

# GST Update

Weekly Update  
16.06.2018

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 09.06.2018. 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

## Notifications and Circulars



- Two Central Tax Notifications issued. One amends the CGST Rules and the other notifies categories of goods which shall be disposed off as soon as possible after seizure.
- One CGST Circular issued clarifying miscellaneous issues related to SEZ and refund of unutilized ITC for job workers.
- Two Press Releases issued

# Amendment to CGST Rules (Vth Amendment in 2018)

- [http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-26-2018-central\\_tax-English.pdf](http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-26-2018-central_tax-English.pdf)
- Notification 26/2018-Central Tax dated 13.06.2018 issued.
- **Second proviso added to Rule 37(1) of CGST Rules**
- Rule 37(1) requires reversal of ITC where value of supply is not paid within the stipulated period.
- First proviso deems value to be paid where supplies are made without consideration in terms of Schedule I
- **Second proviso now added also deems value to be paid in cases covered by Section 15(2)(b) i.e. any amount which the supplier is liable to pay in relation to supply which has been incurred by the recipient**

- **Examination for GST Practitioners**
- Second proviso to Rule 83(3) amended
- Time limit for GST Practitioners [Only those covered by Section 83(1)(b) i.e sales tax practitioner or tax return preparer enrolled in GST] to clear the stipulated exam increased to 18 months from one year
- Time limit for other GST Practitioners in terms of first proviso to Rule 83(3) is yet to be fixed

- **Refund on account of inverted duty structure**
- Rule 89(5) – Formula for refund- earlier substituted w.e.f 18.04.18. The substitution now made effective retrospectively with effect from 01.07.2017.
- Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services)x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods and services.
- **Refund of Compensation Cess**
- Second Proviso to Rule 97(1) inserted by virtue of which 50% of the Compensation Cess amount, determined under Section 54(5) shall be deposited in the Consumer Welfare Fund; The rest 50% shall go the Consumer Welfare Fund of State

- **Refund in certain cases ( UINs etc; Section 55 of CGST Act)**
- Rule 95(3): The refund of tax paid by the applicant shall be available if-
- (a) the inward supplies of goods or services or both were received from a registered person against a tax invoice [~~and the price of the supply covered under a single tax invoice exceeds five thousand rupees, excluding tax paid, if any~~]
- Rule 95(3)(a) was amended earlier wherein above crossed red portion was omitted vide Notification No. 75/2017-Central Tax dated 29.12.2017. The amendment has now been made effective retrospectively with effect from 01.07.2017.

- **Powers of the anti-profiteering authority**
- **Rule 133 (3) amended**
- Where the eligible person does not claim return of the amount or is not identifiable;
- The authority can now order:
  - the deposit of the amount (equivalent to the amount not passed on by way of commensurate reduction in prices along with applicable interest at the rate of eighteen per cent)
  - @ 50% each in the Consumer Welfare Fund of Centre ( Section 57 of CGST Act) and Consumer Welfare Fund of the respective State ( Section 57 of SGST Act)



- No e-way bill required for movement of empty cylinders for packing of LPG for reasons other than supply.
- Rule 138 (14) concerning e-way bills amended. One more situation where no e-way bill will be required for movement of goods prescribed. Following clause (o) inserted in rule 138(14):
- *“(o) where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply.”*

- **Composition Dealer: GSTR-4**
- in FORM GSTR-4, in the Instructions, for Sl. No. 10, the following shall be substituted, namely:-
- “10. For the tax periods July, 2017 to September, 2017, October, 2017 to December, 2017, **January, 2018 to March, 2018 and April, 2018 to June, 2018**, serial 4A of Table 4 shall not be furnished.”;
- Earlier this was waived till December, 2017
- Serial 4A of Table 4 requires the composition dealer to furnish details of inward supplies received from a registered supplier (other than supplies attracting reverse charge)

