

TOPIC: INTRODUCTION TO GST 2017 AND ANTI MONEY LAUNDERING ACT

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Meaning of GST 2017

GST, or Goods and Services Tax, is an indirect tax imposed on the supply of goods and services. It is a multi-stage, destination-oriented tax imposed on every value addition, replacing multiple indirect taxes, including VAT, excise duty, service taxes, etc.

Types of GST in India

There are **4 types of GST in India**, they are:

1. CGST (Central Goods and Services Tax)

CGST is the tax collected by the Central Government. It is similar to SGST in the sense that it is also collected on an intrastate transaction (within the same state).

2. SGST (State Goods and Services Tax)

The money collected through SGST is claimed and governed only by that state. After the introduction of the GST system, many state-level indirect taxes were subsumed into the SGST, simplifying the tax structure within each state. However, SGST is not a single, unified tax, and states retain the power to levy certain additional taxes.

3. IGST (Integrated Goods and Services Tax)

It is a tax under the GST system that is imposed on imports, exports, and interstate (between two states) sales of goods and/or services. The Central Government collects GST in the form of IGST.

4. UTGST (Union Territory Goods and Services Tax)

UTGST is imposed on the supply of products and/or services in the Union Territories (UTs) of India. In the Andaman and Nicobar Islands, Chandigarh, Daman Diu, Dadra Nagar Haveli, and Lakshadweep, products and/or services are subject to the UTGST. The Union Territory Government is in charge of collecting the UTGST revenues.

Meaning of Anti Money Laundering Act 2020

The Anti-Money Laundering Act of 2020 (AMLA) is a law that expands and strengthens anti-money laundering (AML) legislation in the United States:

1. Enacted

Passed by Congress on January 1, 2021 as part of the National Defense Authorization Act (NDAA)

2. Enforced by

The Financial Crimes Enforcement Network (FinCEN)

3. Key provisions

Includes the Corporate Transparency Act (CTA), which establishes a beneficial ownership registration database

Other provisions Includes:

- Increased money laundering penalties
- Streamlined suspicious activity reporting
- Expanded whistleblower protections
- Expanded regulatory oversight
- Expanded authority to subpoena foreign banks
- New criminal BSA violations
- Increased civil penalties for BSA violations
- Expanded BSA responsibility to include art and antiquities trading

The Anti-Money Laundering Act (AMLA) of 2020 is a law that updates the Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) laws to combat money laundering:

1. **Beneficial ownership registration database:** The AMLA creates a database to register beneficial ownership.
2. **Subpoena foreign banks:** The AMLA gives federal investigators more authority to subpoena foreign banks.
3. **Whistleblower rewards:** The AMLA increases the rewards for whistleblowers.
4. **Regulate non-traditional exchanges:** The AMLA regulates businesses that exchange value in non-traditional ways.
5. **Annual reports:** The AMLA requires annual reports to Congress.
6. **Suspicious activity reports:** The AMLA requires the Department of Justice to submit metrics on suspicious activity reports.
7. **Financial institution information sharing:** The AMLA allows financial institutions to share information with each other to identify suspicious activity.
8. **Technology requirements:** The AMLA requires financial institutions to modernize their technology infrastructure to store and retrieve beneficial ownership data, and to include virtual currencies and other payment methods.
9. **Expanded definition of financial institutions:** The AMLA expands the definition of financial institutions to include businesses that deal in virtual currency and digital assets.

Meaning of Insolvency and Bankruptcy Code 2016

The Insolvency and Bankruptcy Code (IBC) of 2016 is a law that aims to resolve insolvency and bankruptcy cases in a timely manner.

The IBC was introduced to address the issues of bad loans that were affecting the banking system. It also aims to protect the interests of small investors and make the process of doing business less cumbersome.

The IBC has several key features, including:

1. **Time-bound process**

The IBC provides a time-bound process to resolve insolvency. Creditors gain control over the debtor's assets and must resolve insolvency within 180 days.

2. **Insolvency and Bankruptcy Board of India**

The IBC establishes an Insolvency and Bankruptcy Board of India to regulate insolvency professionals, insolvency professional agencies, and information utilities.

3. **Committee of creditors**

The power of the management and the board of the firm is transferred to the committee of creditors (CoC).

4. **Insolvency professional**

The insolvency professional (IP) decides whether to revive the company or liquidate it.