



## GST Council Meet

### Why in the news ?

- ✦ The Chairman marked the milestone of the 50th meeting of the GST Council by releasing a short film titled 'GST Council - 50 Steps towards a Journey' in the presence of the Council members.
- ✦ The film showcases the journey of the GST Council and is available in Hindi, English, and 11 regional languages.
- ✦ A stamp was also issued on this occasion.
- ✦ The GST Council convened after almost five months and successfully resolved some long-pending complex issues.
- ✦ The issues addressed included the formation of an appellate tribunal and tax treatment for the flourishing online gaming industry.

### Key Points

- ✦ The council approved the appointment criteria for tribunal members and announced that the first work would be completed within the next six months.
- ✦ States proposed 50 tribunal benches to be set up gradually, with the initial focus on high court benches in state capitals and cities.
- ✦ The meeting was in response to the council's decision to finalize a 28% GST levy on the face value of all bets placed by traders on online games, casinos, or horse races, which e-gaming players have criticized as the death knell for the gaming industry.
- ✦ The council also considered the ethical aspect of equating casino-driven tourism revenue in states like Goa and Sikkim with the required tax treatment for essential goods and services.
- ✦ The Ministry of Electronics and IT is working on formulating a policy for online gaming, which may require amendments to the GST law and subsequent review and reform.
- ✦ The council granted tax exemptions, reduced or clarified certain rates, and addressed past anomalies in tax payment on specific items due to confusion over their classification.

### Change in Tax Rates

- ✦ The decision to reduce the rate on Raw/Unfried Snack Pellets to 5% and regularize the payment of GST on them during the previous period on an "as-is" basis has been taken.

- ✦ Drug dinutuximab (Quarziba) will be exempted from IGST when imported for personal use.
- ✦ **The National Policy for Rare Diseases, 2021**, has led to the exemption of IGST on drugs used in the treatment of rare diseases and foods for special medical purposes (FSMPs) when imported for personal use, subject to extant conditions.
- ✦ FSMPs will also receive IGST exemption when imported on the recommendation of Centers of Excellence for Rare Diseases or any of the listed Centers of Excellence by any person or entity.
- ✦ The supply of raw cotton, including black cotton, by farmers to co-operative societies is taxable under the reverse charge mechanism, and the issues relating to previous periods will be regularized on an "as-is" basis.
- ✦ The decision is to reduce GST on pirated zari thread or yarn from 12% to 5% and to regularize the payment of GST related to this matter during the previous period on an "as-is" basis.
- ✦ Entry 52-B in the Compensation Cess Notification will be amended to include all utility vehicles exceeding 4000 mm in length, with an engine capacity of 1500 cc and ground clearance of more than 170mm, and meeting the standard higher ground clearance standards.
- ✦ The GST rate on LD slag will be reduced from 18% to 5% to encourage better use of this product and protect the environment.
- ✦ The cases relating to Trauma, Spine, and Arthroplasty Implants will be regularized on an "as-is" basis for the period prior to 18.07.2022, considering the genuine interpretative issues.
- ✦ RBL Bank and ICBC Bank will be included in the list of specified banks eligible for IGST exemption on the import of gold, silver, or platinum as per Annexure 4B of Foreign Trade Policy-2023, and the list of eligible banks/institutions will be updated.

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