax Credit (ITC), per more than 90 percent respondents.
- The transition of information from the e-invoicing portal to the GST portal has also been appreciated.



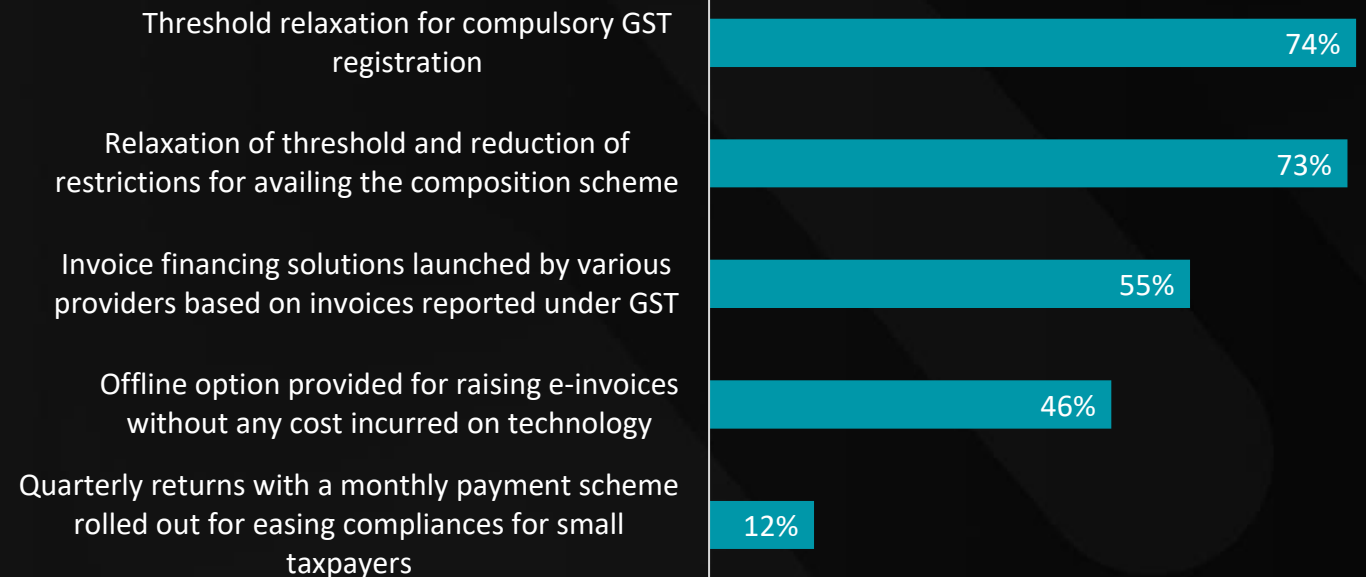
- The strong appreciation and adoption of e-invoicing is evident in large and very large organisation, but its effectiveness has been comparatively low amongst MSMEs.
- This underscores the importance of implementing measures that specifically target the technological resource gap and provide tailored support to bridge the gap, encouraging wider e-invoicing adoption within the MSME sector.

Respondents across industries have identified threshold relaxation for compulsory registration as the most beneficial measure for MSMEs

12 percent respondents perceive quarterly return filing as a substantial relaxation measure for MSMEs as it demands similar levels of effort in execution.

- **Threshold limit for registration under GST has been increased from INR 20 lakh to INR 40 lakh. The relaxation is applicable to all taxpayers except restaurants and manufacturers.**
- **Relaxation is aimed to benefit small businesses and start-ups, as it reduces the compliance burden.**
- **Phased implementation of e-invoicing has facilitated the process and enabled healthier public perception.**
- **Smooth implementation of compliance via a composition scheme, while simplifying cash flow due to low tax rates and a quarterly tax payment schedule**

Measures introduced under GST that have been beneficial for MSMEs



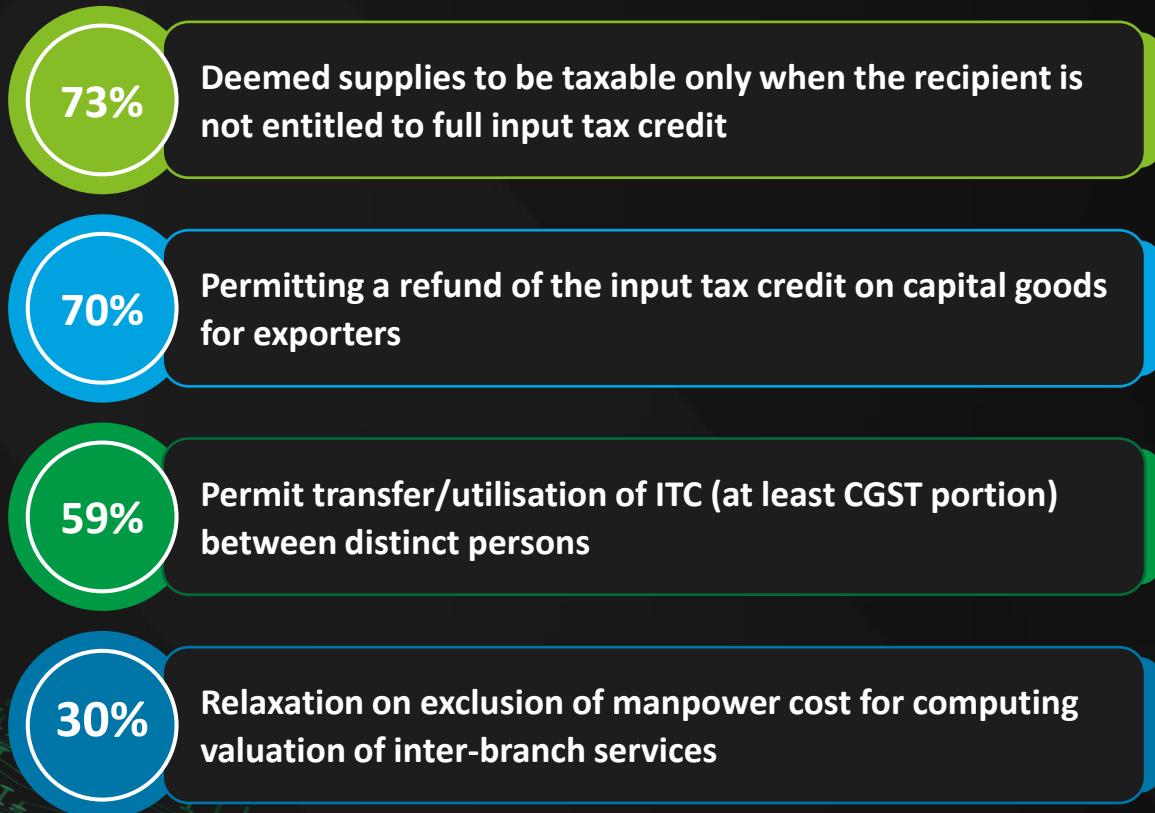
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Respondents expressed the need to bring regulatory amendments that specify taxing deemed supplies only when the recipient is ineligible to claim full ITC

