

Government issues various Notifications on 15.11.2017 post

Recommendations by GST Council on 10.11.2017

☺ **No GST on advances received by all taxpayers for outward supply of goods:**

All registered persons (other than composition dealers) shall pay tax on the basis of date of issue of invoice or last date for raising invoice, whichever is earlier on outward supply of goods¹. **In other words, for outward supply of goods, none of the taxpayers are required to pay GST on advances.**

☺ **Revised due dates:**

- Revised due dates for filing GSTR-1 till March, 2018:

Tax Payer	Periodicity	Period	Due date
Aggregate Turnover upto Rs. 1.50 Crore in preceding financial year or current financial year ²	Quarterly	July-September, 2017	31.12.2017
		October-December, 2017	15.02.2018
		January-March, 2018	30.04.2018
Aggregate Turnover of more than Rs. 1.50 Crore in preceding	Monthly	July, 2017	31.12.2017
		August, 2017	31.12.2017
		September, 2017	31.12.2017

¹ Notification No. 66/2017-Central tax dated 15.11.2017

² Notification No. 57/2017-Central tax dated 15.11.2017

financial year or current financial year ³	October, 2017	31.12.2017
	November, 2017	10.01.2018
	December, 2017	10.02.2018
	January, 2018	10.03.2018
	February, 2018	10.04.2018
	March, 2018	10.05.2018

- Due dates for filing GSTR-2 and GSTR-3 from July, 2017 to March, 2018 would be worked out by a Committee of officers and notified subsequently.
- Revised due date of other returns/statements:

Return/ Statement	Category of persons	Period	Extended Due Date
GSTR-4	Composite Dealer	July- September, 2017	24.12.2017 ⁴
GSTR-6	Input Service Distributor	July, 2017	31.12.2017 ⁵
GSTR-5	Non-resident taxable person	July, 2017	11.12.2017 ⁶
		August, 2017	
		September, 2017	
		October, 2017	
GSTR-5A	OIDAR provided from outside India to a non- taxable online recipient	July, 2017	15.12.2017 ⁷
		August, 2017	

³ Notification No. 58/2017-Central tax dated 15.11.2017

⁴ Notification No. 59/2017-Central tax dated 15.11.2017

⁵ Notification No. 62/2017-Central tax dated 15.11.2017

⁶ Notification No. 60/2017-Central tax dated 15.11.2017

⁷ Notification No. 61/2017-Central tax dated 15.11.2017

		September, 2017	
		October, 2017	

- Due dates for filing Input Service Distributor's return in GSTR-6 for August, September and October, 2017 would be notified subsequently.
- Revised due date of other returns/statements/forms:

Return/ Statement	Details of Return/Statement	Period	Extended Due Date
GST TRAN-1	Carry forward of transitional Credits to GST	Credits till 30.06.2017	27.12.2017 ⁸
Revised GST TRAN-1	Following transitional details: <ul style="list-style-type: none"> • Carry forward of transitional Credits to GST • Declaration to be made in cases where Service tax and VAT both were paid in pre-GST era and supplies are made in post-GST era • Details of stock held by principal and job worker • Details of goods sent on approval basis 	Credits till 30.06.2017	27.12.2017 ⁹

⁸ Order No. 9/2017-GST dated 15.11.2017

⁹ Order No. 10/2017-GST dated 15.11.2017

GST ITC-04	Details of goods sent to job worker or received back	July-September, 2017	31.12.2017 ¹⁰
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☺ **Due dates for GSTR-3B till March, 2018:**

- All assessees have to file FORM GSTR-3B by 20th of the succeeding month till March, 2018. Consequently, due dates for January, February and March, 2018 are notified now¹¹ to be 20th February, 20th March and 20th April, 2018.
- It has been further notified that all liabilities of tax, interest, penalty, fees or other amounts should be paid through debiting electronic cash ledger or electronic credit ledger by the above due dates.

☺ **Reduction in late filing fees charged per day¹²:**

- In case of late filing of GSTR-3B from October, 2017 onwards, late filing fees would be Rs. 50/- per day (i.e. Rs. 25/- CGST and Rs. 25/- SGST) subject to maximum late filing fees of Rs. 10,000/- per month (i.e. Rs. 5,000/- CGST and Rs. 5,000/- SGST).
- In case of GSTR-3B with NIL tax liability, late filing fees from October, 2017 onwards would be Rs. 20/- per day (i.e. Rs. 10/- CGST and Rs. 10/- SGST) subject to maximum late filing fees of Rs. 10,000/- per month (i.e. Rs. 5,000/- CGST and Rs. 5,000/- SGST).

