

GST Update

Weekly Update
05.01.2019

Background



- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 29.12.2018. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications. Similar parallel provisions in State Laws may be referred to as required

- 13 Central Tax notifications, 6 Central Tax (Rate) notifications issued
- 3 Central Tax Removal of Difficulties orders issued
- 12 Central Tax Circulars clarifying six miscellaneous issues related to GST, Denial of composition option by tax authorities, Export of services under GST, and Refund related issues under GST issued
- 1 Integrated tax notification amending the IGST Rules, 2017 and 7 Integrated tax (Rate) notifications issued

Migration

- **Notification No. 67/2018-Central Tax:** The time periods specified in notification No. 31/2018-CT dated 06.08.2018 for availing the special procedure for completing migration of taxpayers who received provisional IDs but could not complete the migration process extended.
- The due date for the taxpayers who did not file the complete FORM GST REG-26 but received only a Provisional ID (PID) till 31.12.2017 for furnishing the requisite details to the jurisdictional nodal officer extended from 31.08.2018 to 31.01.2019.
- On receipt of an e-mail from the GSTN, such taxpayers should apply for registration by logging onto <https://www.gst.gov.in/>) in the “Services” tab and filling up the application in FORM GST REG-01 of the CGST Rules, 2017.

Migration (Contd)

- After due approval of the application by the proper officer, such taxpayers will receive an email from GSTN mentioning the Application Reference Number (ARN), a new GSTIN and a new access token.
- Upon receipt, such taxpayers are required to furnish the following details to GSTN by email, **on or before the 28th February, 2019**, to migration@gstn.org.in:– (a) New GSTIN; (b) Access Token for new GSTIN; (c) ARN of new application; (d) Old GSTIN (PID).
- GSTN shall complete the process of mapping the new GSTIN to the old GSTIN and inform such taxpayers.

Time Limit for filing GSTR-3B for migrated taxpayers

- **Notification No. 68, 69 & 70/2018 – Central Tax**
- The time limit for furnishing the return in FORM GSTR-3B for the newly migrated taxpayers.
- For the period from July, 2017 to February, 2019
- Extended to 31st day of March, 2019.

Time Limit for filing GSTR-1 for migrated taxpayers

- **Notification No. 71 & 72/2018 – Central Tax**
- The time limit for furnishing the return in FORM GSTR-1 for the newly migrated taxpayers.
- For the period from July, 2017 to February, 2018
- Extended to 31st day of March, 2019.

TDS Applicability for supplies from Govt/PSUs to Govt/PSUs

- **Notification No. 73/2018-Central tax**
- Supplies made by Government Departments, local governments, government agencies and PSUs to one another
- Exempted from TDS
- Thus, all persons who are required to deduct TDS, when receiving supply amongst themselves, will not have to deduct TDS

Waiver of late fee

- **Notification No. 75, 76 & 77/ 2018- Central Tax**
- The amount of late fees leviable on account of delayed furnishing of FORM GSTR-1/ GSTR-3B/GSTR-4 for the period July, 2017 to September, 2018 but furnishes the said returns between the period from 22nd December, 2018 to 31st March, 2019.

Time Limit for GST ITC-04

- **Notification No. 78 /2018 – Central Tax**
- The time limit for furnishing the declaration in FORM GST ITC-04 in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2017 to December, 2018
- Extended till the 31st March, 2019.

Due Date of TCS Returns

- **Order No. 04/2018-Central Tax**
- Due date for furnishing GSTR-8 viz the Statement containing details of outward supplies by e-commerce operators under section 52 for the months of October, November and December, 2018
- Extended to 31st January, 2019

Due date for Annual Returns

- **Order No.03/2018-Central Tax**
- Due date for GSTR-9 (Annual Return other than for composition dealers), GSTR-9A (Annual return for composition dealers) and GSTR-9B (Reconciliation Statement for person having more than 2 crore turnover) for the FY 2017-18
- Extended to 30th June, 2019

Time limit of taking ITC under section 16(4)

- **Order No. 02/2018- Central Tax**
- Proviso inserted to section 16(4) and section 37(3) of CGST Act, 2018
- A registered person shall be entitled to take ITC till 20th April, 2019 i.e the due date of furnishing of the return (GSTR-3B) under section 39 for the month of March, 2019 in respect of any invoice or invoice relating to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier in GSTR-1 under section 37(1) till the due date for furnishing the details under section 37 (1) for the month of March, 2019.

