

**Consumer Welfare Fund made
available to Board under Rule
97(7A)
of the CGST Rules, 2017
(Management & Administration)**

**Central Board of Indirect Taxes &
Customs (CBIC),
Department of Revenue,
Ministry of Finance,
Government of India**

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SECTION-I

Introduction

Consumer Welfare Fund (CWF) has been constituted under Section 57 of the Central Goods & Service Tax (CGST) Act, 2017. The provision for utilization of CWF has been made in Section 58 of the CGST Act, 2017 which provides that the fund shall be utilized by the Government for the welfare of the consumers in such manner as may be prescribed. Accordingly, the provisions governing the manner of utilization of the Fund has been prescribed in Rule 97 of the CGST Rules, 2017. Sub-rule (7A) of rule 97 provides that the Committee, constituted under sub-rule (4), shall make available to the Central Board of Indirect Taxes & Customs (Board) 50 per cent. of the amount credited to the Fund each year, **for publicity or consumer awareness on Goods and Services Tax**, provided the availability of funds for consumer welfare activities of the Department of Consumer Affairs is not less than twenty-five crore rupees per annum.

SECTION-II

Objective of CWF

The overall objective of the Consumer Welfare Fund is publicity or consumer awareness on Goods and Service Tax (GST) which may include providing financial assistance and to implement measures to promote and protect the welfare of the consumers of goods and services in so far, they pay or bear the burden of GST. The Fund would enable to strengthen the consumer by enhancing her awareness about the provisions of GST and more specifically about her rights & responsibilities under GST.

SECTION-III

Policy governing the financial assistance/grants under GST CWF

50% of the amount credited to the Fund has been made available to the Board under rule 97(7A) of the CGST Rules, 2017 for publicity and consumer awareness on Goods & Service Tax (GST). Accordingly, the financial assistance from the Fund would be made available for:

1. To promote and protect the welfare of GST consumers and their empowerment.
2. To incentivize consumers for exercising their rights and responsibilities under GST.
3. Innovative projects for spreading consumer literacy and awareness and programmes for consumer education on GST.

4. Schemes and programmes for spreading awareness about the provisions of GST law and procedures, amongst the public at large.
5. Creation of digital platforms to facilitate consumers to know their rights.
6. Projects not covered by the above, but which in the opinion of Selection Committee, address pressing tax issues which maximize consumer welfare, or are in benefit of the taxpayer and public at large in relation to GST. In such cases, the Committee will record reasons in writing.

SECTION-IV

Eligibility

Any formation of CBIC or of any other Department or Ministry or Authority of Government of India/ Private Organisation/NGOs which has the capacity to implement the project on Pan-India level would be eligible to send a proposal seeking financial assistance from the GST Consumer Welfare Fund through their head of the office.

SECTION –V

Items that Qualify for Assistance

Recurring and Non-recurring assistance/grant will be decided as per an individual case. However, for a project generally the following items *inter alia* may qualify for assistance/grants:

- (i) Engagement of manpower;
- (ii) Outsourcing of services for the project approved by the Selection Committee;
- (iii) Honorarium to Guest faculties/Guest speakers etc. for the project.
- (iv) Establishment of office(s) with infrastructure (hardware/ software/ equipments/ internet service facilities/ furniture), as decided by the Selection Committee.
- (v) Charges for delivery of services;
- (vi) Other charges as may be considered necessary by the Selection Committee for proper running of the programme/project;

SECTION-VI

Extent of Assistance

1. The quantum of assistance/grant for a project shall be decided by the Selection Committee on case-to-case basis for reasons, to be recorded in writing, for such a quantum.
2. The proposal/project will invariably contain detailed break-up of total fund requirement, monthly/quarterly requirement of funds, activities to be conducted against the funds, outreach of the activities, outsourcing of services, infrastructure, manpower, contribution of the applicant, creation of digital and other form of information/data/documents etc.
3. Each project will have an agreement between the Board(to be entered into by DGGST) and grantee spelling out purpose of the project/programme/scheme, funds requirement, detailed information on the heads of requirement of funds, scope of the project, methodology of utilisation of funds, detailed methodology of execution of the project/program, monitoring mechanism, force majeure clause, liabilities and responsibilities of both parties, dispute resolution mechanism, penalty in the case of failure of performing as per the Agreement/MoU/Terms& conditions of approval etc.
4. The financial assistance/grant, methodology of execution, scope of the project/activities, schedule of activities to be undertaken, time limit of execution of project, schedule of expenditure, monitoring mechanism, or any other conditions/clauses may be revised if agreed by both the parties at any stage of the project but before completion of the time schedule of the project.

