



GST Networks (GSTN) explained



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Objectives & Outlines





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GST Suvidha Providers (GSP)
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What is GSTN?

Goods and Services Tax Network (GSTN) is a not-for-profit, non-government company promoted jointly by the Central and State Governments, which will provide shared IT infrastructure and services to both central and state governments including tax payers and other stakeholders. The Frontend services of Registration, Returns, Payments, etc. to all taxpayers will be provided by GSTN. It will be the interface between the government and the taxpayers.



What was need to create GSTN?

- The GST System Project is a unique and complex IT initiative
- GST being a destination based tax, the inter- state trade of goods and services (IGST) would need a robust settlement mechanism amongst the States and the Centre.
- This is possible only when there is a strong IT Infrastructure and Service back bone which enables capture, processing and exchange of information amongst the stakeholders (including taxpayers, States and Central Government, Bank and RBI). To achieve these objectives GSTN was created.



What services will be rendered by GSTN?

GSTN will render the following services through the Common GST Portal:

- (a) Registration (including existing taxpayer migration, a process which began on 8th Nov 2016);
- (b) Payment management including payment Gateways and integration with banking systems;
- (c) Return filing and processing;
- (d) Taxpayer management, including account management, notifications, information, and status tracking;
- (e) Tax authority account and ledger Management;
- (f) Computation of settlement (including IGST Settlement) between the Centre and States; Clearing house for IGST;



What services will be rendered by GSTN?

- (g) Processing and reconciliation of GST on import and integration with EDI systems of Customs;
- (h) MIS including need based information and business intelligence;
- (i) Maintenance of interfaces between the Common GST Portal and tax administration systems;
- (j) Provide training to stakeholders;
- (k) Provide Analytics and Business Intelligence to tax authorities; and
- (l) Carry out research and study best practices.



What is the interface system between GSTN and the States/CBEC?

In GST regime, while taxpayer facing core services of applying for registration, uploading of invoices, filing of return, making tax payments shall be hosted by GST System, all the statutory functions (such as approval of registration, assessment of return, conducting investigation and audit etc.) shall be conducted by the tax authorities of States and Central governments.



What will be the role of GSTN in registration?

- The application for Registration will be made Online on GST Portal.
- Some of the key data like PAN, Business Constitution, Aadhaar, CIN/DIN etc. (as applicable) will be validated by the GST Portal online with the respective agency i.e. CBDT, UID, MCA etc., thereby ensuring minimum need for submission of documentation.
- The application data along with supporting scanned documents shall be sent by GSTN to states/ Centre, which in turn shall send the query, if any, or approval or rejection intimation and digitally signed registration to GSTN for eventual download by the taxpayer.



What is the role of Infosys in GSTN?

GSTN has engaged M/S Infosys as a single Managed Service Provider (MSP) for the design, development and deployment of GST system, including all application software, tools and Infrastructure and for operating & maintaining the system for a period of 5 years from the Go-Live date.



What are the basic features of GST common portal?

- The GST portal (www.gst.gov.in) is accessible over Internet (by Taxpayers and their CMAAs/Tax Advocates etc.) and Intranet by Tax Officials etc. The portal is going to be one single common portal for all GST related services e.g.–
- Tax payer registration (New, surrender, cancelation, amendment etc.);
- Invoice upload, auto-drafting of Purchase register of buyer, GST Returns filing on stipulated dates for each type of return (GSTR [1,2,3,5, 9.etc]);
- Tax payment by creation of Challan and integration with agency Banks;
- ITC and Cash Ledger and Liability Register;
- MIS reporting for tax payers, tax officials and other stakeholders;
- BI/Analytics for Tax officials.



What is the concept of GST Eco-system?

A common GST system will provide linkage to all State/UT Commercial Tax departments, Central Tax authorities, Taxpayers, Banks and other stakeholders.

The eco-system consists of all stakeholders starting from taxpayer to tax professional to tax officials to GST portal to Banks to accounting authorities. The diagram given below depicts the whole GST eco-system.



