

ANTI-PROFITEERING RULES, 2017

In exercise of powers conferred by **S - 164 R/W S - 171** of CGSTA CG makes the following rules,

1. Short title, extent and commencement:

- (1) Rules called Anti-profiteering Rules, 2017.
- (2) extend to whole of India **except J & K**.
- (3) come in force on the date of their publication in the OG.

2. Definitions:

- (a) **“Act”** ▶ CGSTA, 2017;
- (b) **“Committee”** ▶ Standing Committee on Anti-profiteering constituted by the Council in terms of **Rule 4 (1) of these rules**;
- (c) **“Screening Committee”** ▶ State level Screening Committee constituted in terms of **Rule 4 (2) of these rules**;
- (d) **“Authority”** ▶ National Anti-profiteering Authority constituted under **Rule 3**;
- (e) **“interested party”** includes-
Suppliers & recipients of goods / services under the proceedings;
- (f) **Words and expressions used and not defined herein** but defined in the Act, shall have the same meaning respectively, assigned to them, in the Act.

3. Constitution of Authority:

Authority consist of a chairman & 4 Technical Members to be nominated by the council

4. Constitution of the Standing Committee and Screening Committees:

- (1) Council may constitute a Standing Committee on Anti-profiteering which shall consist of such officers of the SG & CG as may be nominated by it.
- (2) State level Screening Committee shall be constituted in each State by the SG which shall consist of:
 - (a) 1 officer of the SG, to be nominated by Commissioner, and
 - (b) 1 officer of the CG, to be nominated by the Chief Commissioner.

5. Appointment, salary, allowances & other terms & conditions of service of the Chairman and Members of the Authority

6. Secretary to the Authority

7. Authority may determine the methodology & procedure for determination as to whether the reduction in rate of tax on the supply of goods / services / the benefit of ITC has been passed on by the **(RP)** to the recipient by way of reduction in prices.

9. Examination of application by the Standing Committee & Screening Committee.-

- (1) Standing Committee within a period of **2 months** from date of receipt of a written application from an interested party / Commissioner / any other person, examine accuracy & adequacy of evidence provided in the application to determine whether there is prima-facie evidence to support the claim of the applicant that the benefit has not been passed on to the recipient.
- (2) All applications on issues of local nature shall first be examined by the State level Screening Committee and upon being satisfied that the supplier has contravened provisions of **S -171**, forward application with its recommendations to Standing Committee for further action.

10. Initiation and conduct of proceedings:

- (1) Where Standing Committee is satisfied that there is a prima-facie evidence it shall refer matter to Director General of Safeguards **(DGS)** for detailed investigation.
- (2) **(DGS) shall ->** conduct investigation & collect evidence necessary;
- (3) **->** before initiation of investigation, issue a notice to the interested parties containing, information on the following;
 - (a) description of goods / services in respect of which proceedings have been initiated;
 - (b) summary of statement of facts on which the allegations are based; and
 - (c) the time limit allowed to the interested parties and other persons who may have information related to the proceedings for furnishing their reply.
- (4) **->** also issue notices to such other persons as deemed fit for fair enquiry into the matter.
- (5) **->** make available the evidence presented to it by one interested party to the other interested parties, participating in the proceedings.
- (6) **->** Shall complete investigation within **3 months** of receipt of reference from Standing Committee / within such extended period not exceeding a further period of **3 months** for reasons to be recorded in writing and, upon completion of investigation, furnish to the Authority a report of its findings, along with relevant records.

11. Confidentiality of information:-

- (1) The provisions of **S -11** of the **Right to Information Act, 2005** shall apply mutatis mutandis to the disclosure of any information which is provided on a confidential basis.

(2) The **(DGS)** may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, the said information cannot be summarised, such party may submit to **(DGS)** a statement of reasons why summarisation is not possible.

12. Where **(DGS)** deems fit, he may seek opinion of any other agency / statutory authorities in discharge of his duties.

13. **(DGS)** has the Power to summon persons to give evidence and produce documents.

14. **Order of the Authority:**

(1) Authority shall within a period of **3 months** from date of receipt of report from **(DGS)** determine whether a **(RP)** has passed on the benefit to the recipient.

(2) An opportunity of hearing shall be granted to the interested parties by the Authority where any request is received in writing.

(3) Where Authority determines that a **(RP)** has not passed on the benefits to the recipient by way of reduction in prices, Authority may order:

(a) reduction in prices;

(b) return to the recipient, an amount equivalent to the amount not passed on by way of reduction in prices along with **interest @ 18%** from the date of collection till the date of return of such amount /
recovery of the amount including interest not returned and depositing the same in the Fund referred to in **S-57**;

(c) imposition of penalty; and

(d) cancellation of registration under the Act.

15. Decision of the members of the Authority shall be taken majority:

16. **Compliance by the (RP):-**

Any order passed by the Authority shall be immediately complied with by **(RP)** failing which action shall be initiated to recover the amount in accordance with provisions of IGSTA/ CGSTA/ UTGSTA/ SGSTA of the respective states, as the case may be.

17. Authority may require any authority of **CT, ST / UTT** to monitor implementation of the order passed by it.

18. **Tenure of Authority :** shall cease to exist after the expiry of **two years**.