Time limit of taking ITC under section 16(4) Contd...

- **Order No. 02/2018- Central Tax**
- Rectification of error or omission in respect of the details furnished under section 37(1) [GSTR-1] shall be allowed
- Even after furnishing of the return under section 39 for the month of September, 2018
- Till the due date for furnishing the details under section 37 (1) [GSTR-1] for the month of March, 2019 or for the quarter January, 2019 to March, 2019.

- **Notification No. 74/2018-Central Tax**
- **Audit by Tax Authorities under Section 65**
- The Commissioner or any officer authorised by him, by way of a general or a specific order, may now undertake audit of any registered person for **part of financial year also**
- **Revision (Rule 109B inserted)**
- Where the Revisional Authority decides to pass an order in revision under section 108 which is likely to affect the person adversely, the Revisional Authority is required to serve on him a notice in FORM GST-RVN-01 and shall give him a reasonable opportunity of being heard and the Revisional Authority shall, along with its order under section 108(1), issue a summary of the order in FORM GST-APL-04 clearly indicating the final amount of demand confirmed

CGST(14th amendment) Rules, 2018 (Contd.)

- **Details to be furnished in Statement GST-ITC-04- Rule 45(3)**
- Now details of the challans in respect of goods sent from one job worker to another during a quarter not required to be included in FORM GST ITC-04 furnished for that period.

- **Rule 138E of CGST Rules inserted; Restriction on Furnishing PART-A of Form GST-EWB-01 [Effective date to be notified later]**
- Any person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall not be allowed to furnish the information in PART A of FORM GST EWB-01 in respect of a registered person, whether as a supplier or a recipient, who,—
- has not furnished the returns for two consecutive tax periods or consecutive two months as the case may be

CGST(14th amendment) Rules, 2018 (Contd.)

- **Major Changes in Annual Return Forms GSTR-9 and GSTR-9A**
- The words "as declared in returns filed during the year" has been substituted with "**made during the year**" in headings wherever appearing. Accordingly, the Taxpayer is required to disclose the figures as per Accounts even though not declared in Return Forms GSTR-3B and GSTR-1.
- The Instructions given in the Form requires that all returns viz. Form GSTR-1 and Form GSTR-3B or Form GSTR-4, as applicable, for the FY 2017-18 are filed before filing this return.
- The Instructions also states that Additional Liability for the FY 2017-18 not declared in Form GSTR-1 and Form GSTR-3B or Form GSTR-4 may be declared in this return. However, taxpayers cannot claim input tax credit unclaimed during FY 2017-18 through this return.

- **Major Changes in Annual Return Forms GSTR-9 and GSTR-9A**
- Taxpayers will have an option to pay any additional liability declared in this form, through FORM DRC-03 and for the same, Taxpayers shall select "Annual Return" in the drop down provided in Form DRC-03 and the taxpayer can pay such liability through electronic cash ledger only.
- HSN wise summary of inward supplies in Form GSTR-9 are required to be declared only for those inward supplies which in value independently account for 10 % or more of the total value of inward supplies.

CGST(14th amendment) Rules, 2018 (Contd.)

- **Major Changes in Annual Return Forms GSTR-9 and GSTR-9A**
- Part II consists of the details of all outward supplies and advances received during the FY 2017-18 for which payment has been made through FORM GSTR-3B between July 2017 to March 2018 and particulars of transactions for the FY 2017-18 but paid in the FORM GSTR-3B of April to September 2018 or date of filing of Annual Return for previous financial year, whichever is earlier, will be reported in Part V.

CGST(14th amendment) Rules, 2018 (Contd.)

