

**PROCEDURE AND CONDUCT OF  
BUSINESS REGULATIONS OF THE GOODS  
AND SERVICES TAX COUNCIL**



**Goods and Services Tax Council**

# **PROCEDURE AND CONDUCT OF BUSINESS REGULATIONS OF THE GOODS AND SERVICES TAX COUNCIL**

*[As approved by the GST Council in its 1<sup>st</sup> Meeting held on 22-23 September 2016, in pursuance of Article 279A(8) of the Constitution and as amended in the 20<sup>th</sup> GST Council Meeting held on 5 August, 2017]*



**Goods and Services Tax Council**

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**SHORT TITLE AND DEFINITIONS**

**1. Short Title:** These Regulations may be called the ‘Procedure and Conduct of Business Regulations of the Goods and Services Tax (GST) Council’.

**2. Definitions**

- (1) In these Regulations, unless the context otherwise requires, -  
“Constitution” means the Constitution of India;  
“Council” means the Goods and Services Tax Council constituted under Article 279A of the Constitution;  
“Chairperson” means the Union Finance Minister;  
“Member” means a Member of the Council, and shall include the following:  
(i) The Union Finance Minister,  
(ii) The Union Minister of State in charge of Revenue or Finance,  
(iii) The Minister in-charge of Finance or Taxation or any other Minister nominated by each State Government or,  
(iv) Any person nominated by the Governor of the State where there is a proclamation of emergency under Article 356 of the Constitution of India;  
“Member in charge of the proposal” means the Member who has introduced the proposal seeking recommendation of the Council;  
“Recommendation” means a recommendation of the Council;  
“Secretariat” means the GST Council Secretariat.
- (2) Words and expressions used in the Constitution and also in these Regulations shall, unless the context otherwise requires, have the meaning assigned to them in the Constitution.



## CHAPTER II

### MEETINGS OF THE COUNCIL

#### 3. Meeting notice

- (1) With the approval of the Chairperson, the Secretary shall issue a notice to each Member specifying the date and place for a meeting of the Council.
- (2)
  - (a) The notice of the meeting shall be sent at least seven days prior to the date of the meeting of the Council;
  - (b) Agenda notes to the meeting under notice shall be sent at least three days prior to the date of the meeting;Provided that, with the approval of the Chairperson, an emergency meeting of the Council can be convened by the Secretary at a notice of two days.

#### 4. Roll of Members

- (1) There shall be a Roll of Members of the Council by every Member, before taking his seat.
- (2) Where a nominated Member from a State is unable to attend a particular meeting, another Minister may be nominated to attend that particular meeting of the Council.
- (3) Where from any State, no Minister is able to attend a meeting, an officer may be nominated to attend the meeting provided that such officer shall not vote on any proposal in the Council.

## 5. Duly constituted meeting

(1) A meeting of the Council is duly constituted when it is presided over by the Chairperson with at least one-half of the Members of the Council being present.

\* (2) The Chairperson may also convene a meeting of the Council through video conferencing:

Provided that where a proposal under discussion is required to be decided by voting, it shall be deferred and taken up in the next physical meeting of the Council.

**6. Frequency of meeting:** The Council shall meet at least once in every quarter of the financial year.

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\* *[The GST Council approved the insertion of Regulation 5(2) in its 20<sup>th</sup> Meeting held on 5 August 2017 and it is deemed to have come into force with effect from 1<sup>st</sup> July, 2017]*

