

**GOODS AND SERVICES TAX COUNCIL**

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F. No. 33/Committee on GST Evasion/GSTC/2020

24.01.2020

**OFFICE MEMORANDUM**

**Subject: Addendum to the Terms of Reference (ToR) of Committee of Officers on Risk Management of taxpayers – reg.**

In furtherance of decisions of the 2<sup>nd</sup> National GST Conference held on 07.01.2020 under the chairmanship of Union Revenue Secretary, in respect of streamlining GST system, plug revenue leakages and enhance inter-department coordination, the terms of reference as detailed herein below, have been inserted for the mandate of Committee of Officers (CoO) on Risk-based management of taxpayers re-constituted vide OM F.No. 341/Profiling of Taxpayer/GSTC/2019 dated 18.10.2019.

**To examine and suggest:**

- (1) measures and mechanism to curb evasion and augment revenue collection
  - (2) measures and mechanism to curb fraudulent refund claims including the inverted tax structure refund claims and evasion of GST;
  - (3) linking foreign exchange remittances with IGST refund for risky and new exporter, considering fraudulent IGST refund claims;
  - (4) proper profiling of entity involved in fraudulent practice by sharing data of cases involving evasion and fraudulent refund claims detected by CBIC with CBDT and vice versa;
  - (5) access to GST System of banking transactions, including the bank account, transaction details and also PAN based banking transaction and aligning GST system with FIU for desired purpose;
  - (6) mechanism to prescribe use of single bank account for payments, receipts (foreign remittance or otherwise) and for refund disbursement;
  - (7) introducing intervention for recovery of unmatched and ineligible ITC during relevant period checks; applying restrictions on refund where ITC/IGST on account of profiling based on various parameters available in the system/3<sup>rd</sup> party data and decide criteria of taxpayers for such checks/restriction;
  - (8) prepare in-house list of un-desirable contacts indulging in abetting and conspiring evasion or fraudulent refund to alert among tax officers similar to other agencies;
  - (9) prescribing addition of a declaration for self-assessment in Form GSTR 10 in case of closure of businesses.
2. In addition to the above, the existing mandate of the Committee of Officers (CoO) on Risk-based management of taxpayers is reproduced below:

**To study, examine and suggest as below:**

- (10) the modalities of KYC verification of a taxpayer through various agencies, parameters for risk-based profiling of a taxpayers so as to identify 'risky' entity in an automated manner;
- (11) the modalities for assessing financial credibility of a taxpayer vis-a-vis his GST profile and also suggest various threshold limits for such target taxpayers;



- (12) reasonable restrictions/interventions to be imposed on taxpayer based on risk parameters to regulate issue of invoice, utilization of ITC, passing of ITC, refunds etc.;
  - (13) changes required, if any, in the GST Law and Rules to enable profiling and regulating risky taxpayer, including invocation of penal provisions in case of failure to undertake the desired verification/compliance for KYC;
  - (14) measures for implementation of suggested risk-based management on immediate basis and any other measures, mechanism and machinery to check and curb multiple types of frauds;
  - (15) data requirements and modalities for sharing of data of offence cases amongst Centre, States and with various other agencies;
  - (16) common format for reporting offence cases by Centre and States, which could be used for sharing and storing data, based on the formats already in use by CEIB and CBIC;
3. The CoO on risk-based of taxpayers under GST regime may submit its report specifically on the ToR at Sr. No. (1) to (9) by 31.01.2020 positively.
4. This issues with the approval of Union Revenue Secretary.



(Rakesh Agarwal)

Deputy Commissioner, GST Council

To,

**All Members of the CoO on risk-based management of taxpayers under GST**

Copy to

- 1) OSD to the Revenue Secretary, North Block, New Delhi
- 2) PPS to the Chairperson, CBIC, North Block, New Delhi
- 3) PPS to the Special Secretary, GST Council Secretariat



Deputy Commissioner, GST Council