Almost all respondents consider clarification issuances for intermediary services as helpful; however, they have raised concerns around implementing such changes

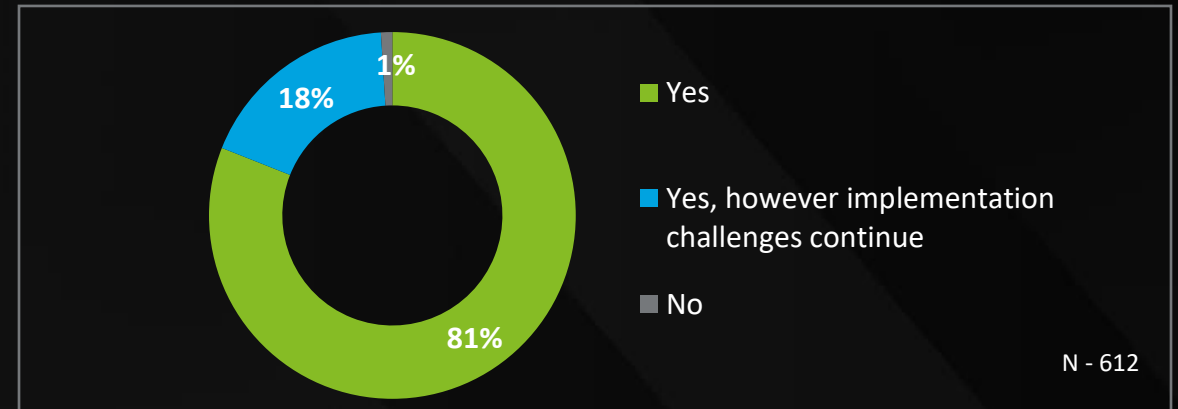
Key changes needed from a taxability standpoint



This is a multiple select question; the sum of percentages will be above 100%

N - 612

Clarifications issued under GST for intermediary services help identify the taxability of such services



- More than 80 percent respondents highlighted that clarifications issued by the tax authorities are crucial when providing guidance and clarity on the taxability of intermediary services.
- Close to 20 percent respondents also said clarifications help businesses understand and determine applicable tax treatment and liabilities, but struggle with implementing changes
- Clarifications and a proactive approach to address industry concerns and queries by tax authorities contribute to building confidence and trust in the GST regime.

More than 70 percent respondents from Consumer, TMT, Energy, and Lifesciences prefer changes such as the allowance of ITC refunds on capital goods and removal of deemed supplies being taxable

Measures	Consumer	Technology, Media and Telecommunication	Energy, Resources & Industrials	Financial Services	Lifesciences & Health Care	Government & Public Services	MSMEs	Large	Very large
Deemed supplies be taxable only when the recipient is not entitled to full input tax credit	>70%	>70%	50-70%	>70%	>70%	50-70%	>70%	>70%	50-70%
Permitting refund of input tax credit on capital goods for exporters	>70%	>70%	>70%	50-70%	>70%	50-70%	>70%	>70%	50-70%
Permit transfer/utilisation of ITC (at least CGST portion) between distinct persons	>70%	50-70%	50-70%	50-70%	50-70%	50-70%	50-70%	50-70%	50-70%
Relaxation on exclusion of manpower cost for computing valuation of inter-branch services	50-70%	50-70%	50-70%	50-70%	50-70%	50-70%	50-70%	50-70%	50-70%

● >70%
 ● 50-70%
 ● <50%

This is a multiple select question; the sum of percentages will be above 100%

Most respondents appreciate the introduction of additional compliance modules under GST

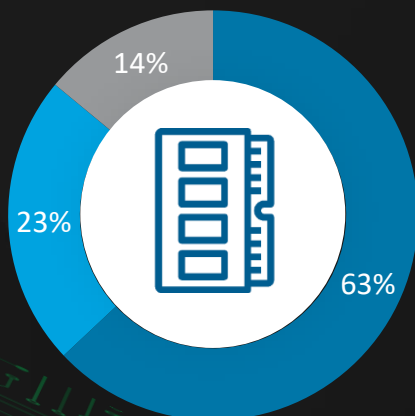
More than 60 percent respondents welcome the move of introducing sequential filing of returns



Industries have expressed their appreciation for the Government's efforts in enhancing the compliance mechanism.