## CHAPTER III

### SELECTION OF VICE-CHAIRPERSON

#### 7. Nomination(s) for Vice-Chairperson

- (1) The Secretary shall seek nominations from the Members for the post of Vice-Chairperson, as per **Form-I**. The nominations shall be sought as soon as the Council is constituted in the first instance. Thereafter, the nominations for the post of Vice-Chairperson shall be called in any of the following cases:
  - (a) Three months before the expiration of tenure of the serving Vice-Chairperson, or
  - (b) In case of vacancy of the post of Vice-Chairperson arising out of any reason other than expiration of term of serving Vice-Chairperson, the Secretary shall seek nominations as soon as such vacancy arises or is likely to arise.
- (2) The Vice-Chairperson shall hold office for a period of two years or till the time s/he remains Member of the Council or on resignation as Vice-Chairperson, whichever is earlier.
- (3) The election of the Vice-Chairperson shall be held on such date as the Chairperson may fix.
- (4) The meeting notice for the Council in which the election of Vice-Chairperson is proposed to be held shall specifically mention the same in the agenda.
- (5) At any time before noon on the day preceding the date so fixed, any Member may nominate another Member as the Vice-Chairperson of the Council, and the nomination shall be accompanied by a statement by the Member whose name is nominated that the said Member is willing to serve as Vice-Chairperson, if elected:



Provided that a Member can also nominate one's own self. In case a Member is nominating one's own self, there would be no requirement for another Member to second the proposal.

- (6) Any nomination filed under sub-rule (5) may be withdrawn anytime before the voting for the selection of the Vice-Chairperson.

## **8. Election of Vice-Chairperson, if required**

- (1) In case of receipt of more than one nomination for the post of Vice-Chairperson, the Chairperson shall read out all the nominations received in the meeting of the Council, and invite the Members of the Council as mentioned in sub clause (c) of clause (2) of Article 279A of the Constitution, to cast their votes by a system of secret ballot, in the form prescribed in **Form-II**.
- (2) The votes shall be counted by the Secretary in the presence of the Council. The candidate who gets the maximum votes shall be declared as elected. In case of any question of validity of any vote cast, the matter shall be decided by the Chairperson.

## PROCEDURE FOR MOVING PROPOSAL SEEKING RECOMMENDATION

### 9. Notice for proposal seeking recommendation

- (a) Proposal seeking recommendation of the Council shall be given by any Member in writing addressed to the Secretary.
- (b) The proposals can be sent at any time.
- (c) All proposals should contain a background note, the specific sub-clause and Article of the Constitution under which powers have been conferred on the Council to make recommendations, justification for the proposal, and specific points on which recommendation of the Council is sought.

**10. Admissibility of proposals:** In order that a proposal for seeking recommendation may be admissible, it shall satisfy the following conditions, namely:-

- (i) it shall be related to one or more of the following subject matters:
  - (a) the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax;
  - (b) the goods and services that may be subjected to or exempted from the goods and services tax;
  - (c) model Goods and Services Tax Laws, principles of levy, apportionment of goods and services tax levied on supplies in the course of inter-State trade or commerce under Article 269A and the principles that govern the place of supply;
  - (d) the threshold limit of turnover below which goods and services may be exempted from goods and services tax;
  - (e) the rates including floor rates with bands of goods and services tax;

- (f) any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
  - (g) special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand;
  - (h) any other matter relating to the goods and services tax, as already decided by the Council;
  - (i) the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel; and
  - (j) mechanism to adjudicate any dispute –
    - (a) between the Government of India and one or more States; or
    - (b) between the Government of India and any State or States on one side and one or more other States on the other side; or
    - (c) between two or more States, arising out of the recommendations of the Council or implementation thereof.
- (ii) if it contains a statement, the Member shall make himself responsible for the accuracy of the statement.

**11. Circulation of proposal for recommendation to all Members and tabulation of comments received:** On receipt of proposal seeking recommendation from a Member, the Secretary shall –

- (a) Take approval of the Chairperson to circulate the proposal to each Member,
- (b) Receive comments (if any) from all the Members on the proposal, and tabulate the same,
- (c) Take approval of the Chairperson for including the proposal seeking recommendation in the agenda of Council meeting,

- (d) Circulate the tabulated comments received from Members to all the Members, before the date on which the relevant proposal is to be taken up in the Council for discussion.

**12. Proposal moved not to lapse:** In case no decision is taken by the GST Council on a proposal before it in any particular meeting, the same proposal may be carried over for consideration before the Council in its subsequent meeting.