What is GSP (GST Suvidha Provider)?

- GST System will provide a GST portal for taxpayers to access the GST System and do all the GST compliance activities. But there will be wide variety of tax payers (SME, Large Enterprise, Micro Enterprise etc.) which may require different kind of facilities like converting their purchase/sales register data in GST compliant format, Integration of their Accounting Packages/ERP with GST System etc., various kind of dashboards to view Matched/Mismatched ITC claims, Tax liability, Filing status etc.
- As invoice level filing is required, so large organizations may require an automated way to interact with GST system as it may be practically impossible for them to upload large number of invoices through a web portal.



What is GSP (GST Suvidha Provider)?

- So an eco- system is required, which can help such taxpayers in GST compliance.
- As Tax payer convenience will be the key to success of GST regime, this eco-system will also provide Tax payer options of using third party applications, which can provide different kind of interfaces on desktop/mobile for them to be GST compliant.



What will be the role of GST Suvidha Providers (GSP)?

- GSP will be developing applications having features like return filing, reconciliation of purchase register data with auto populated data for acceptance/rejection/Modification, dashboards for taxpayers for quick monitoring of GST compliance activities.
- They may also provide role based access to divide various GST related activities like uploading invoice, filing returns etc., among different set of users inside a company (medium or large companies will need it), Applications for Tax Professional to manage their client's GST compliance activities, Integration of existing accounting packages/ERP with GST System, etc.



What are the benefits to taxpayers in using the GSPs?

- At the outset it is clarified that all required functions under GST can be performed by a taxpayer at the GST portal. GSP is an additional channel being made available for performing some of the functions and use of their services is optional. Some of the specific solution(s) which could be offered by the GSPs to meet specific requirements of Taxpayers for GST compliance are given below:
 - 1. Conversion of their current invoice format generated by their existing accounting software, which could be in csv, pdf, excel, word format, into GST compliant format.
 - 2. Reconciliation of auto populated data from GST portal with their purchase register data, where purchase register data can be on excel, csv or in any proprietary database and uploaded data from GST format could be in json/csv.



What are the benefits to taxpayers in using the GSPs?

- 3. Organization having various branches will need a way to upload branch wise invoices, as GST System will only provide one user-id/password for GST system access. An application having role based access and different view for different branches will be needed.
- 4. A company registered in multiple States may require unified view of all branches in one screen,
- 5. GST professionals will need some specific applications to manage and undertake GST compliance activities for their client Tax payers from one dashboard, etc.

Above are just a few illustrations. There will be many more requirements of different sets of Tax payers. These requirements of taxpayers can be met by GSPs.



What are the functions which a taxpayer will perform at the GSTN

- GST Common Portal is envisaged as one-stop-shop for all requirements under GST for the taxpayers. Illustrative list of functions that can be performed by taxpayers through GST Portal managed by GSTN are:
- Application for registration as well as amendment in registration, cancellation of registration and profile management;
- Payment of taxes, including penalties, fines, interest, etc. (in terms of creation of Challan as payment will take place at bank's portal or inside a bank premises)



What are the functions which a taxpayer will perform at the GSTN

- Change of status of a taxpayer from normal to Compounding and vice-versa;
- Uploading of Invoice data & filing of various statutory returns/Annual statements;
- Track status of return/tax ledger/cash ledger etc. using unique Application Reference Number (ARN) generated on GST Portal.
- Status review of return/tax ledger/cash ledger



Role of tax officers from State and Central Govt in GSTN

The officers will use information/ application submitted by taxpayer on GST Portal for following statutory functions:

- Approval/rejection for enrolment/registration of tax payers;
- Tax administration (Assessment / Audit /Refund / Appeal/ Investigation etc.);
- Business Analytics, MIS and other statutory functions.



Will GSTN generate a unique identification for each invoice line in GSTN system?

No, GSTN will not generate any new identification.

The combination of Supplier's GSTIN, Invoice no and Financial year will make each Invoice unique.



