

Anti-Profiteering Authority

July 19, 2020

Where is it provided?

- Central Goods and Services Tax Act, 2017

Main role

- To ensure that the reduction in rate of tax or the benefit of input tax credit is passed on to the recipient by way of commensurate reduction in prices

Institutional Framework

- The National Anti-profiteering Authority comprises a five-member committee, consisting of, a Chairman (equivalent to a rank of secretary in the government), four technical members (present/former commissioners of State tax or central tax departments). The Additional Director General of Safeguards under the Central Board of Indirect Taxes and Customs (CBEC) would be the Secretary to NAA.

Tenure

- The National Anti-profiteering Authority committee will initially have a two-year tenure that can be extended by the GST Council if they see a requirement for its existence in the future.

Special Powers of NAA

- NAA has the authority to **de-register** an entity or business if it fails to pass on the benefit of lower taxes under GST to the customer.
- NAA will **recommend the return of undue profit** which a business earned from not passing on reduction and benefit of tax to consumers along with an 18 percent interest. It can also impose a penalty if it sees it

necessary.