- **Application for Enrolment as GST Practitioner ( GST PCT-01)**
- with effect from 01st July, 2017, in FORM GST PCT-01, in PART B,
- (a) against Sl. No. 4, after entry (10), the following inserted-
- “(11) Sales Tax practitioner under existing law for a period of not less than five years
- (12) Tax return preparer under existing law for a period of not less than five years”;
- (b) after the “Consent”, the following declaration inserted-
- **(iv) I have not been convicted by a competent court.”;**

- in FORM GST RFD-01, in Annexure-1,
- (a) for Statement 1A, a new statement has been substituted.
- Statement 1A is to be filed by persons claiming refund on account of inverted rate structure. The new statement requires the GSTN no of the supplier to be mentioned
- Similarly for Statement 5B, a new Statement has been substituted. Statement 5B is required to be filed for a refund claim on account of deemed exports. The new statement requires GSTN of the supplier to be mentioned.

# Classes of goods which shall be disposed off as soon as possible after seizure notified

- [http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-27-2018-central\\_tax-English.pdf;jsessionid=A1F21D15B5F2F93FBBF94E77FA2FDDF9](http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-27-2018-central_tax-English.pdf;jsessionid=A1F21D15B5F2F93FBBF94E77FA2FDDF9)
- Notification No.27/2018-Central Tax dated 13.06.2018 issued.
- The said notification is issued in exercise of powers conferred by Section 67(8) of CGST Act, 2017.
- Notifies categories of goods which shall, as soon as may be after its seizure under section 67(2) of the CGST Act, be disposed of by the proper officer, having regard to the perishable or hazardous nature, depreciation in value with the passage of time, constraints of storage space or any other relevant considerations of the said goods.
- Total 17 categories of goods specified

## List of 17 Goods

- Salt and hygroscopic substances
- Raw (wet and salted) hides and skins
- Newspapers and periodicals
- Menthol, Camphor, Saffron
- Re-fills for ball-point pens
- Lighter fuel, including lighters with gas, not having arrangement for refilling
- Cells, batteries and rechargeable batteries
- Petroleum Products
- Dangerous drugs and psychotropic substances
- Bulk drugs and chemicals falling under Section VI of the First Sch to CTA, 75
- Pharmaceutical products falling within Chapter 30 of the First Sch to CTA, 75
- Fireworks
- Red Sander
- Sandalwood
- All taxable goods falling within Ch. 1 to 24 of the First Schedule to the CTA, 75
- All unclaimed/abandoned goods which are liable to rapid depreciation in value on account of fast change in technology or new models etc.
- Any goods seized by the proper officer under section 67 of the said Act, which are to be provisionally released under section 67(6), but provisional release has not been taken by the concerned person within a period of one month from the date of execution of the bond for provisional release.

# Clarification on miscellaneous issues related to SEZ and refund of unutilized ITC for job workers

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular-48-22-2018-GST-updated.pdf>
- Circular No. 48/22/2018-GST dated 14.06.2018 issued.
- Clarifies that services of short term accommodation, conferencing, banqueting etc., provided to a SEZ developer or a SEZ unit shall be treated as an inter-State supply
- Also clarifies that if event management services, hotel, accommodation services, consumables etc. are received by a SEZ developer or a SEZ unit for authorised operations, as endorsed by the specified officer of the Zone, the benefit of zero rated supply shall be available in such cases to the supplier

# Clarification on miscellaneous issues related to SEZ and refund of unutilized ITC for job workers (Contd)

- **Fabric Processors (Job workers) to be entitled to refund under inverted rate structure even if the goods (fabrics) are covered by Notification No. 05/2017-Central Tax (Rate) dated 28.06.2017**
- Circular clarifies that the fabric processors shall be eligible for refund of unutilized ITC on account of inverted duty structure under section 54(3) of the CGST Act even if the goods (fabrics) supplied to them are covered under notification No.5/2017-Central Tax (Rate) dated 28.06.2017.
- Notification No. 05/2017-Central Tax (Rate) notifies the goods in respect of which no refund of unutilised input tax credit shall be allowed, where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supplies of such goods. In above case, output supply is services.



