



404/4: 2015: GST

December 3, 2015

Shri Satish Chandra
Member Secretary
Empowered Committee of State Finance Ministers
Delhi Secretariat
Room No:- 603, 'B' - Wing
I.P. Estate
New Delhi - 110002

Dear Sir,

Sub: Request for recognition of Company Secretaries under proposed Goods and Services Tax Law

1. This has reference to the Reports of the Joint Committee on Business Processes for GST on Refund Process, Registration and GST Payment Process placed at the link <http://dor.gov.in/scgst> for stakeholders' consultation.
2. **We wish to bring to your kind notice that the Reports recognizes/authorises, Chartered Accountants for the following certifications/role:**
 - A. Issue of Certificate certifying the fact of non-passing of the GST burden (Report for GST on refund process).
 - B. Act as Authorised Representative in the matter of registration under Goods and Service Tax Act (Report on GST Registration).
 - C. Act as Authorised Representative acting as an agent for the taxpayer (Report on GST Payment Process).

3. Our Concern

Company Secretaries are well equipped and competent to carry out these certifications and should also be authorised to certify and act as authorised representatives, at par with other professionals.

4. Submission

We wish to submit that Company Secretaries are playing a pivotal role in corporate management as well as in practice. Various state governments have recognized the important role being played by the Practising Company Secretaries and authorised them to do VAT Audit and to appear before the appellate authority as the Authorised representative. Securities Exchange Board of India has recognized company secretaries as auditor/Internal auditor and the Companies Act, 2013 also recognises the Company Secretaries for carrying out the Secretarial Audit of prescribed class of companies. A list of recognitions under State VAT Act is enclosed as **Annexure A**.



Company Secretary is a competent professional and is provided exhaustive exposure by the Institute through compulsory coaching, examination, rigorous training and continuing professional development programmes, and is governed by the Code of Conduct contained in the Company Secretaries Act, 1980. A brief note on the relevant curriculum and training is enclosed at **Annexure B**.

We take this opportunity to apprise you that the Institute has planned dedicated workshops for its members in Goods and Service Tax law and also a certificate course on GST, to strengthen their capacities in this area.

In view of the vast experience gained by our members in tax laws both Direct and Indirect taxes and to provide wider and cost effective scope for selection of professionals, we submit that **Company Secretaries be also authorised to act as authorised representative in following areas under GST:**

- A. Issue Certificate certifying the fact of non-passing of the GST burden (Report for GST on refund process).
- B. Act as Authorised Representative in the matter of registration under Goods and Service Tax Act (Report on GST Registration).
- C. Act as an Authorised Representative for acting as an agent for the taxpayer (Report on GST Payment Process).

We shall be pleased to provide any other information or clarification you may desire in this regard.

Thanking You.

Yours faithfully,

(CS Atul H. Mehta)
President

1. The Institute of Company Secretaries of India (ICSI) - a statutory and premier professional body

The Institute of Company Secretaries of India (ICSI) is a statutory body constituted under the Company Secretaries Act, 1980 to regulate and develop the profession of Company Secretaries. The ICSI has nationwide presence having its headquarters at New Delhi, four Regional Offices at New Delhi, Chennai, Kolkata and Mumbai and 67 Chapters spread all over India.

The Institute has on its roll today about 40000 members and around 4,00,000 students are pursuing Company Secretaryship course.

2. Company Secretary – A competent Professional

A Company Secretary as competent professional comes in existence after exhaustive exposure provided by the ICSI through compulsory coaching, examinations, rigorous training and continuing professional development programmes, and is governed by the **Code of Conduct** contained in the Company Secretaries Act, 1980.

3. Statutory and Regulatory Recognitions of the profession of Company Secretary

1.	Company Secretary – Principal Officer of the Company Secretary of a company has been recognized as a principal officer of the company responsible for its affairs under host of legislations including Customs Act, 1962, Central Excise Act, 1944, etc. Recently enacted, the Companies Act, 2013 has recognized the Company Secretary as one of the Key Managerial Personnel of the company.
2.	Recognition by Reserve Bank of India (RBI) for Diligence Report for Banks The Reserve Bank of India vide its Circular No. DBOD NO. BP.BC. 46/08.12.001/2008-09 dated September 19,2008 has advised all the scheduled commercial Banks to obtain DILIGENCE REPORT by a professional, preferably a Company Secretary, regarding compliance of various statutory prescriptions by the borrowers. The ICSI has issued a comprehensive Guidance Note on Diligence Report for Banks for maintaining the highest standards of the quality for issuing the Diligence Report by the Company Secretaries in Practice.
3.	Recognition to Company Secretaries in Practice to act as Authorised Representative under various VAT Laws The Company Secretaries in Practice have been recognized to act as Authorised Representative under - i) West Bengal Value Added Tax Rules, 2005 – Rule 2(1)(a)(iv) ii) Bihar VAT Act, 2005 – Section 87(d) iii) Goa VAT Act, 2005 – Section 82(1)(b) iv) Karnataka VAT Rules, 2005 – Rule 168(1)