- The Government's commitment to tackling issues such as fake bills and rate rationalisation, revising tax slabs, and eliminating complexities in filing returns, coupled with the adoption of technology-driven solutions, has garnered positive feedback from industries.
- Respondents were confident that sequential filing of GST returns promotes better compliance hygiene, enhancing visibility and transparency, facilitating effective compliance monitoring, and simplifying reconciliation and audit processes.
- Additionally, the respondents highlighted that the widened threshold limit for e-invoices has reduced matching issues from supplies made by MSME vendors.

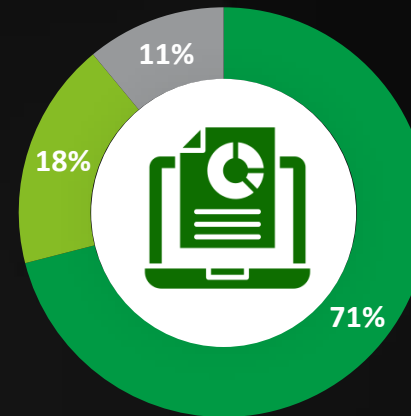
Compliance modules under GST that help achieve better compliance hygiene



- Introduction of sequential filing of GST returns (i.e., mandatory filing of GSTR-1 before GSTR-3B)
- Introduction of a static inward form i.e., form GSTR 2B
- Linkage between e-invoice and e-waybill

N - 612

Widening of the threshold limit for generating e-invoices has resulted in streamlining of compliances of supplies made by MSME vendors



- Yes, to a large extent
- Partially agree
- Neutral

N - 612

Survey findings

- Exploring the GST catalyst: Impetus on business and efficient tax administration
- **Bandwidth for updates and upgrades: Analysing areas of improvement under GST**
- Navigating the way forward: The industry's strategic suggestions for enhancing GST implementation

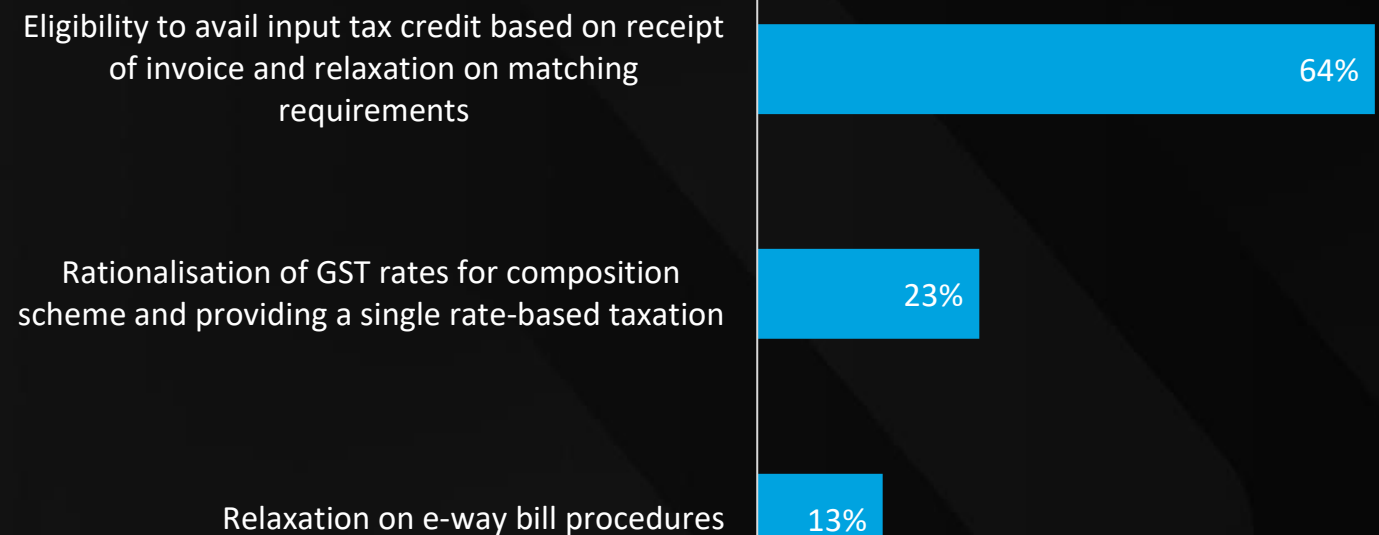


Granting MSMEs the opportunity to claim input tax credits and reducing the burden of matching requirements may create an environment conducive to their growth



- **Enabling MSMEs to avail input tax credits on invoice receipts and relaxing corresponding requirements is seen as a catalyst for boosting economic progress.**
- **This will enable businesses to combat delays in receiving input tax credits and reduce cost and compliance burdens.**
- **Close to 30 percent of very large industries suggest rational GST rates for composition schemes and a single-rate taxation system to boost yield.**
- **13 percent of MSMEs believe that there is a need for relaxation on e-way bill procedures.**

Relief measures under GST will provide further impetus on the growth of MSMEs in India



Respondents cite dual investigations by multiple tax authorities as a prominent challenge, which requires considerable time and effort



2022 – ranking

1. Increased tax regulations and reporting demands from tax authorities
2. Dual investigations by multiple tax authorities/investigation
3. Investment of time and effort in compliance and assessment
4. Adopting tax positions and implementing specific provisions in GST law
5. Efforts around availing credits with vendors, account payable rules, and record keeping



