

GST and JOHNNY- UPDATE No.50

JOHNNY
JOHNNY!!



Yes, Papa!



Do you have the
complete
information about
your supplier?



No Papa



What's the
reason?



This papa:

The 39th GST Council meeting approved a new facility called 'Know Your Supplier' (KYS). This facility is introduced to provide benefit to the recipient of goods or services under the GST law.

The press release explains that the 'Know Your Supplier' (KYS) facility will enable every registered person to obtain some necessary information about their suppliers.

The basic motive behind introduction of such facility is that the government believes that it is better to provide suppliers with information to the recipients so that they can make the best assessment of the suppliers before continuing to do business with them.

In industry there was supplier who making tax payment on time & filing GST return on time. However few suppliers have default in GST compliances. Due to which buyer faces problem in claiming GST Credit. From buyers point it important to ensure all purchases ITC is reflected in GSTR 2A. GST Council decided to introduce Know Your Supplier Scheme to solve this trade problem.

This scheme was planned to be brought up much earlier in the picture but could not be implemented due to technical glitches. The Grading facility based upon the KYS system is also a challenge to implement on the website.