- **Issue of Tax Invoice, Bill of Supply etc. without signature or digital signature; Rule 46, 49, 54(2) and 54(4) amended**
- Signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of an electronic invoice, bill of supply, consolidated tax invoice or any other document in lieu thereof by insurer or a banking company or a financial institution, ticket by passenger transportation service provider in accordance with the provisions of the Information Technology Act, 2000

- **Rules 3(h) of IGST Rules, 2017 amended**
- In the case of advertisements over internet to the Central Government, a State Government, a statutory body or a local authority, under section 12(14) of the IGST Act, 2017, **the service shall be deemed to have been provided all over India**, and the amount attributable to the value of advertisement service disseminated in a State or Union territory shall be calculated on the basis of the internet subscribers in such State or Union territory.
- **Rules 4 to 9 for determination of place of supply in case of inter-State supply under sections 10(2), 12(3), 12(7), 12(11) and 13(7) of the IGST Act, 2017 inserted**

Rule No	Type of Service	Basis
4	The supply of services provided by way of lodging accommodation by a hotel, inn, guest house, club or campsite, by whatever name called (except cases where such property is a single property located in two or more contiguous States or Union territories or both) and services ancillary to such services, referred under section 12(3) of the IGST Act, 2017	in proportion to the number of nights stayed in such property

4	<p>All other services in relation to immovable property including supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called where such property is a single property located in two or more contiguous States or Union territories or both (except services provided by way of lodging accommodation by a house boat or any other vessel), and services ancillary to such services, referred under section 12(3) of the IGST Act, 2017.</p>	<p>in proportion to the area of the immovable property lying in each State or Union territory.</p>
	<p>The Supply of services provided by way of lodging accommodation by a house boat or any other vessel and services ancillary to such services, referred under section 12(3) of the IGST Act, 2017.</p>	<p>in proportion to the time spent by the boat or vessel in each such State or Union territory,</p>

IGST (Amendment), Rules, 2018

Rule No.	Type of Service	Basis
5	The supply of services by way of organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or services ancillary to organisation of any of the events or services referred earlier or assigning of sponsorship to such events etc. referred under sub section (7) of section 12 of the IGST Act, 2017	by application of the generally accepted accounting principles.

Rule No.	Type of Service	Basis
6	<p>The supply of services relating to a leased circuit where the leased circuit is installed in more than one State or Union territory and a consolidated amount is charged for supply of such services referred under sub section (11) of section 12 of the IGST Act, 2017</p>	<p>in proportion to the number of points lying in the State or Union territory</p> <p>The number of points in a circuit shall be determined in the following manner.</p> <p>a) in the case of a circuit between two points or places, the starting point or place of the circuit and the end point or place of the circuit will invariably constitute two points;</p> <p>b) any intermediate point or place in the circuit will also constitute a point provided that the benefit of the leased circuit is also available at that intermediate point.</p>

Rule No.	Type of Service	Basis
7	Where the location of the supplier of services or the location of the recipient of services is outside India, in the case of the supply of services in respect of goods which are required to be made physically available, services supplied to an individual which require the physical presence, etc. covered by sub section (3) of section 13 of the IGST Act, 2017	<p>a) in the case of services supplied on the same goods, by equally dividing the value of the service in each of the States and Union territories where the service is performed;</p> <p>b) in the case of services supplied on different goods, by taking the ratio of the invoice value of goods in each of the States and Union territories, on which service is performed, as the ratio of the value of the service performed in each State or Union territory;</p> <p>c) in the case of services supplied to individuals, by applying the generally accepted accounting principles.</p>

Rule No.	Type of Service	Basis
8	Where the location of the supplier of services or the location of the recipient of services is outside India, the supply of services directly in relation to an immovable property, supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called, grant of rights to use immovable property etc. referred under section 13(4) of the IGST Act, 2017	by applying the provisions of rule 4, mutatis mutandis

IGST (Amendment), Rules, 2018

Rule No.	Type of Service	Basis
9	Where the location of the supplier of services or the location of the recipient of services is outside India, in the case of the supply of services by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organisation etc. referred under section 13 of the IGST Act, 2017	by applying the provisions of rule 5, mutatis mutandis