¹⁰ Notification No. 63/2017-Central tax dated 15.11.2017

¹¹ Notification No. 56/2017-Central tax dated 15.11.2017

¹² Notification No. 64/2017-Central tax dated 15.11.2017

☺ **Threshold limit for GST registration extended to all service providers other than services where electronic commerce operator is liable to discharge GST:**

- Hitherto, service suppliers were not required to take GST registration if they do not cross threshold limit of aggregate turnover of Rs. 20 Lakhs (Rs. 10 Lakhs in Special Category States except Jammu & Kashmir) in a Financial Year irrespective of the fact that service providers are engaged in inter-state supplies.
- Now, all supplier of services (Other than services wherein e-commerce operator needs to pay GST) are not required to obtain GST registration if aggregate turnover does not exceed Rs. 20 Lakhs (Rs. 10 Lakhs in Special Category States except Jammu & Kashmir) in a Financial Year¹³.

☺ **Place of supply of advertisement services provided to Central Government, State Government, statutory body or local authority meant for various States and UTs:**

- Place of supply of advertisement services provided to Central Government, State Government, statutory body or local authority meant for various States and UTs is each such State or UT. Further, value of such services shall be distributed in proportion of the amount attributable to such States/UTs as per contract or in absence of contract, as may be prescribed.
- Now, the method for determining proportion attributable to different States or UTs has been prescribed for various advertisement services¹⁴. The notification providing place of supply for such services is made effective from 1st July, 2017.

¹³ Notification No. 65/2017-Central tax dated 15.11.2017

¹⁴ Notification No. 12/2017-Integrated tax dated 15.11.2017

Amendment in CGST Rules¹⁵:

☺ Enabling manual processing of refunds:

- Under GST Law, exports and supplies to SEZ Unit/Developer are treated as zero rated supplies and assesseees have 2 options:
 - Zero rated supplies with payment of IGST and claim refund of IGST paid on such zero rated supplies or
 - Zero rated supplies without payment of GST under LUT/Bond and claim refund of accumulated ITC
- In view of non-availability of refund module under GSTN Portal, now the amendments are made to introduce manual procedure to be followed for refunds. Therefore, for any refund process or procedures; applications, intimations, replies, declarations, statements, notices, orders or certificates may be made manually.
- Consequently, application for refund manually may be made in Form-GST-RFD-01A for following refund claims:
 - Excess balance in electronic cash ledger
 - Export of services with payment of tax
 - Export of goods/services without payment of tax (Accumulated ITC)
 - ITC accumulated due to inverted tax structure
 - On account of supplies made to SEZ unit/SEZ developer (with payment of tax)
 - On account of supplies made to SEZ unit/SEZ developer (without payment of tax)
 - Recipient of deemed export
- However, following refund claims have to be filed electronically:
 - On account of order

¹⁵ Notification No. 55/2017-Central tax dated 15.11.2017

- Tax paid on a supply not provided, either wholly or partially and for which invoice has not been issued (tax paid on advance payment)
 - Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice versa (change of POS)
 - Excess payment of tax
 - Any other refund claims
- Further, refund orders i.e. provisional refund order, final refund order and order for complete adjustment of sanctioned refund may be issued manually in Form-GST-RFD-01 B.
- A detailed clarification¹⁶ is issued providing for refund procedures which has been summarized hereunder:
- Export of goods with payment of IGST:
 - Shipping bill filed by exporter is deemed to be an application for refund provided export manifest or export report is filed and the applicant has filed valid GSTR-3 or GSTR-3B
 - On receipt of valid GSTR-3 or GSTR-3B, customs systems shall process refund claim and refund shall be paid electronically to the bank account of applicant
 - In case of withholding of refund or further sanction, order under RFD-07 or RFD-06 shall be issued manually until GSTN portal is operational for refunds
 - Goods/services supplied to SEZ Unit/Developer (Zero rated supplies) with payment of IGST:
 - Refund shall be filed in RFD-01A manually by the supplier before jurisdictional proper officer with requisite documentary evidences within the time limit as provided under CGST Act
 - Zero rated supplies without payment of GST:

