

**Press Information Bureau
Government of India
Cabinet**

12-April-2012 15:12 IST

**Setting up of Special Purpose Vehicle to be called Goods and Services Tax Network
(GSTN SPV)**

The Cabinet has approved a proposal to set up a Special Purpose Vehicle (SPV) namely Goods and Services Tax Network SPV (GSTN SPV) to create enabling environment for smooth introduction of Goods and Services Tax (GST). GSTN SPV will provide IT infrastructure and services to various stakeholders including the Centre and the States.

The GSTN SPV would be incorporated as a Section 25 (not-for-profit), non-Government, private limited company in which the Government will retain strategic control. It would have an equity capital of Rs. 10 crore, with the Centre and States having equal stakes of 24.5% each. Non Government institutions would hold 51% equity. No single institution would hold more than 10% equity, with the possibility of one private institution holding a maximum of 21% equity.

GTSN SPV would have a self-sustaining revenue model, based on levy of user charges on tax payers and tax authorities availing its services. While the SPV's services would be critical to actual rollout of GST at a future date, it is also expected to render valuable services to the Centre / State tax administrations prior to the GST implementation.

SH/RK/SK