2023 – ranking

1. Dual investigations by multiple tax authorities/investigation
2. Investment of time and effort in compliance and assessment
3. Increased tax regulations and reporting demands from tax authorities
4. Adopting tax positions and implementing specific provisions in GST law
5. Efforts around availing credits with vendors, account payable rules, and record keeping

Dual investigations was the top key concern as indicated by respondents in 2023

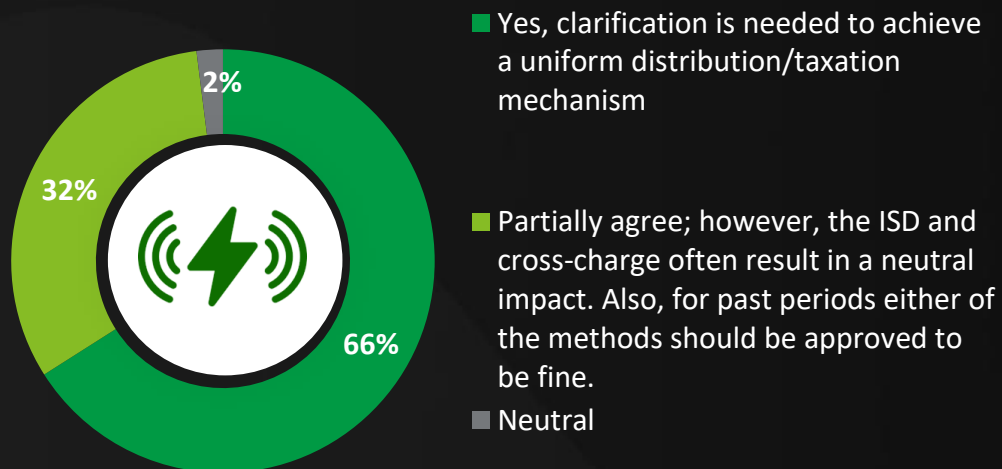
- Leads to inefficiency of time and effort of the respondent
- Relative increase in GST audits in 2023 has pushed dual investigation as the topmost concern

This is a rank-based question, highlighting the aggregate analysis of key issues

Respondents seek enhanced clarity on ambiguities around the application of ISD and cross-charge mechanism for uniformity in the taxation system



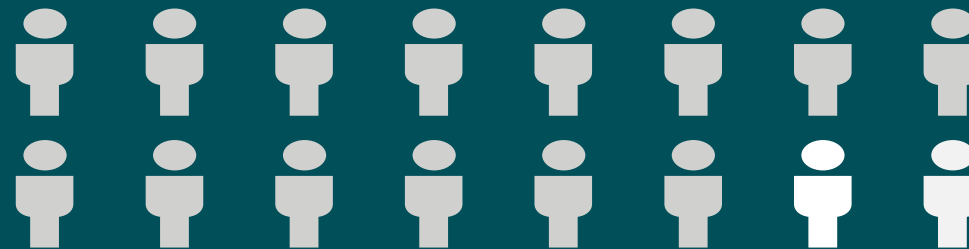
Clarify the application of ISD and cross-charge mechanism as they overlap in various instances



N - 612

77%

respondents expressed the need for clarification on the exclusion of employee expenses when calculating the cross-charge amount, as it is ambiguous and creates challenges in expense reporting.



- More than 60 percent respondents (significant endorsement in the Consumer, TMT, and Energy industries) expressed concerns around the ambiguity and confusion that arises when determining the appropriate allocation of input tax credits and accurate cross-charging of expenses across units or branches.
- It is notable that ~30 percent respondents believe that the Government should implement either of the two mechanisms for the past period, as both result in a neutral impact.

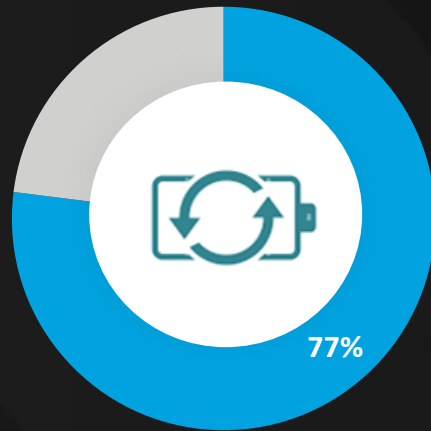
This is a multiple select question; the sum of percentages will be above 100%

Respondents seek clarity on credit eligibility for the past period on secondment and the deemed use of trademarks by Indian subsidiaries of foreign entities



Issues to be clarified by Government in the interest of GST audits closure and scrutiny:

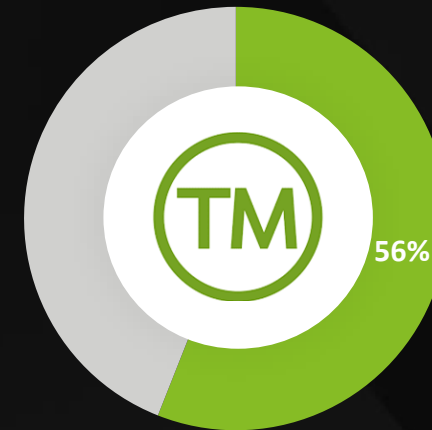
Credit eligibility with respect to GST paid for past periods under reverse charge mechanism and secondments



- Around 77 percent respondents seek clarity on credit eligibility for past periods under the reverse-charge mechanism.
- They specifically seek clarity on the eligibility of GST paid on secondment arrangements, in line with their own assessment and interpretation.