**13. Withdrawal of proposal:** A Member who has made a proposal may withdraw the same by leave of the Chairperson.



## CHAPTER V

### DIVISION

**14. Decision on proposals:** All proposals before the Council shall be discussed threadbare. Thereafter, the Chairperson shall put the question and invite the Members of the Council to cast their votes by show of hands. In case any Member seeks division on any proposal, the Chairperson shall put the proposal to vote through secret ballot.

#### **15. Division on proposals**

- (1) The ballot paper shall be as per **Form-III**.
- (2) The result of the division shall be announced by the Chairperson and it shall not be challenged.
- (3) The result of the division shall be based in accordance with the following principles:
  - a) The vote of the Central Government shall have a weightage of one-third of the total votes cast in that meeting;
  - b) The votes of all the State Governments taken together shall have a weightage of two-thirds of the total votes cast in that meeting.
  - c) The proposal shall be carried if the total weighted votes of the Members present and voting in favour of the proposal is equal to or greater than three-fourths.

#### **Illustration:**

In terms of clause (9) of the Article 279A of the Constitution, the “weighted votes of the Members present and voting” in favour of a proposal in the Goods and Services Tax Council shall be determined as under: -



$$WT = WC + WS$$

Wherein,

WT = Total weighted votes of all Members in favour of the proposal,

WC = Weighted vote of the Union =  $\frac{1}{3}$  if the Union is in favour of the proposal, and is to be taken as "0" if the Union is not in favour of the proposal,

And,

$$WS = \left( \frac{SF}{SP} \right) \times \left( \frac{2}{3} \right)$$

Wherein –

WS = Weighted votes of the States in favour of the proposal,

SF = Number of States voting in favour of the proposal,

SP = Number of States present and voting.

The proposal shall be carried if:

$$WT \geq \frac{3}{4}$$

### **Numerical example:**

If in a meeting, 25 States are present, and 20 States and the Centre vote in favour of the proposal, WT shall be calculated as follows:

$$WT = \left( \frac{1}{3} \right) + \left[ \left( \frac{20}{25} \right) \times \left( \frac{2}{3} \right) \right]$$

$$WT = \frac{13}{15}$$

Since in this case,  $WT \geq \frac{3}{4}$ , this proposal shall be carried.

- (4) The Secretariat shall assist the Council in conduct of voting (if required).

## CHAPTER VI

### **PROCEEDINGS OF THE COUNCIL, COUNCIL PAPERS AND CUSTODY OF PAPERS**

#### **16. Preparation and publication of proceedings**

- (1) The Secretariat shall cause to be prepared a full report of the proceedings of the Council at each of its sittings and shall, as soon as practicable, publish it in such form and manner as the Council may, from time to time, direct.
- (2) The Secretariat shall maintain continuous running minutes of all the proceedings of the Council, and all the minutes of the Council shall be signed by the Chairperson.
- (3) Minutes of previous meeting shall be put up for confirmation in the next meeting.
- (4) Video recordings shall be made of all proceedings of the Council.

**17. Printing and publication of Council papers:** If a question arises whether a paper, document or report is in connection with the business of the Council or not, the question shall be referred to the Chairperson whose decision shall be final.

**18. Custody of papers:** The Secretariat shall have custody of all records, documents and papers belonging to the Council.

## CHAPTER VII

### MISCELLANEOUS

**19. Decisions of the Chairperson:** All decisions of the Chairperson made in pursuance of these Regulations shall be final, and shall not be challenged.

**20. Guiding principles for decisions:** In discharge of its duties, the Council shall be guided by the need for a harmonized structure of goods and services tax and for the development of a harmonized national market for goods and services.

## FORM – I

### **Nomination of a Member as Vice-Chairperson of the GST Council**

Name and Designation of the Nominated Member:.....

State/UT:.....

Name and Designation of the Proposing Member:.....

State/UT:.....

Signature of the Proposing Member

Date/Place:.....

I hereby convey my willingness to function as the Vice-Chairperson of the Council, if chosen.

Signature of the Nominated Member

Date/Place:.....