- **Circular No.79/53/2018-GST**
- **Clarification on modification in procedure to file Refund Applications**
- All documents, undertaking and statements to be submitted along with the claim for refund in FORM GST-RFD-01A shall be uploaded on the common portal at the time of filing of the refund application.
- A statement of invoices in a prescribed format and copies of only those invoices the details of which are not found in FORM GSTR-2A for the relevant period as specified in Circular No.59/33/2018-GST dated 04-09-2018 shall be electronically uploaded on the common portal at the time of filing the claim of refund in FORM GST RFD-01A.
- The taxpayer will still have the option to physically submit the refund application to the jurisdictional proper officer in FORM GST RFD-01A, along with supporting documents, if he so chooses.

Refund (Contd)



- A taxpayer who still remains unallocated to the Central or State Tax Authority will necessarily have to submit the refund application physically. They can choose to do so before the jurisdictional proper officer of either the State or the Central tax authority, as clarified vide Circular No.17/17/2017-GST dated 15-11-2017.
- The ARN will be generated only after the claimant has completed the process of filing the refund application in FORM GST-RFD-01A, and has completed uploading of all the supporting documents, undertaking, statements and invoices and, where required, the amount has been debited from the electronic credit/cash ledger.
- Application shall be deemed to have been filed under rule 90(2) of the CGST Rules, 2017 on the date of generation of the ARN and time limit of 15 days to issue an acknowledgement shall be counted from that date.

Refund (Contd)

- If a refund application is electronically transferred to the wrong jurisdictional officer, he/she shall reassign it to the correct jurisdictional officer electronically within a period of three days. In such cases, the application shall be deemed to have been filed under rule 90(2) of the CGST Rules only after it has been so reassigned.
- However, the said acknowledgement or deficiency memo shall continue to be issued manually for the time being.
- Similarly, other stages of processing of a refund claim submitted in FORM GST RFD-01A by the jurisdictional tax officer shall continue to be carried out manually for the time being, as is being presently done.
- After the issuance of a deficiency memo, taxpayers would be required to submit the rectified refund application under the earlier Application Reference Number (ARN) only and the rectified application, which is to be treated as a fresh refund application, will be submitted manually in the office of the jurisdictional proper officer.

Refund (Contd)

- Where the applications which have been generated on the common portal before the issuance of this Circular and which have not yet been physically received in the jurisdictional offices,
- in relation to refund of excess balance from the electronic cash ledger, the amount debited in the electronic cash ledger in such applications may be re-credited through Form GST RFD-01B provided that there are no liabilities in the electronic liability register and the said amount shall be re-credited even though the return in Form GSTR-3B for the relevant period has not been filed.
- Other refund applications in which refund claimed is less than statutory limit of Rs.1,000/- should be rejected.

Refund (Contd)

- In other cases wherein an amount greater than Rs. 1000/- has been claimed and where physical submissions have not been received in the jurisdictional tax office within a period of 60 days starting from the date of generation of ARN, a communication will be sent to all such claimants on their registered email ids, informing that the application needs to be physically submitted to the jurisdictional tax office within 15 days of the date of the email.
- If claimant fails to physically submit the application within 15 days of the date of the email, the application shall be summarily rejected and the debited amount, if any, shall be re-credited to the electronic credit ledger

Clarification on calculation of refund of accumulated ITC on account of inverted duty structure

- **Circular No.79/53/2018-GST**
- **Where** there are multiple inputs attracting different rates of tax, in the formula provided in rule 89(5) of the CGST Rules, the term Net ITC covers the ITC availed on all inputs in the relevant period, irrespective of their rate of tax.
- Similarly, Section 2(59) of the CGST Act defines **inputs** as **any goods other than capital goods** used or intended to be used by a supplier in the course or furtherance of business. Therefore, clearly, the intent of the law is not to allow refund of tax paid on input services or capital goods as part of refund of input tax credit accumulated on account of inverted duty structure

Clarification on Refund of accumulated Input Tax Credit of Compensation Cess

- **Circular No.79/53/2018-GST**
- For the period July, 2017 to May, 2018, no ITC is availed of the compensation cess paid on the inputs received during this period. Circular No.45/19/2018-GST dated 30-05-2018 clarified that refund of accumulated ITC of compensation cess on account of zero-rated supplies made under Bond or Letter of Undertaking is available even if the exported product is not subject to levy of cess.