N - 612

Deemed use of the trademark by Indian subsidiaries of foreign entities



- Around 56 percent of respondents are interested in obtaining clarifications regarding the deemed use of trademarks by Indian subsidiaries of foreign entities.

N - 612

This is a multiple select question; the sum of percentages will be above 100%

78 percent respondents cited export rule liberalisation under the GST law as the most needed impetus, followed by unlocking working capital (77 percent) and removing ITC restrictions (68 percent)

Respondents across most of the industries favour rationalisation of GST rates across supply chain to drive sectoral growth

Measures	Consumer	Technology, Media and Telecommunication	Energy, Resources & Industrials	Financial Services	Lifesciences & Health Care	Government & Public Services	MSMEs	Large	Very large
Promoting exports by further liberalising export rules under GST law	>70%	>70%	>70%	>70%	>70%	>70%	>70%	>70%	>70%
Unlocking working capital measures, e.g., cross distinct person utilisation of CGST credit balances	>70%	50-70%	>70%	>70%	>70%	50-70%	>70%	>70%	>70%
Removing restrictions of input tax credits, e.g., in relation to employees and the set up of commercial infrastructure	50-70%	50-70%	50-70%	>70%	>70%	50-70%	50-70%	50-70%	50-70%
Rationalising GST rates for the entire supply chain	50-70%	50-70%	50-70%	<50%	50-70%	50-70%	50-70%	50-70%	50-70%
Clarifications on industry-specific issues	<50%	<50%	<50%	<50%	<50%	<50%	<50%	<50%	<50%

● >70%
 ● 50-70%
 ● <50%

This is a multiple select question; the sum of percentages will be above 100%

Survey findings

- Exploring the GST catalyst: Impetus on business and efficient tax administration
- Bandwidth for updates and upgrades: Analysing areas of improvement under GST
- **Navigating the way forward: The industry's strategic suggestions for enhancing GST implementation**



Respondents seek measures directed towards ease of doing business



Intelligent automation for data population and implementation of measures against tax evasion are other key areas suggested by respondents for the government's action



76%

Enhancing ease of doing business



65%

Upgrading technology to facilitate auto-population of monthly and annual returns



64%

Introducing measures to curb tax evasion



57%

Resolving legislative ambiguities to provide relief to taxpayers



38%

Introducing measures to ensure consistency in the approach followed by tax officers/advance ruling authorities across jurisdictions

- Close to 80 percent respondents highlighted the need to enhance the business environment as a key focus area for Government in the next 1-2 years on the following parameters:
 - More comprehensive user interface (intuitive compliance platform)
 - All-inclusive real-time platform with a simplified compliance processes
- Less than 40 percent industry leaders weighed in or expect new measures to ensure consistency in the tax approach followed by tax officers.
 - This reflects their satisfaction with current measures, such as the GSTN network, the GST council's effort, and the advance ruling mechanism.

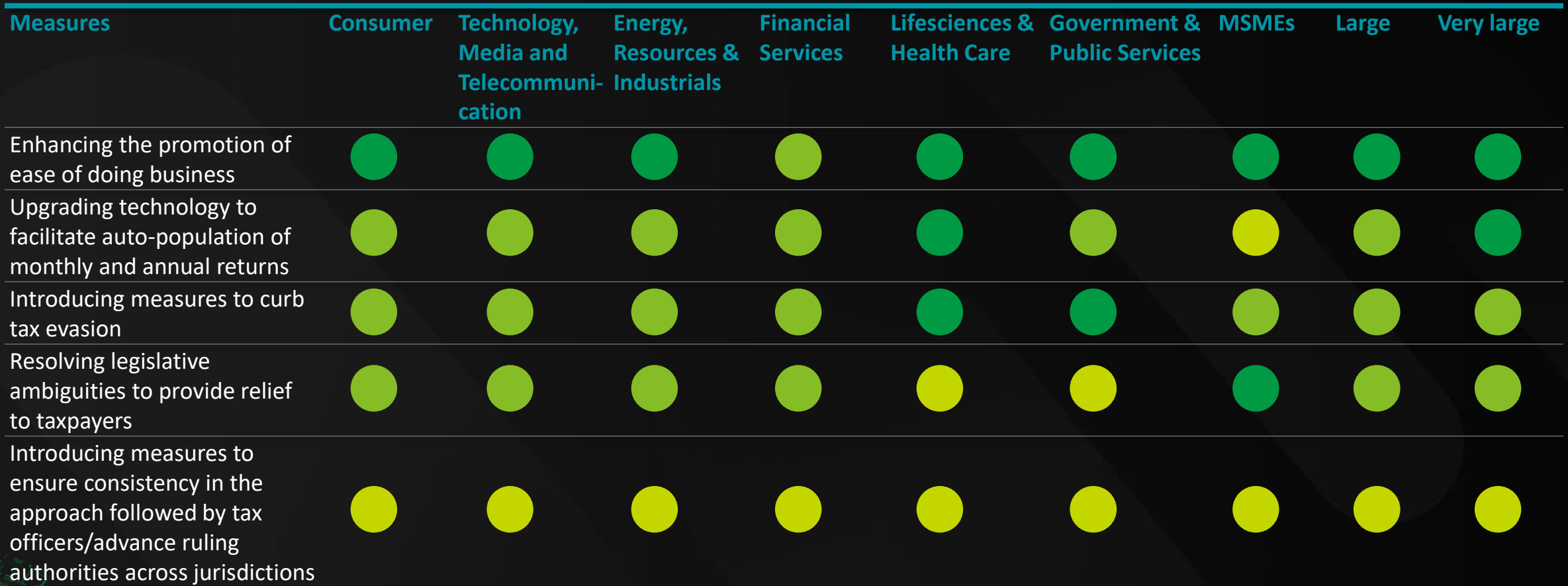
N - 612

This is a multiple select question; the sum of percentages will be above 100%

Businesses seek enhancement in ease of doing business measures to propel sectoral growth



More than 70 percent respondents from MSMEs emphasised the need to resolve legislative ambiguities to provide relief to taxpayers.

