

GST Update

Weekly Update
26.10.2019

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 12.10.2019. There was no update issued on 19.10.2019. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications, except the provisions related solely to SGST provisions. Similar parallel provisions in State Laws may be referred to as required

Notifications and Circulars



- One Central Tax notification issued;
- Two CBIC Press releases issued;

Examination for confirmation of enrollment of GST Practitioners

- http://www.cbic.gov.in/resources//htdocs-cbec/press-release/Press-Release-cum-Advt-%20English_2410.pdf
- NACIN has been authorized to conduct an examination for confirmation of enrollment of GST Practitioners (GSTPs) in terms of the rule 83(3) of CGST Rules, 2017.
- The GSTPs enrolled on the GST Network under Rule 83(2) and covered by Rule 83(1)(b), i.e. those meeting the eligibility criteria of having enrolled as “Sales tax practitioners or Tax return preparer” under the existing law for a period not less than five years, are required to pass the said examination before 31.12.2019 in terms of Notification no. 03/2019-Central Tax dated 29.01.2019. Three such examinations for such GSTPs have already been conducted on 31.10.2018, 17.12.2018 and 14.06.2019.

Examination for confirmation of enrollment of GST Practitioners (Contd)



- It will be a Computer Based Exam. The registration for the exam can be done by the eligible GSTPs a registration portal, link of which will be provided on NACIN and CBIC websites. The registration portal for the exam scheduled on 12.12.2019 will be activated on 22nd November, 2019 and will remain open up to 5th December, 2019. For the convenience of candidates, a help desk will be set up details of which will be provided on NACIN and CBIC websites. The applicants are required to make online payment of examination fee of Rs. 500/- at the time of registration for this exam.
- The Pattern and Syllabus of the Examination will be on GST Law & Procedures as usual covering CGST, SGSTs, IGST, UTGST, Compensation Cess ACTs and Rules along with notification and Circulars issued from time to time.

Examination for confirmation of enrollment of GST Practitioners (Contd)

- **Pattern of the Examination**
- PAPER: GST Law & Procedures
- Time allowed: 2 hours and 30 minutes
- Number of Multiple Choice Questions: 100
- Language of Questions: English and Hindi
- Maximum marks: 200
- Qualifying marks: 100 No negative marking

- **Syllabus of the Examination**

- CGST Act, 2017, IGST Tax Act, 2017 , SGST Acts, 2017 , UTGST Act, 2017 , GST (Compensation to States) Act, 2017
- CGST Rules, 2017, IGST Rules, 2017
- All SGST Rules, 2017
- Notifications, Circulars and orders issued from time to time
- Note: As GST Law and Procedures are still evolving, the various items of the above syllabus will be considered as on **30.09.2019** for the purpose of this examination

Extending the due date for filing of FORM GST CMP-08

- **Notification No. 50/2019 – Central Tax dated 24th October, 2019**
- Due date for furnishing the statement containing the details of payment of self-assessed tax in FORM GST CMP-08, for the quarter July, 2019 to September, 2019, or part thereof,
 - shall be the 22nd day of October, 2019

Manufacture and Other Operations in Warehouse

- [http://www.cbic.gov.in/resources//htdocs-cbec/press-release/PRESS RELEASE for section65-151019.pdf;jsessionid=BDF52B82CDE986D3C8D9E54DF0DC9326](http://www.cbic.gov.in/resources//htdocs-cbec/press-release/PRESS_RELEASE_for_section65-151019.pdf;jsessionid=BDF52B82CDE986D3C8D9E54DF0DC9326)
- **Press Release dated 15.10.2019**
- CBIC has launched a revamped and streamlined program to attract investments into India and strengthen Make in India through manufacture and other operations under bond scheme, under Customs Act, 1962. Section 65 of the Customs Act, 1962 enables conduct of manufacture and other operations in a customs bonded warehouse.
- Manufacture and Other Operations in Warehouse Regulations, 2019 (MOOWR, 2019) and Circular 34/2019 both dated 01 October 2019

Manufacture and Other Operations in Warehouse (Contd)

- No geographical limitation on where such units can be set up.
- The unit can import goods (both inputs and capital goods) under a customs duty deferment program
- There will be no interest liability and units will benefit through improved liquidity.
- GST compliant goods can be procured from the domestic market for use in manufacture and other operations in a section 65 unit.