Clarification on Refund of accumulated Input Tax Credit of Compensation Cess (Contd)

- **Refund of accumulated ITC of compensation cess on account of zero-rated supplies made under LUT or Bond -**
- refund on account of compensation cess is to be recomputed as if the same was available in the respective months in which the refund of unutilized credit of CGST or SGST or UTGST or IGST was claimed on account of exports made under LUT or Bond.
- Aggregate of the recomputed refund of compensation cess of the respective months would be admissible If it is less than or equal to the eligible refund of compensation cess calculated in respect of the month in which the same has actually been claimed
- The recomputed amount of eligible refund of compensation cess in respect of past periods would not be admissible in respect of consignments exported on payment of IGST.

Clarification on Refund of accumulated Input Tax Credit of Compensation Cess (Contd)

- ITC of Compensation Cess paid on the goods or service used as an intermediary by the registered tax person for manufacturing of final product can be claimed if zero-rated supplies of final product is made under Bond or Letter of Undertaking.
- ITC which is reversed cannot be held to have been 'availed' in the relevant period. Therefore, the same cannot be part of refund of unutilized ITC on account of zero-rated supplies.
- However, if the said reversed amount is again availed in a later tax period, subject to the restriction under section 16(4) of the CGST Act, it can be refunded in the ratio of export turnover to total turnover in that tax period subject to the restriction that if the reversed ITC has been accounted as a cost earlier, the accounting entry showing the said ITC as cost is also reversed.

Clarification on Disbursal of refund amounts after sanction

- **Circular No.79/53/2018-GST**
- Section 56 of the CGST Act clearly states that if any tax ordered to be refunded is not refunded within 60 days of the date of receipt of application, interest at the rate of 6% on the refund amount starting from the date immediately after the expiry of 60 days from the date of receipt of application (ARN) till the date of refund i.e. date on when the amount has been credited to the bank account of the claimant, shall have to be paid to the claimant. Accordingly, all tax authorities are advised to issue the final sanction orders in Form GST RFD-06 within 45 days of the date of generation of ARN.

Export of Services where part service is outsourced outside India

- **Circular No.78/52/2018-GST**
- Where an exporter of services located in India is supplying certain services to a recipient located outside India, either wholly or partly through any other supplier of services located outside India, it involves two supplies as -
- Supply of services from the exporter of services located in India to the recipient of services located outside India for the full contract value; and
- Import of services by the exporter of services located in India from the supplier of services located outside India with respect to the outsourced portion of the contract.

Export of Services where part service is outsourced outside India (Contd)

The GST applicability on the above two transactions will be -

- (a)** supplier of services located in India would be liable to pay integrated tax on reverse charge basis on the import of services on that portion of services which has been provided by the supplier located outside India to the recipient of services located outside India and the said supplier of services located in India would be eligible for taking input tax credit of the integrated tax so paid.
- (b)** the total value of services as agreed to in the contract between the exporter of services located in India and the recipient of services located outside India will be considered as export of services if all the conditions laid down in section 2(6) of the Integrated Goods and Services Tax Act, 2017 read with section 13(2) of the IGST Act are satisfied.

