



Lawgics

By Nidhi, Advocate



Serial No.: 148
Dt.: 17-08-2023



<https://chat.whatsapp.com/Ie4VxuhvToe76Us7e5>
CLICK TO JOIN
WHATSAPP GROUP

Section 149 of CGST Act, 2017

149. Goods and services tax compliance rating.

- (1) Every registered person may be assigned a goods and services tax compliance rating score by the Government based on his record of compliance with the provisions of this Act.
- (2) The goods and services tax compliance rating score may be determined on the basis of such parameters as may be prescribed.
- (3) The goods and services tax compliance rating score may be updated at periodic intervals and intimated to the registered person and also placed in the public domain in such manner as may be prescribed.

Our Interpretation

Section 149

Compliance rating system is one of the new ways of tax administration. This section states that every registered person would be rated based on certain parameters. It also provides that the rating would be published in the public domain.

With the aim of increasing governance by publishing information about the extent of compliance by each taxable person, this section provides a compliance rating that varies periodically. The compliance rating system is a unique form of rating the performance of the registered persons. The parameters which would be considered for performance rating would be notified.

Among others, the rating of a registered person would be relevant to show reliability of the supplier to pay taxes on time so that recipient of supplies can exercise some caution based on the published compliance rating of suppliers and for selection for scrutiny and other administrative / monitoring purposes.

This section provides as follows:

- Every registered person shall be rated and will be assigned a GST compliance rating score.
- The rating would be based on his record of compliance with the provisions of CGST, IGST and SGST/UTGST. The details of parameters and methodology for rating would be prescribed.
- The compliance rating score will be updated periodically and will be-
 - Intimated to the registered person; and
 - placed in the public domain

The compliance rating is **yet to be operationalized**.

We expressly disclaim liability to any person in respect of anything done in reliance of the contents of this publication.