¹⁶ Circular No. 17/17/2017-GST dated 15.11.2017

- Refund of accumulated ITC on inputs or input services used in making zero rated supplies shall be filed electronically in RFD-01A at GSTN portal and such amount shall be debited from electronic credit ledger
- Print out of RFD-01 shall be submitted manually alongwith proof of ARN (For debit in electronic credit ledger) to jurisdictional proper officer with requisite documentary evidences within the time limit as provided under CGST Act
- Refund claims shall be filed with jurisdictional tax authority assigned to tax payers as per administrative order issued by Chief Commissioner of Central tax and Commissioner of State tax. In case no such order is issued in the State, registered person may apply for refund before Central tax authority or State tax authority until administrative mechanism is implemented. However, in such cases, the applicant has to submit an undertaking that refund claim has been filed to only one of the authorities. It may be noted that refund application may be filed with and processed by any one of the tax authorities. However, payment of sanctioned refund amount of CGST, IGST and Cess shall be made by Central tax authority whereas payment of sanctioned refund amount of SGST / UTGST shall be made by State/UT tax authority.
- For smooth processing of refunds, all communications like acknowledgement, deficiency memo, provisional refund order, payment advice, refund sanction/rejection order, order for complete adjustment/withholding of sanctioned order, notice for rejection of application for refund and reply to show cause notice shall be done manually within specified timelines until refund module becomes operational at GSTN portal.
- After sanction of provisional refund, final order shall be issued within 60 days from the date of receipt of complete application form. Proper officer shall credit the amount in GST RFD-05.
- In case of rejection of refund claim, the rejected amount should be re-credited to electronic credit ledger vide order under GST PMT-03.

🕒 **Enabling manual processing of advance rulings:**

For any refund process or procedures; applications, intimations, replies, declarations, statements, notices, orders or certificates may be made manually.

🕒 **ITC available to export of services to Nepal or Bhutan even if amount received in INR:**

- In case of common ITC in respect of inputs, input services and capital goods, Government has prescribed rules for reversal of common ITC attributable to exempt supplies and to goods and services used for non-business purposes¹⁷.
- Supply of services wherein place of supply is Nepal or Bhutan was unconditionally exempted from GST even if the payment is received in INR¹⁸.
- Now, CGST Rules are amended to provide that for the purposes of reversal of common ITC, supply of services as stated above will not be taken into consideration. In other words, now, such exporters would also be eligible to claim ITC in respect of goods or services used for effecting such supply of services to Nepal and Bhutan.

🕒 **Option to insurer or a banking company or a financial institution, including a non-banking financial company to issue consolidated tax invoice:**

- Earlier, insurer or a banking company or a financial institution, including a non-banking financial company while making taxable supply were required to issue a

¹⁷ Rules 42 and 43 of CGST Rules, 2017

¹⁸ Notification No. 42/2017-Integrated tax (Rate) dated 27.10.2017

‘consolidated tax invoice’ at the end of the month for the services supplied during that month¹⁹, without serial number and/or without recipient’s address.

- Now, to give further relief, insurer or a banking company or a financial institution, including a non-banking financial company are given option to issue consolidated tax invoice.

🕒 **Appointment of appellate authority:**

- In cases of orders passed by specific authorities as provided below under CGST Act, SGST Act or UTGST Act, aggrieved person may file appeal before following authorities within 3 months from the date of communication of such order:

Order passed by	Appeal to be filed before
Additional or Joint Commissioner	Commissioner (Appeals)
Deputy or Assistant Commissioner or Superintendent	Additional Commissioner (Appeals)

- In case the appeal has to be filed by department, they may also file an appeal as per the above table within 6 months from the date of communication of such order.

🕒 **Anti-profiteering authority:**

- Anti-profiteering authority consists of one Chairman and 4 Technical Members
- Hitherto, appointment of Chairman and Technical Members could be terminated with the recommendation of GST Council and subject to an opportunity of being heard. Now, appointment of Chairman and Technical Members may be terminated

¹⁹ Substitution in sub-rule 2 of Rule 54 of the CGST Rules, 2017

by Central Government with the approval of Chairperson of GST Council at any time.

