

GST Update

Weekly Update
26.05.2018

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 19.05.2018. 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

- One IGST circular clarifying levy of GST on supply of warehoused goods issued.
- Two Press releases issued

Payment of IGST on warehoused goods

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/igst-circular3.pdf>
- **Circular No.3/1/2018-IGST dated 25.05.2018**
- Earlier Circular No. 46/2017-Customs dated 24.11.2017 clarified that integrated tax was applicable on goods transferred/sold while being deposited in a warehouse (hereinafter referred to as the “warehoused goods”) and again when the goods are ex-bonded.

- As per section 7(2) of the IGST Act, 2017, the supply of goods imported into the territory of India, till they cross the customs frontiers of India, is treated as a supply of goods in the course of inter-State trade or commerce.
- Further, the proviso to section 5(1) of the IGST Act provides that the integrated tax on goods imported into India would be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975. Thus, in case of supply of the warehoused goods, the point of levy would be the point at which the duty is collected under section 12 of the Customs Act, 1962 which is at the time of clearance of such goods under section 68 of the Customs Act.

Payment of IGST on warehoused goods (Contd)

- **Customs Tariff Act amended by Finance Act, 2018**
- Sub-section (8A) has been inserted in section 3 of the Customs Tariff Act
 - the valuation for the purpose of levy of integrated tax on warehoused imported goods at the time of clearance for home consumption would be either the transaction value or the value as per section 3(8) of the CTA (i.e. valuation done at the time of filing the into-bond bill of entry), whichever is higher.
 - Thus, no revenue loss now and no need to pay at the time of earlier sale

Payment of IGST on warehoused goods (Contd)

- The Circular now clarifies that that integrated tax **shall be levied and collected at the time of final clearance of the warehoused goods for home consumption i.e., at the time of filing the ex-bond bill of entry** and the value addition accruing at each stage of supply shall form part of the value on which the integrated tax would be payable at the time of clearance of the warehoused goods for home consumption.

Payment of IGST on warehoused goods (Contd)

- Thus, the supply of goods before their clearance from the warehouse would not be subject to the levy of integrated tax and the same would be levied and collected only when the warehoused goods are cleared for home consumption from the customs bonded warehouse.
- Circular would be applicable for supply of warehoused goods, while being deposited in a customs bonded warehouse, on or after the 1st April, 2018.

E Way Bill Updates

- e-Way Bill system for intra-State movement of goods has been implemented from 25th May, 2018 in the following States / Union Territories :-
 - (i) Maharashtra
 - (ii) Manipur
 - (iii) Andaman & Nicobar Islands
 - (iv) Chandigarh
 - (v) Dadra & Nagar Haveli
 - (vi) Daman & Diu
 - (vii) Lakshadweep

- E-Way Bills are getting generated successfully and till 23rd May, 2018 more than five crore and thirty lakh e-Way Bills have been successfully generated which includes more than one crore and sixty lakh e-Way Bills for intra-State movement of goods.
- Intra-State E way mechanism to be introduced PAN India w.e.f 3rd June, 2018



GST Portal Updates

Removal of Validation for CGST equal to SGST in table 4B(2) in GSTR-3B

- As per current design of GSTR-3B, if value under CGST is entered, the system auto populates the equivalent SGST amount as well.
- In case of reversal of CGST or SGST only, the tax payers were facing problems.
- Now, this auto population in table 4(B)(2) has now been removed. Instead of system computation of equal amount based on entry of one field, both fields are now made enterable at user's end.
- The taxpayer can now enter CGST less than or more than the SGST entered.
- There is no change in other tables of GSTR-3B.

Demand and Recovery- Form GST DRC-03

- Facility to intimate payment made voluntary or made against SCN or statement has been enabled on GST Portal (refer Rule 142(2) & Rule 142(3) of the CGST Rules, 2017).
- This form will enable a taxpayer to make voluntary payments, before issue of notice u/s 73 or 74 of the CGST Act, 2017 or within 30 days of issue of show cause notice (SCN).

- Under Rule 96 of the CGST Rules, 2017, the refund of IGST paid on exports of goods is to be disbursed by Customs. For this the GST System transmits data after certain validations to the ICEGATE system. Refund is processed by Customs and confirms back to the GST System about the refund.
- Now taxpayer has been provided with a facility for the taxpayers to see information about the status of the refund process.
- ***(Dash board> Services> Refunds > Track Refund Status)***

Refund- Tracking ARN for Exports (Contd)

Taxpayer is required to fill in the ARN of their Form GSTR 1, or Table 6A of Form GSTR 1, by which export invoices were submitted in table 6A. The system will now give one of following status:

- a) Refund confirmation received from ICEGATE on <date>: This shall imply that the ICEGATE has completed the processing and has reverted with confirmation to the GST System
- b) Refund record rejected by ICEGATE on <date> due to <error message from ICEGATE>: This shall imply that the ICEGATE has returned the refund record due to the stated error. The taxpayer can amend the records appropriately, and the GST system shall attempt to retransmit the data to ICEGATE

Refund- Tracking ARN for Exports (Contd)

- c) Refund data transmitted to ICEGATE vide acknowledgement number <xxxxxx>. This shall imply that data of the given return period has been handed over by the GST System to ICEGATE for further processing, and that the confirmation from ICEGATE is awaited.
- d) Refund data **NOT** transmitted to ICEGATE due to <error message>: This shall imply that one of the validations failed, due to which the refund data for the given return period wasn't transmitted to ICEGATE.

Offline tool for Form GSTR-6 now available on GST Portal

Creation and submission of Form GSTR 6 statement, in offline tool, is now available on GST Portal to persons registered as Input Service Distributors (ISD).

**Facility to change return frequency for normal taxpayer
now available on GST Portal**

Taxpayers whose turnover is above Rs. 1.5 Cr and who have wrongly selected option as quarterly filing, now has been provided with facility to change the option to monthly, provided the taxpayer has not filed any return, as per the wrongly selected quarterly option of filing return.



GOODS AND SERVICES TAX NETWORK

Payment of reduced penalty now available on GST Portal

In case Demand ID is created under Section 74 of the CGST Act, 2017, the GST Portal now allows reduced payment towards penalty, as per law.

A message is shown to the user, about the reduction in amount of penalty mentioned in the order, if he makes the payment within 30 days from the date of communication of the order and he is making full payment of tax and interest, stated in the order.

In such case penalty amount can be paid up to 50% of the amount stated in the order and the balance 50% of the penalty is waived off.

- **Registration-** PAN based multiple registrations in State
- Tax officials of Model 2 States/ UTs have now been provided with a facility to see status of all registrations against a PAN, within a state, during processing of the registration application.
- **Back Office- Enhanced View of Form GSTR- 2A**
- Tax officials of Model 2 States/ UTs have now been provided with view of B2BA, CDNA, ISD and ISDA section of Form GSTR-2A, in back office.

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