Can invoice data be uploaded on day to day basis?

- Yes, GST Portal will have functionality for taxpayers to upload invoice data on any time basis.
- Early upload of invoices by supplier taxpayer will help receiver taxpayer in early reconciliation of data in Invoices as well as help supplier taxpayer in avoiding last minute rush of uploading returns on the last day.



Will GSTN provide tools for uploading invoice data on GST portal?

- Yes, GSTN will provide spreadsheet like tools (such as Microsoft Excel), free of cost, to taxpayers to enable them to compile invoice data in the same and generate files which can then be uploaded on GST portal.
- This will be an offline tool which can be used to input/capture invoice data without being online and then generate final files in compatible format for uploading to GST portal.



Will GSTN be providing mobile based Apps to view ledgers and other accounts?

- The GST portal is being designed in such a way that it can be seen on any smart phone.
- Thus ledgers like cash ledger, liability ledger, ITC ledger etc. can be seen on a mobile phone using compatible browsers.



Will GSTN provide separate User-id and Password for GST Practitioners

- Yes, GSTN will be providing separate user ID and Password to GST Practitioner to enable them to work on behalf of their clients without asking for their user ID and passwords.
- They will be able to do all the work on behalf of taxpayers as allowed under GST Law.



Will tax payer be able to change the GST Practitioner once chosen in above mentioned facility?

Yes, a taxpayer may choose a different GST Practitioner by simply unselecting the previous one and then choosing a new



What material will be provided by GSTN, on various aspects of working on GST portal, for the benefit of taxpayers?

- GSTN is preparing Computer Based Training materials (CBT's) which have videos embedded into them for each process to be performed on the GST portal.
- These will be put on the GST portal as well as on the website of all tax authorities. Apart from CBT's, Various User Manuals, FAQ's etc., will also be placed on GST Portal for education of the taxpayers.
- Apart from it, a helpdesk has been set up for the taxpayers for logging of their tickets via mail (helpdesk@gst.gov.in) or phone (0124-4688999). CBT, FAQ and User Manual for enrolment process are available at <https://www.gst.gov.in/help>.



Will the return and registration data furnished by the taxpayers on the GST Common Portal will remain Confidential?

- Yes, all steps are being taken by GSTN to ensure the confidentiality of personal and business information furnished by the taxpayers on GST Common Portal.
- This will be done by ensuring Role Based Access Control (RBAC) and encryption of critical data of taxpayers both during transit and in storage.
- Only the authorized tax authorities will be able to see and read the data.



What are the security measures being taken by GSTN to ensure security of the GST system?

- GST Systems project has incorporated state of art security framework for data and service security. Besides high end firewalls, intrusion detection, data encryption at rest as well as in motion, complete audit trail, tamper proofing using consistent hashing algorithms, OS and host hardening etc.
- GSTN is also establishing a primary and secondary Security Operations Command & Control center, which will proactively monitor and protect malicious attack in real time.
- GSTN is also ensuring secure coding practices through continuous scanning of source code & libraries being used in GST system to protect against commonly known and unknown threats.



IT safeguards & Validations





Data Transfer to GSTN Portal

- IT solution for capturing Data for outward and inward supplies
- Outward & Inward supplies to be identified separately for Supply of goods or services, RCM, Bill of supply, Delivery Challan etc.
- Separate data for B2B, B2C, Export, Advance from customers
- Consolidated data for Bill of supply, Delivery Challan and Advance from customers
- GST Tax rate wise data segregation



Data validation

- Place of supply
- Valid GSTN of vendors & customers
- Invoice No
- Invoice date (dd-mm-yyyy)
- Description(30 Chrs)
- Gross amount of Invoice
- Tax value according to rate and type like CGST,SGST,IGST
- Availability of CGST & SGST together
- Invoice No. range for all categories of Supply of goods & services except RCM(to be uploaded in GSTR-2) including cancelled, skipped, supplementary etc.



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Thanks for your
Time and Input

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