Export of Services where part service is outsourced outside India

- Even if the full consideration for the services as per the contract value is not received in convertible foreign exchange in India due to the fact that the recipient of services located outside India has directly paid to the supplier of services located outside India (for the outsourced part of the services), that portion of the consideration shall also be treated as receipt of consideration for export of services in terms of section 2(6)(iv) of the IGST Act, if
- integrated tax has been paid by the supplier located in India for import of services on that portion of the services which has been directly provided by the supplier located outside India to the recipient of services located outside India; and
- RBI by general instruction or by specific approval has allowed that a part of the consideration for such exports can be retained outside India.
-

Clarification on the term "inputs" and "capital goods"

- **Circular No.79/53/2018-GST**
- Input Tax Credit of the GST paid on inputs shall be available to a registered person as long as taxpayer uses or intends to use such inputs for the purposes of his business including stores and spares, packing materials etc. unless the ITC for such inputs is restricted under section 17(5) of the CGST Act.
- Similarly, stores and spares, the expenditure on Capital Goods which has been charged as a revenue expense in the books of account, cannot be held to be capital goods as capital goods have been clearly defined in section 2(19) of the CGST Act as goods whose value has been capitalized in the books of account and which are used or intended to be used in the course or furtherance of business.

Clarification on GST liability on supply made by Central Government etc. to Un-registered Persons

- **Circular No.76/50/2018-GST**
- Central Government, State Government, Union territory or a local authority shall be liable to get registered and pay GST on intra-State and inter-State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap made by them to an unregistered person subject to the provisions of sections 22 and 24 of the CGST Act.
- As per Notification No.36/2017-Central Tax (Rate) and Notification No.37/2017- Integrated Tax (Rate) both dated 13-10-2017, GST is payable on reverse charge basis by the recipient of such supplies in the case of intra-State and inter-State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap by the Central Government, State Government, Union territory or a local authority to **any registered person** and sale to an unregistered person is not covered under the said Notifications.

Clarification on levy of penalty under section 73 (11) of the CGST Act for delayed filing of GSTR-3B

- **Circular No.76/50/2018-GST**
- The provisions of section 73(11) of the CGST Act can be invoked only when the provisions of section 73 are invoked and the provisions of section 73 of the CGST Act are generally not invoked in case of delayed filing of the return in FORM GSTR-3B because tax along with applicable interest has already been paid.
- However, since the tax has been paid late in contravention of the provisions of the CGST Act, a general penalty under section 125 of the CGST Act may be imposed after following the due process of law

Clarification on effective date in the case of Withdrawal from or Denial of Composition Scheme

- **Circular No.77/51/2018-GST**
- Where the taxpayer has sought withdrawal from the composition scheme, the effective date shall be the date indicated by him in his intimation or application filed in FORM GST-CMP-04 but such date may not be prior to the commencement of the financial year in which such intimation or application for withdrawal is being filed
- In case of denial of option by the tax authorities, the effective date of such denial shall be from a date, including any retrospective date as may be determined by tax authorities, but shall not be prior to the date of contravention of the provisions of the CGST Act or the CGST Rules

CGST (Amendment) Act, 2018- Clarification regarding section 140(1) of the CGST Act, 2017-

- **Circular No. 87/06/2019-GST dated 2nd January, 2019**
- Section 140(1) of the CGST Act, 2017 be amended with retrospective effect to allow transition of CENVAT credit under the existing law viz. Central Excise and Service Tax law, only in respect of “eligible duties”. In this regard, doubts have been expressed as to whether the expression “eligible duties” would include CENVAT credit of Service Tax within its scope or not.
- It has been decided not to notify the Sections 28(b)(i) and 28(c)(i) of CGST (Amendment) Act, 2018 which link Explanation 1 and Explanation 2 of section 140 to section 140(1).

CGST (Amendment) Act, 2018- Clarification regarding section 140(1) of the CGST Act, 2017-

- Under tax statutes, the word “duties” is used interchangeably with the word “taxes” and in the present context, the two words should not be read in a disharmonious manner.
- Thus, expression “eligible duties” in section 140(1) which are allowed to be transitioned would cover within its fold the duties which are listed as “eligible duties” at sl. no. (i) to (vii) of explanation 1, and “eligible duties and taxes” at sl. no. (i) to (viii) of explanation 2 to section 140, since the expression “eligible duties and taxes” has not been used elsewhere in the Act.
- Thus, the expression “eligible duties” would include CENVAT credit of Service Tax within its scope.
- Service Tax will be transitioned; No cess will be transitioned

