Authorization of Banks for GST collection.

As per Section 2(14) of the CGST Act, “authorized bank” shall mean a bank or a branch of a bank authorized by the Government to collect the tax or any other amount payable under the Act.

At present 24 Banks (after merger of five Associate Banks with SBI) are authorized for collection of Indirect taxes. As per the GST Payment process Report, only those banks should be authorized to accept GST receipts who meet the minimum requirements given in PARA 85 of the Report. On the basis of these minimum requirements, a Bank Authorization Reference Model (BARM) was prepared by the Office of Pr.CCA CBEC Department of Revenue containing the requirements in details. As per these requirements, the existing authorized Banks are required to establish their IT integrations with GSTN and RBI and to follow the pre-defined protocols to ensure better service delivery to Tax payer and efficiency in remittance of funds to Central/State Government Account with RBI. Out of the 13 parameters, seven critical parameters were identified namely (i)Protocol to ensure CIN is generated only when money is actually credited in Government Account maintained in Banks e-FPB. (ii)The bank has a system of consolidated debit of the tax payer account and corresponding multiple credits in the 39 Government wise accounts. (iii) Approach adopted by the Bank for handling single debit and multiple credit. (iv) The Centralized application for the OTC payments has been put in place as required in BARM. (v) System for validations of challans data in OTC Payments. (vi) Integration with GSTN for receipts and acknowledgement and (vii) Bank-RBI Integration Completion Certificate obtained from RBI and enclosed.

On the basis of these seven critical parameters the proposals of all 24 Banks have been assessed and found to be completed and accordingly it is proposed to authorize these 24 Banks for the collection of all collections of GST in the entire country. The names of these 24 banks are as follows:
Additional Agenda Item for the 17th GST Council Meeting

1. Allahabad Bank
2. Andhra Bank
3. Axis Bank
4. Bank of Baroda
5. Bank of India
6. Bank of Maharashtra
7. Canara Bank
8. Central Bank of India
9. Corporation Bank
10. Dena Bank
11. HDFC Bank
12. ICICI Bank
13. IDBI Bank
14. Indian Bank
15. Indian Overseas Bank
16. Oriental Bank of Commerce
17. Punjab and Sind Bank
18. Punjab National Bank
19. State Bank of India
20. Syndicate Bank
21. UCO Bank
22. Union Bank of India
23. United Bank of India
24. Vijaya Bank

The proposal from J&K Bank has not been received as it has been recently authorized for Govt. business by RBI. However, the integration of J&K bank with RBI and GSTN is under process along with the development of GST specific IT application. Therefore, it is also proposed to authorize J&K Bank on provisional basis subject to final assessment and approval by the Pr.CCA CBEC as has been done for other Banks. A committee has been constituted by Revenue Secretary to look into the Bank wise preparedness in detail to ensure that no inconvenience is caused to Tax payer and there is a synergy between GSTN, Accounting authorities, RBI and Banks.