

GST Tribunals (GSTAT) Soon: 3 Reasons why taxpayers should prepare from now

By: Team Tax Connect

Now that the new Government has been formed, the policy landscape would again get moving. The long pending GST Tribunals would finally see light of day soon. With around 15000 cases pending to be filed before the GSTAT, the following are the reasons why taxpayers should start preparing for the GSTAT from now -

1. **20% Additional Pre-deposit needs to be arranged:**

Additional pre-deposit of 20% is required to be deposited at the GSTAT for the demand to be stayed. This is a impact on the cash flow for taxpayers and to this extent liquidity would be under stress. Hence it is important that taxpayers should make a list of their cases and calculate the pre-deposit required. The same should be arranged well in advance so that there is no last minute rush.

2. **Taxpayers need to be vigilant of the notification for the '*date when the President of the Principal Bench/ Vice-President of the State Bench enters office*'. The clock of 3 months or 3+3 months as the case might be, shall start ticking from such date:**

Section 2(a)/(b) of the Central Goods and Services Tax (Ninth Removal of Difficulties) Order, 2019 issued under CBIC. Order No. 9/2019-CT-dt. 3.12.2019 clarifies that the start of the three/six months period shall be considered to be the later of the following dates:-

- A. Date of communication of order; or
- B. Date on which the President or the State President, as the case may be, of the Appellate Tribunal after its constitution under section 109, **enters office**

The text of the Section 2(a)/(b) of the Central Goods and Services Tax (Ninth Removal of Difficulties) Order, 2019 issued under CBIC. Order No. 9/2019-CT-dt. 3.12.2019 is as follows –

Section 2(a) of the Central Goods and Services Tax (Ninth Removal of Difficulties) Order, 2019 issued under CBIC. Order No. 9/2019-CT-dt. 3.12.2019 clarifies that the start of the three months period shall be considered to be the later of the following dates:-

- (i) date of communication of order; or*
 - (ii) the date on which the President or the State President, as the case may be, of the Appellate Tribunal after its constitution under section 109, enters office*
- Section 2(b) of the Central Goods and Services Tax (Ninth Removal of Difficulties) Order, 2019 issued under CBIC Order No. 9/2019-CT- dt. 03.12.2019 clarifies that the start of the six months period shall be considered to be the later of the following dates:-*

- (i) date of communication of order; or*
- (ii) the date on which the President or the State President, as the case may be, of the Appellate Tribunal after its constitution under section 109, enters office*

Hence taxpayers need to be vigilant of the notification for the '*date when the President of the Principal Bench/ Vice-President of the State Bench enters office*'. The clock of 3 months or 3+3 months as the case might be, shall start ticking from such date.

Again, it is important to note that as of now, The Hon'ble President of the GSTAT has administered the oath and there might be a separate notification to notify the date when the President '*enters office*'. It is pertinent to note that the same would possibly be done

when the entire machinery for filing and hearing of the appeal, including the physical location of the GSTAT is operationalised. The GSTAT Rules also have to be notified.

- 3. Since the date on which the President of the Principal Bench or the State President/ Vice-President as the case may be is expected to be notified now in few months, it is important that the Facts, Grounds, Prayer and Forms be kept ready so that there is no last minute rush:**

GSTAT is the last fact-finding Authority and the Appeals before the GSTAT may considerable amount of time to draft. Thereafter there might be technical glitches and other issues while filing the appeal. Hence, **it is important that the Facts, Grounds, Prayer and Forms be kept ready so that there is no last minute rush.**

Taxpayers should not wait for the last moment.

Again, important to note is that in case of any delay in-ordinate delay, the GSTAT may not be able to condone the same beyond the time period specified in the CGST Act 2017.

LET'S DISCUSS FURTHER!

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