

## **FinMin clears legal cloud on GST Act**

The finance ministry on Monday clarified there was no legal problem in the notification of the Constitution amendment Act on the goods and services.

On Sunday, speculations were rife that the government might have to re-notify the Act as existing wording would not allow it to impose excise duty on goods.

“DoR (the department of revenue) examined the validity and implications of notifications dated 10 and 16 September, with respect to existing taxes imposed by the Union and states. There is no legal infirmity in these notifications,” Revenue Secretary Hasmukh Adhia said in his tweets. He added the law department had confirmed there appeared to be no legal requirement.

In a notification, the finance ministry had constituted the GST Council September 10.

Sources said the confusion arose from a second notification, where it notified provisions of 19 sections under the Act, to come into force from September 16. Among these notifications, most of the complications were interpreted to have come from provisions of Section 17 of the Act. The provisions said in entry 84 of the seventh schedule of the Constitution, under which the government imposes central excise duty, petroleum and tobacco would replace other items. This was meant to assume that the government would lose its power to impose the excise duty on other goods since the provision has come into force from September 16.

Pratik Jain, leader, indirect tax, PWC, said the notification had, in fact, created some issues.

On Sunday, Adhia had tweeted that some questions were raised about the notifications issued recently in respect of GST Constitution Amendment Act. The finance ministry, he had tweeted, would clarify the correct legal position on Monday and issue amendments if need be.

*(Business Standard)*