

GST Update

Weekly Update
12.01.2018

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 05.01.2019. 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

- 32nd GST Council Meeting held on 10th January, 2019
- One Customs Notification issued
- Foreign Trade Policy 2015-20 amended

GST Practitioners

- The last date for passing the examination for GST Practitioners for those GST Practitioners who have enrolled under rule 83(1)(b) i.e. who were sales tax practitioner or tax return preparer under the existing law for a period of not less than five years.
- to be extended till 31.12.2019

Effective date for the GST amendment Acts

- Changes made by CGST (Amendment) Act, 2018, IGST (Amendment) Act, 2018, UTGST (Amendment) Act, 2018 and GST (Compensation to States) Amendment Act, 2018 and the corresponding changes in SGST Acts
- would be notified w.e.f. 01.02.2019

Major Decisions taken by the GST Council in its 32nd Meeting

- <http://pib.nic.in/newsite/PrintRelease.aspx?relid=187403>
- **Relief to MSME (including Small Traders) to be implemented w.e.f 01.04.2019**
- **Increase in Turnover Limit for the existing Composition Scheme:** The limit of Annual Turnover in the preceding Financial Year for availing Composition Scheme for Goods shall be increased to Rs 1.5 crore. Special category States would decide, within one week, about the Composition Limit in their respective States.
- **Compliance Simplification:** The compliance under Composition Scheme shall be simplified as now they would need to file one Annual Return but Payment of Taxes would remain Quarterly (along with a simple declaration).

Major Decisions taken by the GST Council in its 32nd Meeting (Contd)

- **Relief to MSME (including Small Traders) to be implemented w.e.f 01.04.2019**
- **Higher Exemption Threshold Limit for Supplier of Goods:**
There would be two Threshold Limits for exemption from Registration and Payment of GST for the suppliers of Goods i.e. Rs 40 lakhs and Rs 20 lakhs. States would have an option to decide about one of the limits within a weeks' time.
- The Threshold for Registration for Service Providers would continue to be Rs 20 lakhs and in case of Special Category States at Rs 10 lakhs.

Major Decisions taken by the GST Council in its 32nd Meeting (Contd)

- **Relief to MSME (including Small Traders) to be implemented w.e.f 01.04.2019**
- **Composition Scheme for Services:** A Composition Scheme shall be made available for Suppliers of Services (or Mixed Suppliers) with a Tax Rate of 6% (3% CGST +3% SGST) having an Annual Turnover in the preceding Financial Year up to Rs 50 lakhs.
- The said Scheme Shall be applicable to both Service Providers as well as Suppliers of Goods and Services, who are not eligible for the presently available Composition Scheme for Goods.
- They would be liable to file one Annual Return with Quarterly Payment of Taxes (along with a Simple Declaration).

Major Decisions taken by the GST Council in its 32nd Meeting (Contd)

- **Free Accounting and Billing Software** shall be provided to Small Taxpayers by GSTN.
- **Revenue Mobilization for Natural Calamities:** GST Council approved Levy of Cess on Intra-State Supply of Goods and Services within the State of Kerala at a rate not exceeding 1% for a period not exceeding 2 years.
- **Matters referred to Group of Ministers:**
 - A seven Member Group of Ministers shall be constituted to examine the proposal of giving a Composition Scheme to Boost the Residential Segment of the Real Estate Sector.
 - A Group of Ministers shall be constituted to examine the GST Rate Structure on Lotteries.

Imports against Advance Authorisation

- <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-tarr2019/cs01-2019.pdf;jsessionid=D33953475EE93F656DC427FADD0A515F>
- **Notification No. 01/2019 – Customs dated 10.01.2019**
- Removes pre-import condition and include specified deemed export supplies for exemption from integrated tax and Compensation cess for materials imported against Advance Authorizations and Advance Authorizations for Annual Requirement
- Corresponding changes in Para 4.14 of the Foreign Trade Policy 2015-20 also done vide Notification No. 53/2015-20 dated 10th January, 2019

Imports against Advance Authorisation (Contd.)

- Notification No. 18/2015-Cus as amended by Notification No. 79/2017-Cus dated 13.10.2017 inserted the following conditions for exemption from IGST by an importer against Advance Authorisation:
 - Fulfilment of export obligation only by physical exports
 - Pre-import condition
- Both these conditions have now been removed w.e.f 10.01.2019



GST Legal Updates

GST leviable on Supply of Goods at Domestic Airport to transit passengers

Case of A-1 Cuisines Pvt Ltd Vs UoI reported in 2018-TIOL-176-HC-Mum-GST

Facts

Petitioner seeks issuance of Writ directing the respondent UOI to exempt the petitioner from charging applicable taxes under the GST legislations on sale of cosmetic products, perfumes etc. to the International passengers and claim refund of any input tax paid on input supplies and input services from the retail shop which the petitioner intends to set up at the Domestic Security hold area of the Nagpur Airport – It is the case of the Petitioner that lot of international passengers take their flights from the Nagpur Airport to travel outside India through a transit International Airport – and the same should be considered export of goods and the treatment applicable to duty free shop should be made applicable to the Petitioner as well.

GST leviable on Supply of Goods at Domestic Airport to transit passengers

Decision of the High Court

The High Court held that the precedents cited are clearly applicable only in respect of supplies to or from the duty free shops situated after the passenger crosses the immigration counter beyond the Customs frontiers, at arrival or departure hall of International Airport terminals, where the transaction would be said to have taken place outside India - same would be a "non-taxable" supply u/s 2(78) of the Act and such duty free shops located at the International Airports would be in "non-taxable" territory as defined in s.2(79) of the Act. The aforesaid judgments would squarely apply for the sale/purchase/supplies of goods or services to or from duty free shops situated after the passenger crosses the immigration counter at arrival or departure hall of International Airports but would have no application to shops located at a domestic Airport or Domestic Security hold area, which are before even the immigration clearance by a passenger,

GST leviable on Supply of Goods at Domestic Airport to transit passengers

Decision of the High Court (Contd)

where the transaction cannot be said to have taken place in any area beyond the customs frontiers of India or outside India - Even otherwise, a passenger travelling on a domestic flight from Nagpur may or may not travel abroad and the Customs Authorities would not be able to have effective check and control to verify whether the goods purchased from Domestic Airport at Nagpur are actually taken abroad by the passenger - No merit in the petition - No case made out even on prima facie basis to issue any directions or any notice in that regard.

The High Court thus dismissed the Petition.

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