	v) Kerala VAT Act, 2003 – Section 86(e) vi) Daman & Diu VAT Regulation, 2005 – Regulation 82(1)(b) vii) Jharkhand VAT Rules, 2006- Rule 51 (1)(c) viii) Delhi Value Added Tax Act, 2004- Section 82(1)(b) ix) Uttar Pradesh VAT Rules, 2008- Rule 2 (e) read with Rule 73 The Company Secretaries in Practice have been recognized to act as Authorised Representative under the VAT Laws of the other states also via Section 288 of the Income Tax Act, 1961 read with Rule 50 of the Income Tax Rules, 1962. Recognition to Company Secretaries to conduct VAT audit The Company Secretaries in Practice have also been recognized to conduct VAT Audit in following states: 1. Jharkhand VAT Act, 2005- section 2(i) 2. Karnataka VAT Rules, 2005- As a Tax Practitioner under Rule 34(1) 3. Gujarat VAT Act, 2005- As a Tax Practitioner under Rule 59(1)(a) The Institute is in dialogue with various other states of the country for getting recognition to conduct VAT audit by Company Secretaries.
4.	Recognition by Securities and Exchange Board of India (SEBI) for Internal Audit SEBI has authorised the Practising Company Secretaries, amongst others professionals to carry out complete internal audit of i) Stock Brokers / Trading Members / Clearing Members vide SEBI Circular MRD/DMS/Cir-29/2008 dated October 21, 2008. ii) Portfolio Managers vide SEBI Circular IMD/PMS/CIR/1/21727/03 dated November 18, 2003. The ICSI has issued a comprehensive Guidance Note on Internal Audit of Stock Brokers for maintaining the highest standards of the internal audit.
5.	Recognition by National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) for Internal / Concurrent Audit i) NSDL has authorised the Practising Company Secretaries to conduct internal audit of operations of the Depository Participants vide Circular No. NSDL/POLICY/2008/0072 dated October 17, 2008. ii) NSDL has also authorised the Practising Company Secretaries to conduct Concurrent Audit in case of Demat Account Opening, Control and Verification of Delivery Instruction Slips vide Circular No. NSDL/ POLICY/2006/0021 dated 24th June, 2006. iii) CDSL has authorised the Practising Company Secretaries to conduct internal audit of operations of the Depository Participants vide CDSL Bye Law 16.3.1
6.	Bombay Stock Exchange has authorised the Practising Company Secretaries to issue Net Worth Certificates to be submitted by all the members.

7. Recognition to Company Secretaries in Practice as Authorised Representative under various other laws and rules

The Company Secretaries in Practice have been recognized to act as Authorised Representative before-

- i) The Customs, Excise and Service Tax Appellate Tribunal under the Customs Act, 1962 [Section 146A(2)(d)] read with Customs (Appeals) Rules, 1982 [Rule 9(c)] and The Central Excise Act, 1944 [Section 35Q (2)(c)] read with Central Excise (Appeals) Rules, 2001[Rule12(c)].
- ii) Service Tax vide Authority for Advance Ruling (Procedures) Rules, 2003-Rule 2(d)(i)
- iii) Service Tax vide section 83 of Chapter V of Finance Act, 1994.
- iv) Income-Tax Act, 1961 vide Section 288(2)(v) read with Rule 50(2A) of the Income Tax Rules, 1962
- v) Securities Appellate Tribunal vide Section 15V of the SEBI Act, 1992
- vi) Central Electricity Regulatory Commission vide the Central Electricity Regulatory Commission (Miscellaneous Provisions) Order, 1999- Explanation to Order No.6(i)
- vii) Telecom Regulatory Appellate Tribunal vide the Telecom Regulatory Authority of India Act, 1997-Section 17
- viii) National Company Law Tribunal vide Section 10GD
- ix) Competition Commission of India Competition Act, 2002 – Section 35(b)

Annexure B

(a) The relevant contents of the curriculum of the Company Secretaryship Course

Paper No. and Name	Stage of the C.S. Course	Contents of the Paper
Paper No. 4 on <i>Tax Laws and Practices</i>	Executive Programme	The Paper covers: i) Income Tax Act ii) Service Tax iii) Value Added Tax
Paper-7 on <i>Advanced Tax Laws and Practice</i>	Professional Programme	The Paper covers: i) Direct Taxation- Income Tax, International Tax ii) Indirect Taxation – Central Excise, Customs. Service Tax, VAT iii) International Taxation
Paper 3 on <i>Financial Accounting</i>	Foundation Programme	The Paper covers Final Accounts of non-corporate entities.
Paper 5 on <i>Company Accounts & Auditing Practices</i>	Executive Programme	The Paper covers Final Accounts of Companies.

(b) The practical Training of the Company Secretaries

In addition to passing of the above mentioned papers, a final pass student is required to undergo **15 months of practical training** before he is admitted as a member of the ICSI. The training may be obtained in an industry or under a Practising Company Secretary to gain practical experience in the various areas of business affairs.

The ICSI organizes a 15 days mandatory **Management Skills Orientation Programme (MSOP)** for each student before he is admitted as a member of the ICSI. The trainees are exposed to hands on experience in various areas of business affairs like taxation, legal, IT etc. through visits to various Government Departments, Offices and Tribunals, filling of Forms and returns, pleadings and sharing of information and experiences by interacting with the senior experts in the relevant fields.

(c) Goods and Service Tax Laws

The syllabus of Company Secretaryship course covers various components of proposed GST and once GST is in place, syllabus will automatically include GST in the Course curriculum.