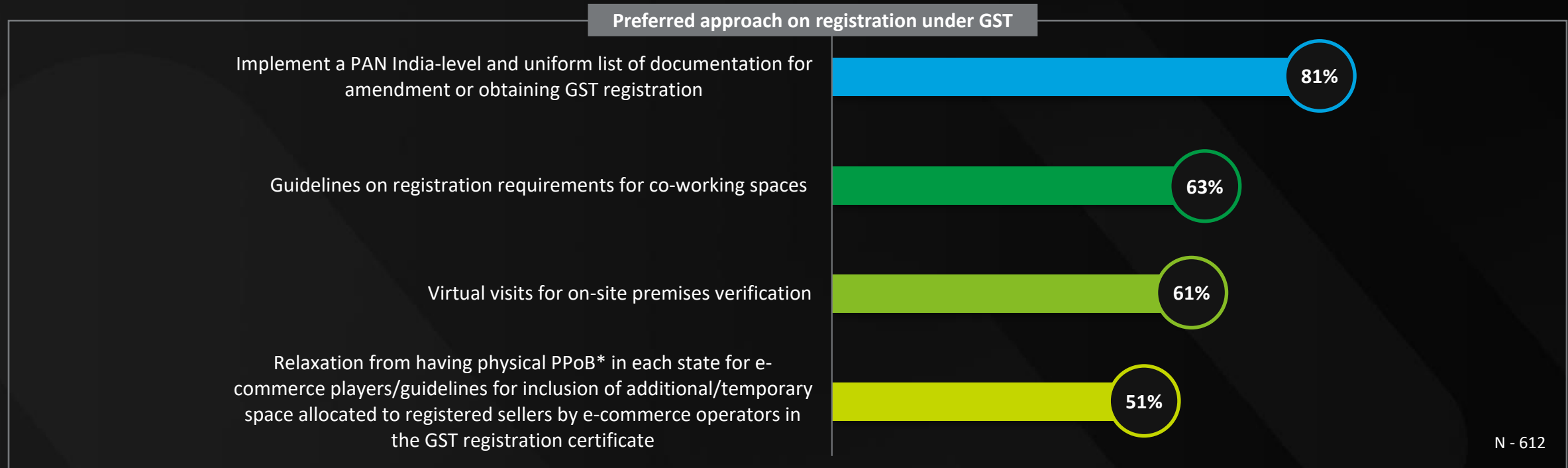


● >70%
 ● 50-70%
 ● <50%

This is a multiple select question; the sum of percentages will be above 100%

Respondents widely favour the adoption of a PAN India-level and uniform list of documentation as the preferred approach for registration

Further, around 63 percent also seek the establishment of specific registration requirements for co-working spaces.



N - 612

- While Aadhar authentication for registration is a welcome move, respondents suggest that implementation of PAN India-level GST registrations and uniformity in the list of required documentation will further simplify registration.
- They seek streamlined processes and consistent requirements across all states to simplify compliance and reduce administrative burdens for businesses operating in multiple jurisdictions.

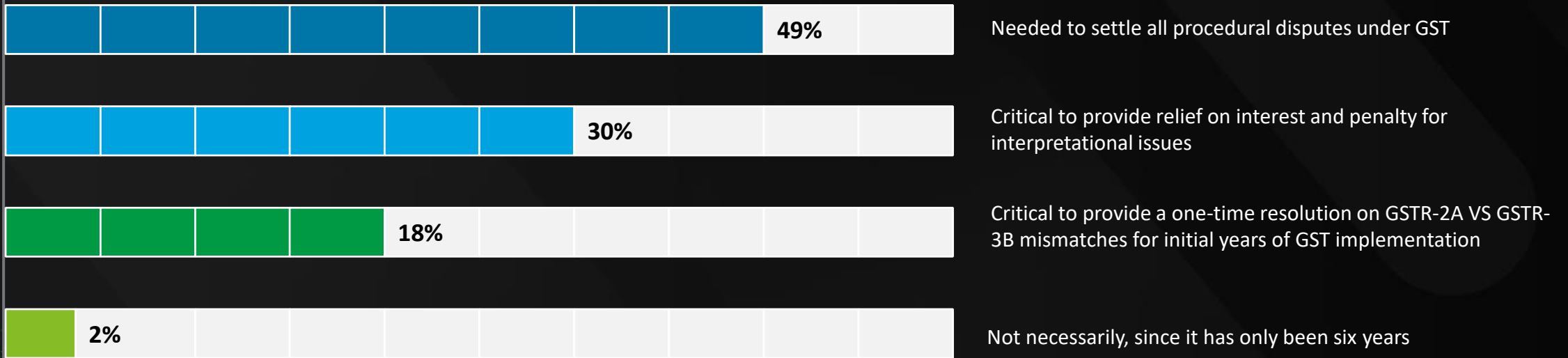
**Principal Place of Business
This is a rank-based question, highlighting the aggregate analysis of key issues*

Majority of the respondents are seeking Amnesty scheme for resolving procedural disputes and interpretational issues under the GST system

The sentiment is backed by respondents from the Government Services (58 percent) and Consumer (56 percent) industries.

