

GST rules tightened to curb tax evasion



- The Central Goods and Services Tax (Fourteenth Amendment) Rules, 2020, have tightened the norms to seek GST registration and ensure only genuine companies are registered.
- It has halved the extent of tax credits that can be claimed by businesses where the vendors have not uploaded invoices to 5% of their eligible tax credits
- In case of businesses with sales of over ₹50 lakh a month, tax credit from raw materials and services could be used for up to 99% of the final tax liability.
- E-way bills will be valid for one day to transport 200 km, instead of the existing 100 km. Businesses will have to ensure that the movement of goods is completed within timelines; or else they will have to extend their e-waybill validity before it gets expired.
- These rules will be in force from 1 Jan 2021.