GST on solar power generating plant and other renewable energy plants

- **Notification No.24/2018-Central Tax (Rate); GST on solar power generating plant and other renewable energy plants**
- GST rate of 5% rate has been prescribed on renewable energy devices & parts for their manufacture (bio gas plant/solar power based devices, solar power generating system (SGPS) etc) [falling under chapter 84, 85 or 94 of the Tariff]. Other goods or services used in these plants attract applicable GST. [?]
- Certain disputes have arisen regarding GST rates where specified goods attracting 5% GST are supplied along with services of construction etc and other goods for solar power plant.

Rate Notification Changes

- Notification 1/2017-Central tax (Rate) has been issued in exercise of powers conferred by section 9(1) (Levy and collection) and section 15(5) (Notifying value of certain supplies) (Inserted now)
- To resolve the dispute, the 70% of the gross value shall be deemed as the value of supply of said goods attracting 5% rate and the remaining portion (30%) of the aggregate value of such EPC contract shall be deemed as the value of supply of taxable service attracting standard GST rate.

Notification No.24/2018-Central Tax (Rate) From 28%

To 18%	To 5%
<ul style="list-style-type: none"> •Pulleys, transmission shafts and cranks, gear boxes etc., of HSN Code 8483 •Monitors and TVs of up to 32" screen •Re-treaded or used pneumatic tyres of rubber; (4012) •Power banks of lithium ion batteries. <i>(Lithium ion batteries already at 18%)</i> •Digital cameras and video camera recorders •Video game consoles and other games and sports requisites falling under HSN-9504 	<ul style="list-style-type: none"> •Parts and accessories for the carriages for disabled persons (871420)

From 18%	
To 12%	To 5%
Cork roughly squared or debagged (4502) Articles of natural cork (4503) Agglomerated cork (4504)	Marble and travertine, crude or roughly trimmed (25151100) Footwear of sale value not exceeding Rs.1000/- per pair
From 12%	
To 5 %	To Nil
Natural cork, raw or simply prepared (4501) Walking-sticks including seat sticks (6602) Fly ash bricks or fly ash aggregate with 90 per cent or more fly ash Fly ash aggregate (66015)	Music Books- Music, printed or in manuscript, whether or not bound or illustrated (490400)

From 5% to Exempted [Notification No.25 /2018-Central Tax (Rate)]

- Vegetables, (uncooked or cooked by steaming or boiling in water), frozen, branded and put in a unit container
- Vegetable provisionally preserved (for example by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption

Supply of gold by nominated agencies

- Notification No. 27/2018- Integrated Tax (Rate) and Notification No. 26/2018- Central Tax (Rate)
- Supply of gold falling in heading 7108, when supplied by Nominated Agency under the scheme for "Export Against Supply by Nominated Agency" as referred to in paragraph 4.41 of the Foreign Trade Policy, read with relevant provisions of Chapter 4 of Handbook of Procedures, to a registered person **exempted**
- The recipient shall export the jewellery made out of such gold within a period of 90 days

GST on service of travel for religious pilgrimage like Haj

- **Notification No. 27/2018-Central Tax (Rate)**
- Serial Number 8 (iva) inserted in Notification No. 11/2017-Central tax (rate)
- Transportation of passengers, with or without accompanied baggage, by air, by non-scheduled air transport service or charter operations, engaged by specified organisations in respect of religious pilgrimage facilitated by the Government of India, under bilateral arrangement.
 - 5%; Provided that credit of input tax charged on goods used in supplying the service has not been taken
- Earlier such supplies were getting taxed at 18% under the residual clause as these flights used to be chartered or non-scheduled ones

- **Notification No. 28/2018- Central Tax (Rate)**
- Services provided by a goods transport agency, by way of transport of goods in a goods carriage, to, - (a) a Department or Establishment of the Central Government or State Government or Union territory; or (b) local authority; or (c) Governmental agencies, which has taken registration under the CGST Act, 2017 only for the purpose of deducting tax under Section 51 and not for making a taxable supply of goods or services.
- Exempted
- The above services shall not be under the reverse charge mechanism as well (**Notification No. 29/2018- Central Tax (Rate) dated 31st December, 2018**)