- The introduction of an amnesty scheme is considered essential by many stakeholders in settling procedural disputes under GST.
- An amnesty scheme, also known as a voluntary disclosure or tax forgiveness programme, is a mechanism that allows taxpayers to come forward and rectify their past non-compliance by voluntarily disclosing their unreported income or unpaid taxes.
- The primary objective of an amnesty scheme is to encourage tax compliance and bring undisclosed assets or income into the formal economy.

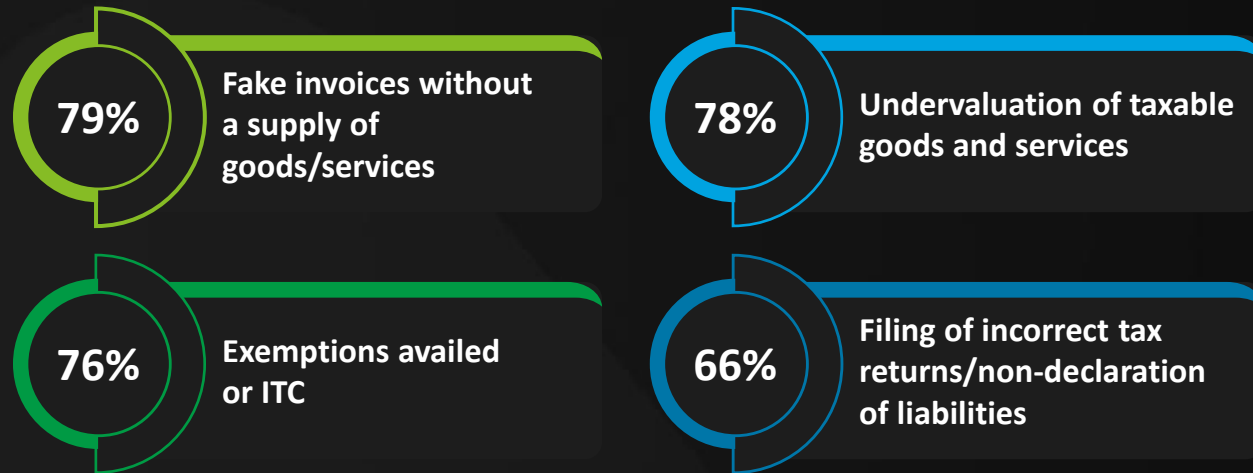
Perspectives on the introduction of an amnesty scheme



Tax authorities can utilise digital laboratories to enhance capabilities in risk assessments, comprehensive taxpayer profiling, overall compliance levels, etc.

Respondents are convinced that seizing real-time data will empower organisations for the future.

Area where digital laboratories can support tax authorities



N - 612

- A significant majority (79 percent) of respondents recognise the detection of fake invoices as a prominent aspect following the establishment of digital forensic laboratories.
- This measure has garnered high recognition for its effectiveness in identifying fraudulent invoicing practices.
- Further, respondents believe that digital forensic laboratories will aid the investigations on the undervaluation of taxable goods and services.

This is a rank-based question, highlighting the aggregate analysis of key issues

Real-time capturing of data needs for an hour

Yes, as real-time data will lead to the processing of the correct data thereby, bringing the focus on achieving data control at the first input point.

89%

Yes, as this will eventually reduce the need for rectifications and amendments.