SECTION-VII

(A) Procedure for Scrutiny and Approval of Applications

1. The procedure for scrutiny of applications/proposals for grant of fund arising out of amount of fund made available to the Board in terms of rule 97(7A) of the CGST Rules, 2017, shall be finalized by the Selection Committee based on the recommendations of the Appraisal Committee.
2. All applications received shall be scrutinized from all parameters by an Appraisal Committee, before placing them for short listing and approval by the Selection Committee.
3. Decision of the Selection Committee shall be final.

(B) Project Appraisal

The proposal/execution of the project, will be appraised/monitored by a Project Appraisal Committee. The Committee shall consist of:

(a)	The Principal Additional Director General/ Additional Director General, Directorate General of Goods and Services Tax, New Delhi;	Convenor
(b)	The Principal Additional Director General/ Additional Director General, Directorate General of Taxpayer Services, New Delhi;	Member
(c)	The Principal Commissioner/ Commissioner, GST Policy Wing;	Member
(d)	The Principal Additional Director General/ Additional Director General, Directorate General of Human Resource Development (EMC);	Member
(e)	An officer to be nominated by the Office of the Principal Chief Controller of Accounts, CBIC.	Member

2. The Appraisal Committee will appraise the project for its technical feasibility, project viability and also on the benefits that accrues to consumers. The committee may co-opt such Member(s) as may be required depending upon the nature of the project.

3. Whenever necessary, the applicant will be asked to make a presentation before the Appraisal Committee. The Committee will make appropriate recommendation for consideration of the Selection Committee.

4. The office of DGGST will be the Secretariat for Appraisal Committee.

5. Appraisal Committee shall meet as and when required but atleast once in 3 months. Projects approved by Appraisal Committee shall be placed, as soon as possible but not later than 1 month from the date of recommendation by the appraisal committee, before the Selection Committee for their consideration. Appraisal Committee shall also appraise the Selection Committee about the projects/proposals not found suitable by them.

(C) Selection Committee

There shall be a Selection Committee consisting of the following:

(a)	The Chairman, Central Board of Indirect Taxes and Customs (CBIC)	Chairman
(b)	Member (GST), CBIC	Member
(c)	Member (Taxpayer Services), CBIC	Member
(d)	AS & FA, Ministry of Finance	Member
(e)	Pr. Chief Controller of Accounts, CBIC	Member
(f)	Pr. Director General/DG of Directorate General of GST, CBIC	Member
(g)	Pr. Director General/DG of Directorate General of Taxpayer Services, CBIC	Member
(h)	The Principal Commissioner/ Commissioner, GST Policy Wing	Member
(i)	Pr. ADG /ADG (HQ), DGGST, New Delhi	Member Secretary

(D) Rejection of proposals

A proposal may be rejected, *ab initio*, if found incomplete/infeasible, or at the appraisal or final stage for any other reason which the Selection Committee deems fit. The reasons for such rejection may be recorded in writing.

SECTION-VIII

Terms & Conditions

Relevant provisions of General Terms & Conditions for grant of fund under CWF Guidelines, 2021 issued by Department of Consumer Affairs, Ministry of Consumer Welfare including GFRs and CVC guidelines would be applicable for grant from the amount of fund made available to the Board under rule 97(7A) of the CGST Rules, 2017.

SECTION -IX

Fund Disbursement

- i. For each project, the proposal shall indicate a Project implementing authority.
- ii. Fund from the amount of fund made available to the Board under Rule 97(7A) will be placed for further utilisation for the particular project at his disposal.
- iii. If at the end of the financial year any fund will remain unutilized, the same shall be surrendered before 31st March.
- iv. If the project is to be implemented for time period spread over more than one financial year, fund shall be released on financial year basis subject to Utilisation Certificate of last financial year received, if any.

SECTION-X

Monitoring & Evaluation:

1. All projects with funding above 50 Lakh will be monitored periodically by the Board (through DGGST) and evaluated by an independent agency on the metrics and deliverables before being considered for further funding.
2. The grantee shall be required to furnish Utilisation Certificate periodically in terms of the provisions under General Financial Rules (GFR).
3. Notwithstanding anything mentioned in these guidelines, the Board may at its discretion order special evaluation/ audit of any project funded by it and closure of the project temporarily or permanently.