Services under reverse charge mechanism

- **Notification No. 29/2018- Central Tax (Rate) dated 31st December, 2018 (w.e.f 01.01.2019)**
- Following services brought under RCM mechanism:
- Services provided by business facilitator (BF) to a banking company
- Services provided by an agent of business correspondent (BC) to business correspondent (BC)
- Security services (services provided by way of supply of security personnel) provided to a registered person
 - Except those to Govt/ agencies which are registered only for TDS purposes



GST Portal Updates

New Functionality

- **Registration:** Bank details not to be provided while filing registration application by Normal, OIDAR & NRTP Taxpayer
- Normal, OIDAR & NRTP Taxpayers applying for a fresh registration application, are now not required to give bank details, while filing it. They can give this detail later on by filing a non-core amendment of registration application.
- **Non-Core Amendment of Registration for GSTP**
- Facility has been provided on the GST Portal to GSTPs, for applying for Non-Core Amendments in their Registration.

- **Composition**
- Reply to SCN for compulsory withdrawal from Composition Scheme
- If proceedings for compulsory withdrawal from Composition Scheme is initiated by a Tax Official, against a composition taxpayer, then composition taxpayer can now reply to such SCN issued on GST Portal.
- *(refer Rule 6(5) of the CGST Rules, 2017 & Form GST CMP -06)*

New Functionality

- **Payment-** Preferred banks list for taxpayer for making payment
- Now upto 6 preferred banks will be shown to a taxpayer while making e-Payment on GST Portal.
- When Taxpayer makes the first payment from GST portal, the selected bank will automatically get updated in the Preferred Banks list.
- Every time Taxpayer will make payment from a different bank it will be updated in the Preferred Banks list.
- When a Taxpayer already having 6 banks in its preferred banks list, makes a payment with 7th bank, then that 7th bank will be added in the preferred banks and the least used bank will be removed from the list.
- Taxpayer can delete any of the preferred banks at any point of time.

Defects fixed

- **Registration- For Taxpayer**
- In some suo moto cancelled registrations, the respective taxpayers were not able to open the application of revocation of cancelled registration. This defect has been fixed and error of “access denied” has been resolved. These taxpayers can now access and file application of revocation of canceled registration.
- • In track application status of Registration (after a Registration Application has been filed) the wordings of message having texts on screen “in 7 days” has been replaced by “in 7 working days”.

Defects fixed

- **Registration- For Taxpayer**
- Error message for taxpayers has been corrected, when taxpayer is trying to get their username through forgot username functionality (when authorized signatory has been changed by the tax officials).
- Error message for taxpayers for first time login has been corrected. Thus instead of message “invalid username or password. Please try again” new message which will come will be “enter valid username”.

Defects fixed



- **Registration- For Tax official**
- Error coming to Tax Officials of Model I States while fetching data of tax payer ledger, from the date of Registration to date of approval, has been fixed.
- Error coming to Tax Officials of Model I States, while changing Authorized Signatory for Cancelled taxpayers, has been fixed. Now they can update authorized signatory for cancelled taxpayers.
- Error coming to Tax Officials of Model I States, while trying to fetch details via Get Taxpayer Details functionality has been fixed.
- Error related to suo moto applications and Revocation Application not visible in tax official dashboard, due to count mismatch of pending tasks, has been fixed

Any ISSUES/ queries?



- <https://cbec-gst.gov.in/>
- [CBEC MITRA HELPDESK](#)
 - 1800 1200 232
 - cbecmitra.helpdesk@icegate.gov.in
- GSTN Help Desk
 - <https://selfservice.gstsystem.in/> - Grievance redressal portal
 - Help Desk Number: 0120-4888999

Any ISSUES/ queries?

- Twitter Handles
- For General Questions
- https://twitter.com/askGST_GoI
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- https://twitter.com/NACIN_OFFICIAL

THANK YOU