43%

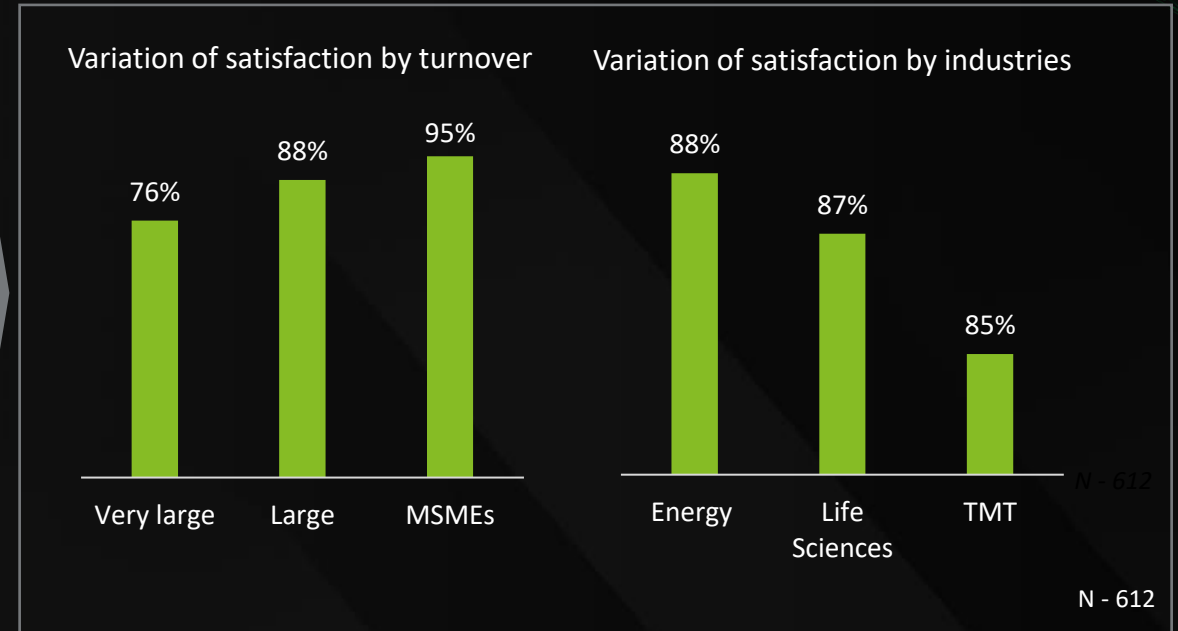
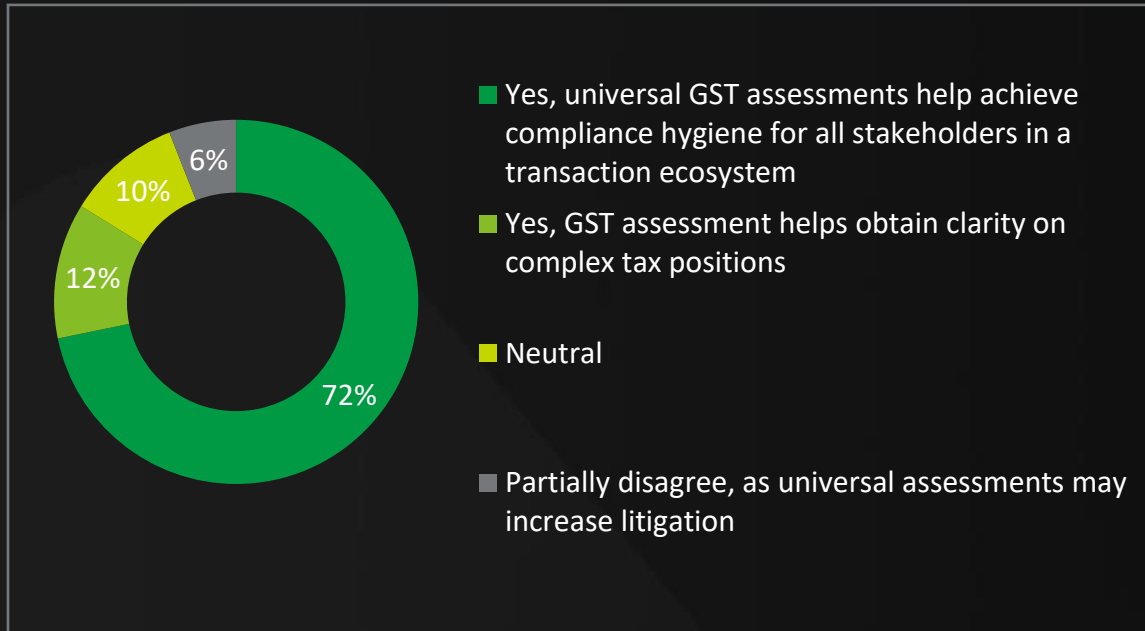
No, as this will lead to increased data scrutiny by GST authorities.

1%

N - 612

This is a rank-based question, highlighting the aggregate analysis of key issues

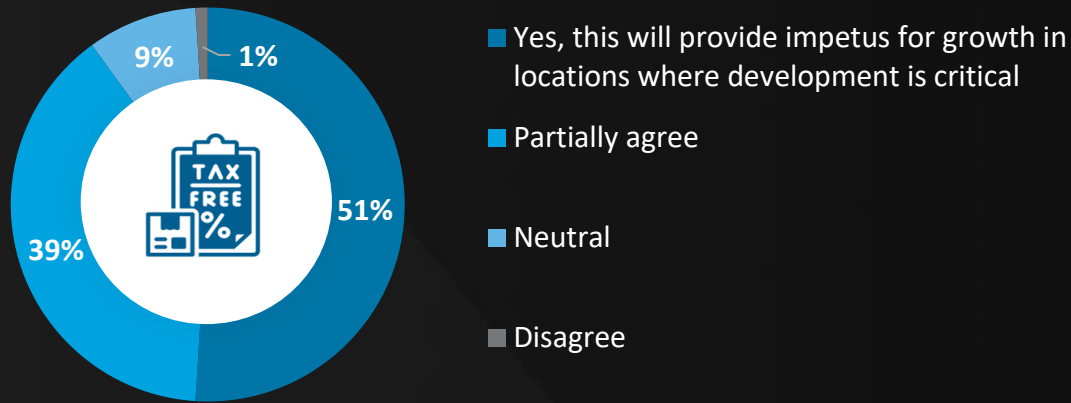
An overwhelming 84 percent respondents agree that GST assessments should be compulsory for all taxpayers, irrespective of the threshold



- The strong agreement amongst 72 percent businesses for conducting GST assessments for all taxpayers, irrespective of the threshold, indicates their commitment to fairness, transparency, and compliance.
- More than 80 percent respondents from large companies concur with this sentiment.
- Balancing the implementation of universal assessments with practical considerations is essential for achieving an effective and efficient assessment process.

In pursuit of investment-driven growth, respondents highlight the significance of area-based exemptions and recognise the role played by the GST regime in supporting “Make in India”.

Area-based exemptions should be introduced under GST to promote growth in specific states/locations



N - 612

93% respondents perceive the GST regime to supplement Government’s impetus towards “Make in India”.

Respondents from MSMEs and very large organisations highly concur with this outlook, along with respondents from the Financial Services and Technology Media and Telecommunications industries.



N - 612

- Over 91 percent respondents agreed that area-based exemptions can effectively address regional imbalances by attracting businesses to economically disadvantaged areas.
- 60 percent respondents from the Consumer industry feel that area-based exemptions will provide the impetus for growth in locations where development is critical.
- This overwhelming consensus highlights the potential of such exemptions to promote growth and reduce disparities across regions.



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