## FORM – II

### Ballot Paper for Electing the Vice-Chairperson of the GST Council

Please tick ☒ one of the following boxes:

Name of Candidate 1 ☐

Name of Candidate 2 ☐

Name of Candidate 3 and so on ☐

The ballot paper shall be considered invalid in the following circumstances:

- (i) If more than one boxes are ticked,
- (ii) If the tick is not put in any of the boxes,
- (iii) If the tick is put outside the box, and
- (iv) If more than one tick is put on the ballot paper.

A valid vote appears as follows:





## FORM – III

### Ballot Paper for Voting on Proposals for Recommendation in the GST Council

Agenda No.: .....

Proposal to be voted on: .....

**Please tick ☒ the appropriate box:**

In Favour of Proposal Moved ☐

Against the Proposal Moved ☐

The ballot paper shall be considered invalid in the following circumstances:

- (i) If more than one box is ticked;
- (ii) If the tick is not put in any of the boxes;
- (iii) If the tick is put outside the box, and
- (iv) If more than one tick is put on the ballot paper.

A valid vote appears as follows:



**CONSTITUTIONAL PROVISION  
REGARDING CREATION OF THE GOODS  
AND SERVICES TAX COUNCIL**

## **Constitutional Provision Regarding Creation of the Goods and Services Tax Council**

279A. (1) The President shall, within sixty days from the date of commencement of the Constitution (One Hundred and First Amendment) Act, 2016, by order, constitute a Council to be called the Goods and Services Tax Council.

(2) The Goods and Services Tax Council shall consist of the following members, namely:—

- (a) the Union Finance Minister..... Chairperson;
- (b) the Union Minister of State in charge of Revenue or Finance..... Member;
- (c) the Minister in charge of Finance or Taxation or any other Minister nominated by each State Government.....Members.

(3) The Members of the Goods and Services Tax Council referred to in sub-clause (c) of clause (2) shall, as soon as may be, choose one amongst themselves to be the Vice-Chairperson of the Council for such period as they may decide.

(4) The Goods and Services Tax Council shall make recommendations to the Union and the States on—

- (a) the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax;
- (b) the goods and services that may be subjected to, or exempted from the goods and services tax;
- (c) model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied on supplies in the course of inter-State trade or commerce under article 269A and the principles that govern the place of supply;
- (d) the threshold limit of turnover below which goods and services may be exempted from goods and services tax;

- (e) the rates including floor rates with bands of goods and services tax;
  - (f) any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
  - (g) special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand; and
  - (h) any other matter relating to the goods and services tax, as the Council may decide.
- (5) The Goods and Services Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel.
- (6) While discharging the functions conferred by this article, the Goods and Services Tax Council shall be guided by the need for a harmonised structure of goods and services tax and for the development of a harmonised national market for goods and services.
- (7) One-half of the total number of Members of the Goods and Services Tax Council shall constitute the quorum at its meetings.
- (8) The Goods and Services Tax Council shall determine the procedure in the performance of its functions.
- (9) Every decision of the Goods and Services Tax Council shall be taken at a meeting, by a majority of not less than three-fourths of the weighted votes of the members present and voting, in accordance with the following principles, namely:—
- (a) the vote of the Central Government shall have a weightage of one-third of the total votes cast, and
  - (b) the votes of all the State Governments taken together shall have a weightage of two-thirds of the total votes cast, in that meeting.

(10) No act or proceedings of the Goods and Services Tax Council shall be invalid merely by reason of—

- (a) any vacancy in, or any defect in, the constitution of the Council;  
or
- (b) any defect in the appointment of a person as a Member of the Council; or
- (c) any procedural irregularity of the Council not affecting the merits of the case.

(11) The Goods and Services Tax Council shall establish a mechanism to adjudicate any dispute —

- (a) between the Government of India and one or more States; or
- (b) between the Government of India and any State or States on one side and one or more other States on the other side; or
- (c) between two or more States, arising out of the recommendations of the Council or implementation thereof.”



# **Goods and Services Tax Council**

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