

### **Additional Agenda Item – Notification of IGST Rules, 2017**

Section 22 of the IGST Act, 2017 reads as follows:

- (1) The Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.*
- (2) Without prejudice to the generality of the provisions of sub-section (1), the Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules*

2. Section 20 of the said Act reads as follows:

*Subject to the provisions of this Act and the rules made thereunder, the provisions of Central Goods and Services Tax Act relating to,—*

- (i) scope of supply;*
- (ii) composite supply and mixed supply;*
- (iii) time and value of supply;*
- (iv) input tax credit;*
- (v) registration;*
- (vi) tax invoice, credit and debit notes;*
- (vii) accounts and records;*
- (viii) returns, other than late fee;*
- (ix) payment of tax;*
- (x) tax deduction at source;*
- (xi) collection of tax at source;*
- (xii) assessment;*
- (xiii) refunds;*
- (xiv) audit;*
- (xv) inspection, search, seizure and arrest;*
- (xvi) demands and recovery;*
- (xvii) liability to pay in certain cases;*
- (xviii) advance ruling;*
- (xix) appeals and revision;*
- (xx) presumption as to documents;*
- (xxi) offences and penalties;*
- (xxii) job work;*
- (xxiii) electronic commerce;*
- (xxiv) transitional provisions; and*
- (xxv) miscellaneous provisions including the provisions relating to the imposition of interest and penalty,*

*shall, mutatis mutandis, apply, so far as may be, in relation to integrated tax as they apply in relation to central tax as if they are enacted under this Act.*

3. It may be seen from above that section 22 provides for making rules for carrying out the provisions of the IGST Act. Section 20 of the IGST Act provides for application of certain provisions of the CGST Act, 2017 to the IGST Act.

4. Vide Notification No. 3/2017 – Central Tax dated 19.06.2017, the Central Goods and Services Tax Rules, 2017 were notified under section 164 of the CGST Act, 2017. The said Rules have come into force with effect from 22.06.2017. These rules were comprising of chapters on registration and composition levy. Vide notification No. 7/2017-Central Tax dated 27.06.2017, minor non-substantive amendments were carried out in the CGST Rules, 2017. Vide notification No. 10/2017-Central Tax dated 28.06.2107, twelve new chapters were added to the CGST Rules, 2017 comprising of provisions for valuation, tax payment, tax invoice, returns, refund, input tax credit, assessment, appeals and revision, et al. It may be mentioned that all the rules contained in the Central Goods and Services Tax Rules, 2017 are as the recommendations of the Hon’ble Council or the GST Implementation Committee (GIC).

5. The issue relating to issuance of IGST Rules was discussed with the Union Law Ministry. The Ministry has opined that the Integrated Goods and Services Tax Rules, 2017 are required to be notified under section 22 of the IGST Act, 2017 to carry out the provisions of the said Act. Since the CGST Rules were being adopted, in toto, as IGST Rules, the same were notified vide notification No. 4/2017-Integrated Tax dated 28.06.2017. Rule 2 of the said rules states that the Central Goods and Services Tax Rules, 2017, for carrying out the provisions specified in section 20 of the IGST Act, 2017 shall, as far as may be, apply in relation to the integrated tax as they apply in relation to the central tax. Further, these rules have been deemed to have come into force with effect from 22.06.2017.

6. The Hon’ble Council is requested to grant post facto approval for adopting the CGST Rules as IGST Rules as has been advised by the Union Law Ministry and to notify the IGST Rules with effect from 22.06.2017.