

Professional Opportunity in GST- Chartered Accountants

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The Government is committed to pass the GST bill in the winter session of parliament this year (2105). However considering the many stages post the passing of the bill of: recommendation of GST council, passing of model law in States, IT infrastructure in few States, change management (awareness and training of tax administration, assesseees and general public) the target date of April 2016 is not probable. GST implemented in the middle of the year maybe a major disaster. Therefore it appears that the date should in all fairness be April 2017.

Our Professionals Strengths are as under:

- Comprehensive course covering commercial and legal aspects of business in entirety- Unquestioned leader in finance, accounts and audit.
- Practical industry / trade experience/ exposure to ground realities,
- Governed by a strict Code of Conduct which is enforced,
- Cost effective / value additive – low cost of education, (GST should be part of the curriculum for the future)
- Indirect tax has been part of curriculum at Intermediate (IPCC) as well as final level. For the professional who values independence or has an entrepreneurial bent of mind practice could be an option to **enjoy** what he/ she does throughout his / her professional life. The need to choose at the initial stage or add to the competencies or change direction/ course after a few years may be felt in this decade of rapid change. In this article an attempt has been made examine a few such key opportunities and possibilities. If the **context** of the CA practice the providing of knowledge backed responsive service while adding value to the employer or client, is empowering and fail proof. Delivering the context by series of **action** to enhance oneself (training / reading), continuous enquiry as to alternatives (out of the box thinking). Further in this article we examine the following:
 - These strengths cannot in the view of the paper writer be matched by the Advocates (who are very good at legal issues) or other commerce professionals who do not have the depth or exposure of a CA.
 - Many members in employment in IDT would need to understand GST in depth to be able to smoothly provide transition by way of entering into long term agreements safely,

ensuring procurement with taxes, making proper claim of credit on stocks and carry forward.

1. Possibility of adding GST services to the basket of services already provided to the existing clients.
 2. GST as a possible area of specialisation in coming years
 3. When professional services under GST could be provided? **Adding to Basket**
 4. The additional areas/ enlargement of present service or specialization could be as under:
 5. When we solely depend on the attest function at times the fees may not be elastic as the client does not see value even though the CA would have spent substantial time and effort on the same.
 6. This exercise can only be provided where the client perceives additional value and does not consider the service as an extension of the advisory service/ audit services already provided. For example: Internal Audit is being done for some time. No Standard Operating Manual in Place. Preparation is a separate assignment- Value can be created by doing a re-engineering exercise – saving unnecessary costs and reducing the processes/ number of employees. In such cases the recurring costs saved by the exercise would justify the high fee. With the GST in the horizon, clients may also be encouraged to take up this exercise.
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1. Total Business Advisor: Involve in the business, analyse by SWOT as sees internally and externally. Assist in preparing the business plan. Ensure agreement within and owners buy in. Enable the implementation and growth. Put controls, MIS in place. Be part of the reporting structure. Take the client to higher levels of efficiency profitability. Ultimate as you are actually a partner.

GST would be in the region of about 22- 25% (though the rate maybe around 20%) impact on majority of trade, industry or services which is quite significant.[1] The understanding of GST especially prior to and in the transition period would be imperative.[2]

2. Internal Audit: GST impact analysis could be an important component in the year leading to GST. In the year of implementation, the transitional challenges of optimising taxes as

well as credits could be a monthly exercise. The fee for the GST should be in addition as substantial time and effort would be involved.

3. **Financing/ Investment Consultancy:** The entire business runs on money being available and how to get the best return for available monies. Today there are a number of possibilities to raise monies with varying degrees of risk. Enabling that is seen to be especially rewarding in terms of remuneration.

The impact of indirect taxes now and GST as it would be put in place is significant and therefore to be included

4. **ERP Implementation:** The CA with either DISA or CISA qualification having knowledge in accounts, technology and taxation would be ideal to include in the GST team to implement ERP. Further when he/ she include re-engineering as part of the process it would invariably add value. The period of 6 months prior to and 1 year after GST implemented would be a crying business need.
5. **Cost Cutting / Tax Planning Review:** The world over competitiveness is the buzz word. As a one-time effort review the working and examine the inefficiencies in the system and suggest remedies. Maybe in procurement/ marketing/ manufacturing process/ storage/ finance/ design & development etc. This relook would be necessary for all medium and large enterprises with GST in mind. The exercise could probably lead to immense saving in cost.
6. **Review Tax costs:** Today the present IDT cost is around 30 % for manufacturing and 20% for services. Well run companies are examining whether the indirect taxation methodology followed is in compliance with the present law. Whether set off/ credits availed under all? Whether quoted appropriately with different type of customers? [Central Excise, Customs, CST/VAT or Service Tax] Under GST once the tax cost is arrived at the possibility of passing on the tax benefit to enlarge the market would also be a small window for those who are looking at increasing their market share.
7. **Specialized Outsourcing:** Today many jobs such as paying the appropriate tax after availing eligible credit, filing of all returns under tax and regulatory laws is a source of substantial cost and increased risk if done by incompetent staff. The management also

looks for ensuring accounts are accurately updated and MIS in place. Even CFO job is outsourced. Need to keep abreast of GST would be very important as in the 1st few years leaning on outsiders who are also learning may not be wise.

8. Training the Client/ Staff: Since GST is going to be quite procedural oriented, there would be a need to train the personnel in purchase, marketing, finance and account. This should have to be undertaken at least 3 months prior to implementation of GST for a medium sized concern. This could be a regular source of income while fast tracking learning for the younger CA.
- **Many Other Services: Once the GST bill is made public, there could be many other areas which would open up to the CA.**

When Professional Services in GST can be provided?

Assuming that it would be implemented in April 2017 the time lines could be as under:

1. Preliminary Study – Large Companies may like to get it done once bill passed; Medium Sector when the States pass the bill; Others maybe 6 months prior to implementation.
2. Impact Analysis – This would include the structural changes in marketing and procurement including the effect on the cash flow. Could be done once the rates are in place. Maybe 9 months before GST.
3. IT systems / Standard Operating Procedures modification - 9 months before implementation.
4. Training the personnel in marketing, purchase, finance and accounts – 6 months before implementation.
5. Transition Management – 6 months before implementation.
6. Claim of credit to be carried forward. Reconciliation of books and returns filed under central excise, VAT and service tax. – 1 month prior.
7. Claim of credit on stocks in hand as on 31st March 2017.- 1 month prior.
8. Hand holding in first 3 months – trouble shooting, representing, record maintenance and uploading returns. Immediately after implementation.
9. Internal audit of GST – Monthly or quarterly compliance checks and correction of errors on ongoing basis. Immediately after implementation.

Goods and Service Tax is expected to be put in place by April 2017. Are we ready to advise, consult, audit the records post GST?

