Agenda Item 7: Any other agenda with the permission of the Chairperson

Agenda Item 7(i): Approval of the draft Removal of Difficulty Order for giving effect to the decisions of 32nd GST Council Meeting for MSME sector (including small traders)

The GST Council in its 32nd Meeting held on 10th January 2019, *inter-alia*, took the following decisions to give relief to MSMEs (including small traders), -

(i) Increasing annual turnover threshold for registration for the suppliers of goods and the States shall have option to adopt one of the annual turnover threshold, namely Rs 20 lakh or Rs 40 lakh.

(ii) To provide a residual category of composition scheme for suppliers of services (or mixed suppliers) with a tax rate of 6% (3% CGST +3% SGST) who have an annual turnover upto Rs 50 lakh in the preceding financial year. The said scheme is to be made applicable to both service providers as well as suppliers of goods and services, who are not eligible for the presently available composition scheme for goods.

2. It was decided that the decisions shall be made operational from 1st April, 2019. Further it was also decided that till amendment in law is made, the decisions shall be made operational by way of suitable notifications.

3. Two Notifications and a Removal of Difficulty Order have been issued on 07.03.2019 and 08.03.2019 (effective from 1st April, 2019) as recommended by GST Council in its 33rd meeting held on 20.02.2019.

4. The Law Committee has recommended issuance of one more Removal of Difficulty Order to provide that the provisions of Section 10 and Section 18 of the Central Goods and Services Tax Act, 2017 and the rules made thereunder, as applicable to a person paying tax under section 10 of the Central Goods and Services Tax Act, 2017 shall also apply to a person paying tax under the Notification (Notification No 2/2019- Central Tax (Rate) dated 07.03.2019) issued to implement the above said decision of the GST Council. Draft Removal of Difficulty Order as recommended by the Law Committee is at Annexure 1.

5. The Election Commission of India has granted No Objection for issuance of the same *vide* letter No. 437/6/CG/ECI/LET/FUNCT/MCC/2018 dated 14th March, 2019 which the GST Council Secretariat has already circulated to all the States.

6. The Removal of Difficulty Order shall be issued after due vetting by the Union Ministry of Law.

7. The proposal above and the draft Removal of Difficulty Order at Annexure 1 is placed before the Council for consideration.
Annexure 1

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (ii)]

Government of India
Ministry of Finance (Department of Revenue)
Central Board of Indirect Taxes and Customs

Removal of Difficulty
Order No. 4/2019-Central Tax

New Delhi, the __ March, 2019

S.O.(E). --- Whereas provisions of section 10 and section 18 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act) and the rules made there-under are applicable to a registered person who has opted to pay tax under section 10 of the said Act and not to a registered person opting to pay tax under notification No 2/2019- Central Tax (Rate) dated 07.03.2019 published in the Gazette of India, Extraordinary, vide number G.S.R. No.189 (E), dated the 7th March, 2019;

Now, therefore, in exercise of the powers conferred by section 172 of the said Act, the Central Government, on recommendations of the Council, hereby makes the following Order, to remove the difficulties, namely:

1. Short title. —This Order may be called the Central Goods and Services Tax (Fourth Removal of Difficulties) Order, 2019.

2. For the removal of difficulties, it is hereby clarified that the provisions of section 10 and section 18 of the said Act and the rules made there-under as applicable to a person paying tax under section 10 of the said Act shall apply, *mutatis mutandis*, to a person paying tax under Notification No. 2/2019- Central Tax (Rate) dated 07.03.2019 published in the Gazette of India, Extraordinary, vide number G.S.R. No.189 (E), dated the 7th March, 2019.

[F.No. 354/25/2019-TRU]

(Gunjan Kumar Verma)
Under secretary to the Government of India