

LEAD YOUR FIRM TO SUCCESS IN THE GST SYSTEM

An Exclusive Guide For India's
Chartered Accountants.



PREFACE

In India's current business world, accountants spend more time doing traditional accounting tasks, like ensuring tax compliance, and less time providing advisory services for clients that will help them grow their business. However, recent amendments to India's tax system not only mean that changes are coming to your clients' tax preparations--they're also coming to your role as an accountant.

With the new GST bill coming into effect, the current tax filing and registration process is expected to move online, which will help business owners ensure tax compliance without relying heavily on accountants. While some accountants may feel nervous in the face of this change, it's actually a great opportunity to move into more high-level consultancy. Although business owners will be more self-reliant when it comes to tax filing, they'll still need accountants to advise them on investments and asset planning, and identify new business opportunities. With the increased efficiency offered by the GST, accountants can move away from playing an occasional, transactional role in their clients' businesses and toward becoming full-time business advisors.

This book aims to highlight the impact of the GST on your accounting firm's future and what you can do to prepare yourself to ensure the growth and success of your practice.

**THE GST AND ITS
IMPACT ON TRADITIONAL
ACCOUNTING SERVICES**



For nearly 70 years, businesses in India have had to structure their operations to reduce the burden of multiple indirect taxes, as well as the costs involved in running a business. The supply chain of businesses was designed in order to avoid paying taxes on interstate transactions --instead, businesses rented or leased warehouses in states where they wanted to sell goods. With the new GST bill coming into effect in 2017, the way we do business in India is about to change. In addition to simplifying the current system by replacing up to 17 indirect taxes with a single tax, the GST will allow businesses to claim tax deductions, thereby eliminating the high cost of tax cascading. Businesses can set up warehouses and sell in any state, and they would have to pay only a single tax called the Integrated GST (IGST). Additionally, a comprehensive IT system will be the foundation for the GST, which will simplify tax filing and enable faster processing and tax reconciliation. The GSTN (Goods and Services Tax Network), the company building the IT infrastructure for the GST, has launched an online portal where businesses can easily register, file for GST returns, and make

tax payments. This portal will drastically reduce the amount of tax paperwork that has to be filed. As a result, business owners can ensure tax compliance with minimal intervention from accountants.

All of these upcoming changes have left Indian accountants with this question: how will these updates to the current tax system affect traditional accounting practices? And how will accountants need to upgrade their practices to keep pace with a changing tax system?

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HOW WILL THE GST AFFECT TAX SERVICES?

Easy tax compliance

In the current tax system, there are so many separate indirect taxes that must be filed with different tax authorities that businesses find it hard to manage their taxes on their own. In order to avoid making mistakes in such an important task, businesses hire accountants to ensure that they are filing the right set of taxes, and reporting them to the appropriate tax authorities.

The GST will make it easier for businesses to know where to file taxes, easily track the tax paid on goods purchased, and see how much tax credit they will receive on taxes paid. Hence businesses will be far less dependent on traditional accounting services for tax compliance.

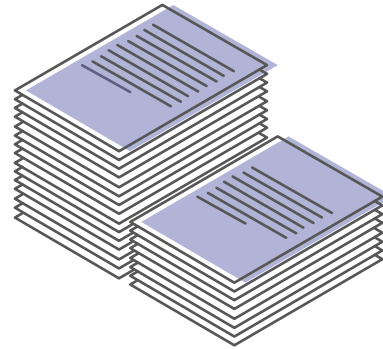
In contrast, with the new GST regime, a straightforward tax compliance process will be set in place. The GST will have two components: the Central GST (CGST), levied by the Centre, and State GST (SGST), levied by the State. CGST returns will be filed with the CGST authority and SGST returns will be filed with SGST authority. This simplifies the entire process for businesses because each component of GST has its own clearly defined tax authorities, it will be easy for businesses to know where to file taxes. Businesses will also be able to easily track the tax paid on goods purchased, as well as see how much tax credit they will receive on taxes paid. Hence businesses will be far less dependent on traditional accounting services for tax compliance.

Reduced paperwork

With the current number of indirect taxes totaling at 17, there is an overwhelming amount of paperwork involved in tax filing--and typically, this time-consuming task is handled by accountants.

Now, the implementation of the GST law means that you will no longer have to spend time on this once-tedious task. Instead, there will be a single tax form that will drastically cut down the amount of time spent filling out and submitting paperwork during tax time. The less paperwork there is to fill out, the less time and effort accountants will spend completing these tasks for their clients.

Although the GST will reduce business' dependency on accountants for tax filing and compliance, there is a silver lining to this: you, the accountant, will have more time to focus on providing advisory services, which will add more value to businesses beyond the normal tax time preparation.



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WHY YOU SHOULD FOCUS ON ADVISORY SERVICES?

Build relationship with clients

Because the finances of a business are so critical to its success, your clients place a high degree of trust in you when they allow you to handle their finances. As an accountant, strategically you are in a better position to provide value-added services like identifying new business opportunities, unlocking new sources of revenue, and assisting in financial and asset planning. With these consulting services, you can show your clients that you are here to do more than provide accounting tips--you're invested in growing their business and helping them to achieve success.

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Diversify your portfolio

Providing advisory services for your clients requires an in-depth understanding of their business and their requirements. This will help you offer services that are tailor-made for your clients instead of providing only standard, traditional accounting services like auditing, preparing financial statements, and tax returns. When you offer personalized advice, you will not only have more satisfied clients who would be happy to give you business referrals, but you will also have a more diverse professional portfolio, which you can leverage to reach out to more potential clients.