## Up-dation of Email and mobile number- Press Release dated 14.06.2018

- [http://www.cbic.gov.in/resources//htdocs-cbec/press-release/20180614\\_ChangeInUserNamePassword.pdf](http://www.cbic.gov.in/resources//htdocs-cbec/press-release/20180614_ChangeInUserNamePassword.pdf)
- Complaints are being received from taxpayers that the intermediaries who were authorized by them to apply for registration on their behalf had used their own email and mobile number during the process. They are now not sharing the user credentials with the taxpayer on whose behalf they had done the registration in the first place and the taxpayer is at their mercy.
- With a view to address this difficulty of the taxpayer, a functionality to update email and mobile number of the authorized signatory is available in the GST System. The email and mobile number can be updated by the concerned Jurisdictional tax authority of the taxpayer as per the specified procedure.

# Extension of Special Refund Fortnight

## Press Release dated 12.06.2018

- <http://www.cbic.gov.in/resources//htdocs-cbec/press-release/press-release-12june2018.pdf;jsessionid=A2BBBA97194EF9D908583F576E429543>
- **Extension of Special Refund Fortnight till 16.6.2018**
- The Government has launched the second “Special Drive Refund Fortnight” from 31.5.2018 to 14.6.2018. During the first Refund Fortnight from 15th to 29th March an amount of Rs.5350 Crore was sanctioned and during this fortnight over Rs 7500 Crore has been sanctioned. In view of overwhelming response from exporters and pending claims, the period of Refund fortnight is being extended by two more days i.e up to 16th June, 2018



# GST Portal Updates

- **Back office- Up-dation of calendar**
- Officers of Model II States/ UTs have been provided with a facility to update holiday calendar of their respective States/ UTs.
- They can also add or delete a holiday as per changes in their respective State/UT calendar.
- They can also change a working day to a holiday and vice versa.
- This will be automatically updated on the GST Portal for information of all stakeholders.

# New Functionality

- **Demands & Recovery**
- Facility to View details in Demands & Recovery has been provided to Officers of Model II States/ UTs, post login.
- With this facility officers can track and view the details of payment made by the taxpayers against a particular demand id created against that taxpayer.

***(Statutory Functions > Demand and Collection Register > View DCR)***

- **Registration- Form GST REG 30**
- As per Rule 25 of CGST Rules, 2017, Form for field visit report has been made available to officers of Model II States/ UTs.
- Now officers after granting of registration, can get the premises verified by allocating this work to an officer.
- Facility to upload field visit report has also been made available to verifying officers.
- API for Model I states has been released for this functionality.

- **Extension of Due Date for filing of returns**
- A facility has been provided to GSTN official in the back office module, to extend due date of filing of return, from time to time, as per the revised dates notified by the Government.
- With this facility, due date in the software for filing return can be changed by GSTN and consequently penalty for late filing will be charged accordingly.
- Earlier this change in date of filing return was done from the backend in the GST Portal.

## Length of EGM number

While filing application of refund on Exports of Goods and Services without Payment of Tax; i.e. Accumulated ITC, provision to give EGM number of minimum 1 digit to maximum 7 digits has been provided to the taxpayers.





# GST LEGAL UPDATES

## Municipal Corporation does not have the authority to levy advertisement tax

- **Case reported in 2018-TIOL-48-HC-ALL-GST in the case of Modern Traders Vs State of UP –**
- GST - s.129 of the UPGST Act, 2017 - Non-accompaniment of E-way bill –
- The High Court Held - As e-way bill was produced on the same day of the interception of goods along with documents indicating payment of IGST but before seizure order is passed, no justification for passing orders of seizure of goods/vehicle and tax demand/penalty – order quashed, Respondent directed to immediately release goods/vehicle.

## Any ISSUES/ queries?

- <https://cbec-gst.gov.in/>
- [CBEC MITRA HELPDESK](#)
  - 1800 1200 232
  - [cbecmitra.helpdesk@icegate.gov.in](mailto: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\\_Gol](https://twitter.com/askGST_Gol)
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- [https://twitter.com/NACIN\\_OFFICIAL](https://twitter.com/NACIN_OFFICIAL)

**THANK YOU**