Manufacture and Other Operations in Warehouse (Contd)

- CBIC has collaborated with Invest India to launch a dedicated microsite for providing information and promoting the scheme and for facilitation of investors. The site can be accessed at <https://www.investindia.gov.in/bonded-manufacturing>.
- The scheme is expected to play a critical role in promoting investments in India and in enhancing ease of doing business. It can enable the 'Make in India' program, encourage exports, create hubs for electronics assembly, repair & refurbishment operations, inward and outward processing, facilitate global e-commerce hubs etc

Manufacture and Other Operations in Warehouse (Contd)

- **Circular No. 34/2019-Customs dated 1st October, 2019 (read with Manufacture and Other Operations in Warehouse Regulations 2019- MOOWR, 2019)- GST Provisions**
- The warehouse in which section 65 permission(Manufacture and other operations) is granted shall also be declared by the Licensee as the principal/additional place of business for the purposes of GST.
- To the extent that the resultant product manufactured or worked upon in a bonded warehouse is exported, the licensee shall have to file a shipping bill and pay any amounts due. A GST invoice shall also be issued for such removal

Manufacture and Other Operations in Warehouse (Contd)

- To the extent that the resultant product (whether emerging out of manufacturing or other operations in the warehouse) is cleared for domestic consumption, such a transaction squarely falls within the ambit of “supply” under Section 7 of the CGST Act, 2017. It would therefore be taxable in terms of section 9 of the CGST Act, 2017 or section 5 of the IGST Act, 2017 depending upon the supply being intra-state or inter-state. The resultant product will thus be supplied from the warehouse to the domestic tariff area under the cover of GST invoice on payment of appropriate GST and compensation cess, if any.
- The waste generated during the course of manufacture of the resultant product may be cleared for home consumption as per section 65(2)(b) of the Customs Act on payment of applicable duties of customs and GST.

Stake sale by ICICI Bank in GSTN

- One of the Private sector banks, and a stake holder in GSTN, ICICI Bank has exited the GSTN, the not to profit non Government company facilitating collection of the indirect tax, by selling its entire 10 per cent stake to as many as 13 state governments.
- The Stake transfer to various State Governments is scheduled to be completed by the end of March 2020. The bank will transfer 0.14 per cent stake to the Assam government and 0.81 per cent stake to the Telangana government. Besides, it will transfer Goa, Kerala, Manipur, Tripura, West Bengal, Delhi, Jharkhand, Uttar Pradesh, Chhattisgarh, Madhya Pradesh and Arunachal Pradesh governments 0.82 per cent stake each. ICICI Bank has exited the company following the government of India's decision to make GSTN into a public sector entity last year.



Legal Updates

Hardcastle Restaurants Pvt. Ltd Anti-Profiteering Issue

- **Hardcastle Restaurants Pvt. Ltd in WRIT PETITION NO. 3492 OF 2018**
- Petitioner contends that since the hearing was only by three members and the impugned order is by four members, it is in breach of principles of natural justice. The Petitioner was not afforded an opportunity to present its case before Mr. Amand Shah, the fourth signatory.
- **Order-**
- Certain basic positions of law however are settled. The rule that one who hears must pass the order remains as the basic proposition.

Hardcastle Restaurants Pvt. Ltd Anti-Profiteering Issue (Contd)

- In certain circumstances, this rule can be deviated from. None of the decisions relied upon by the Respondents fit the fact situation at hand to justify that deviation. We had adjourned the hearing to enable the Counsel for the Respondents to cite before us any decision where in identical facts courts have permitted the infraction of the basic rule.
- We conclude that when the three members of the Authority had heard the Petitioner and participated in the entire hearing, the collectively signed decision, when the fourth member joined only for signing the order has resulted in violation of the principles of natural justice and fairness, and is liable to be set aside.

Hardcastle Restaurants Pvt. Ltd Anti-Profiteering Issue (Contd)

- The issues that come up before the Anti-Profiteering Authority are complex. The Act and Rules provide no appeal. The Authority can impose a penalty and can cancel the registration. The term profiteering, under the Act and Rules, is used in a pejorative sense. Such a finding can severely dent the business reputation. The Authority is newly established. Therefore, as a guidance to this Authority, highlighting the importance of fair decision-making is necessary.
- As a result, the impugned order dated 16 November 2018 passed by the National Anti-Profiteering Authority is set aside. The proceedings bearing Case No. 14 of 2018 before the National Anti Profiteering Authority – Respondent No.2. stand restored.

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