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Achieve long-term growth

With vast advances in cloud accounting technology, you may be concerned about your firm's future and growth. However, if you are able to play not just the role of an accountant, but of a trusted advisor, you will be more than just a provider of accounting services; will be your client's full-time business partner. You will have a sustainable long-term revenue growth for your firm and reduced uncertainty about job security.

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LEVERAGING THE RIGHT TOOLS FOR ADVISORY SERVICES

In order to provide the best advice, you will need the right tools. Cloud-accounting software has been one of the biggest break-through in accounting tools, and with good reason; not only does it crunch numbers for you, it instantly provides you with real-time data, leaving you more time for analysis and decision-making. When your clients use accounting tools, their financial information will be organized and available at your fingertips, at any time. Online accounting tools aren't just easy to use --they save you time by cutting down on data entry and reduces the chances of making errors while recording transactions.

HOW WILL AN ONLINE ACCOUNTING SYSTEM HELP YOU BECOME A VALUED ADVISOR?

Collaborate with your clients online

With cloud accounting software, you can work online with your clients using real-time data. Once your clients enter transactions and make adjustment entries, you can log in to ensure that every transaction is mapped to the right account. You can also monitor performance, analyse up-to-date reports, and provide insights that will help business owners to make better and more timely decisions.

With cloud accounting tools, you can work from anywhere and enjoy increased productivity. This allows you to spend more time serving more clients.

Cloud accounting software helps you monitor your client's business performance in real-time, analyse up-to-date reports, and provide insights that will help business owners to make better and more timely decisions.



Spend less time getting ready for tax season

Online accounting software helps businesses stay organized. It can store the entire history of all your transactions in a single place, and offers users the ability to upload paper receipts as proof of transactions. This will help you stay prepared for the annual accounts audit. You can easily set up tax rates and run tax summary reports at a click of a button. Gone are the days spent on collating data manually with spreadsheets. Cloud accounting software does most of the manual work for you, leaving you more time to analyse tax reports and find ways to help your clients save on taxes.

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Connect apps together and get better insight

As an accountant, much of your work involves generating reports, preparing budgets and other tasks that require access to data from different applications. Your clients may be using separate apps to manage different areas of their business--and it's likely that all these apps are sharing common information, all of which needs to be updated in the accounting app.

For example, a subscription-based business owner needs a subscription management software to handle plan upgrades, downgrades, and refunds. They also need insights on their customer churn rate and monthly recurring revenue in order to see how much money they will make. While these are important reports, they still need accounting software to run Profit and Loss, Balance Sheet, and Cash Flow reports to get the complete picture of their business' health. You could manually enter all the subscription sale information in the accounting system in order to run these financial reports, but that is not an efficient use of time.

Most online accounting apps provide a variety of pre-built integrations that allow you to sync data automatically. In the example mentioned above, an online accounting app that is integrated with an online subscription management app can sync data, and give you key financial reports instantly. Even if the apps are not pre-integrated, they can be connected with the help of open APIs or third-party integration providers, removing the hassle of integration. Online applications can be connected to share data automatically, allowing you to save time which you can spend helping your clients plan the future of their business.

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Partner with accounting software providers

With so many accounting software options available on the market, your clients would likely be using those apps that are best suited for their business. In some cases, they may even come to you for advice on which accounting software they need to use. As an accountant, it is not only necessary for you to know the various accounting software on the market so that you can help your clients choose the best one, but you should also be able to customize the solution your clients choose according to their needs.

There are many accounting software providers who offer free accounting partnership programs for accountants and financial advisors. These accounting programs come with a lot of perks, including free software training, program certification, referral fee, free subscription to their software, and priority access to their product development and support. In addition to these perks, most accounting tool providers also list their accountant partners on their website, so that their customers can easily find an accounting expert for their business. By partnering with the right software provider, you can work closely with them to help your existing clients, as well as get new clients for your firm.



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CONCLUSION

As advancements in accounting technology continue to take place, business owners will also continue to become more self-reliant, and their dependency on accountants will subside. In this increasingly digital world, as an accountant, you'll need to find ways to expand your role and deepen your business relationships with your clients. When you move beyond traditional accounting services, you open the door to new job opportunities in your field. Repositioning yourself as a valued advisor for businesses can help you forge a long-lasting partnership with your existing clients, quickly boost the revenue of your firm, and build a new client base. With the right accounting tools and the best accounting software provider, you can achieve this goal in no time.



ABOUT ZOHOBK

Ready to start exploring cloud accounting tools? Try Zoho Books, the leading online accounting software for growing businesses.

WHY ZOHOBK?

Zoho Books is designed to make managing business finances straightforward and painless, with reduced data-entry for both businesses and accountants. Zoho Books is a double-entry accounting software that helps you organize both your accounts payable and accounts receivables. With a flexible tax setup, an easily traceable history of transactions that helps you stay prepared for audits, and reports that tell you how much you've collected in taxes, Zoho Books helps you breeze through tax season. You can send invoices and estimates, receive online payments, and automatically reconcile bank transactions. Gain insights into business performance with detailed financial reports like Profit and Loss, Balance Sheet and Cash Flow at a click of a button.

Zoho Books is part of the finance product suite of Zoho, an Indian, cloud-based software provider. Zoho offers smart, comprehensive business solutions to 20 million users to manage their daily activities, ranging from boosting sales and increasing productivity, to managing business finances. With the single sign-on feature, Zoho customers get access to more than 30+ applications with the same account.

Partner with Zoho today to become a Zoho Books expert, provide value-added services to your clients, and grow your firm. Become a Zoho Certified Advisor and get 30+ products free for your firm.





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