- Further, vide Press Release dated 16.11.2017, the Union Cabinet, chaired by the Prime Minister Narendra Modi, has given its approval for creation of Chairman and Technical Members of National Anti-profiteering Authority (NAA).
 - NAA, Standing Committee, Screening Committee in every State and Directorate General of Safeguards in CBEC together would be involved in ensuring anti-profiteering measures are adopted by all taxpayers.
 - Affected consumers may apply for relief to Screening Committee of a particular State. In case, the incident is having All India impact, application may be made to Standing Committee. After forming a prima facie view, Standing Committee shall refer the matter for detailed investigation to Director General of Safeguards, CBEC which shall then report its findings to NAA.
 - If NAA confirms that the supplier has not adhered to anti-profiteering measures, NAA may order such supplier to reduce its prices or return undue advantage gained by it with interest to recipient. If the amount cannot be returned to recipient, the same shall be ordered to be deposited in Consumer Welfare Fund.
 - In extreme cases, NAA can impose penalty or order for cancellation of GST registration.

☺ **Circular on applicability of GST and availability of ITC in respect of specified services:**

- Whether GST is applicable on warehousing of agricultural produce such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder pulses (de-husked or split), jaggery, processed spices, processed dry fruits, processed cashew nuts etc.?
 - It is now clarified that processed products such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder, pulses (de-husked or split), jaggery, processed spices, processed dry fruits, processed cashew nuts etc. fall outside

the definition of agricultural produce. Consequently, GST exemption is not available to their loading, packing, warehousing etc.

- Whether GST is leviable on inter-state transfer of aircraft engines, parts and accessories for use by their own airlines?
 - Supply of goods or services to related persons or distinct persons as specified under Section 25 of CGST Act (Branches) without consideration are also treated as 'supply' under GST Law.
 - It is now clarified that credit of GST paid on aircraft engines, parts and accessories would be available for discharging IGST liability on stock transfer to related persons or distinct persons as specified under Section 25 of CGST Act (Branches) irrespective of non-availability of credit of GST charged on consumption of such goods for supply of passenger transport services by air in economy class.
- Whether GST is leviable on general insurance policies provided by State Government to its employees, policy personnel, employees of electricity department or students of colleges/private schools etc. where either premium is paid by State Government or paid by employees, students etc.?
 - Services provided to Central Government, State Government, Union Territory under any insurance scheme for which total premium is paid Central Government, State Government, Union Territory are granted exemption from GST²⁰
 - Services provided by State Government by way of general insurance (managed by Government) to its employees, policy personnel, employees of electricity department or students of colleges/private schools etc. are also exempted from GST since services are provided by these authorities to individuals²¹.

²⁰ Sr. No. 40 of Notification No. 12/2017-Central tax (rate) dated 28.06.2017

²¹ Sr. No. 6 of Notification No. 12/2017-Central tax (rate) dated 28.06.2017

- Supply of goods or services to related persons or distinct persons as specified under Section 25 of CGST Act (Branches) without consideration are also treated as 'supply' under GST Law.
- Hitherto, appointment of Chairman and Technical Members could be terminated with the recommendation of GST Council and subject to an opportunity of being heard. Now, appointment of Chairman and Technical Members may be terminated by Central Government with the approval of Chairperson of GST Council at any time.

All the above notifications are effective from 15.11.2017 except where effective date is specifically mentioned in respective subject heading/notes.

GSC Comments:

- ☺ ***The amendments carried out are deviating from the recommendations made by GST Council in certain cases such as no GST on advances on goods for all taxpayers as against only SME assesseees, due dates for TRAN-1 and revised TRAN-1 are 27.12.2017 as against 31.12.2017 etc. Therefore, one should carefully analyse notifications to ascertain complete impact of these amendments. Brief summary of all these notifications (except rate change) is provided above.***
- ☺ ***Amendments relating to Composition Scheme recommended by GST Council shall be issued only after relevant amendments in CGST Act and SGST Acts.***
- ☺ ***Benefits recommended by GST Council for centralised UIN to Foreign Diplomatic Missions/UN Organisations are yet to be issued.***

Abbreviations used:

GST	:	Goods and Services tax
CGST Act	:	Central Goods and Services tax Act, 2017
IGST Act	:	Integrated Goods and Services tax Act, 2017
SGST Acts	:	State Goods and Services tax Acts, 2017
UTGST Act	:	Union Territory Goods and Services tax Act, 2017
CGST	:	Central Goods and Services tax
CGST Rules	:	Central Goods and Services tax Rules, 2017
UT	:	Union Territories
ITC	:	Input Tax Credit
LUT	:	Letter of Undertaking
OIDAR	:	Online information and database access and retrieval services
CBEC	:	Central Board of Excise and Customs
GSTR	:	Goods and Services Tax Return
GSTN	:	Goods and Services tax Network
INR	:	Indian Rupees

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