

GOODS & SERVICES TAX UPDATE – 16

CENTRAL GOODS & SERVICES TAX

Procedure for generation of E-way Bill

Rule 138 of CGST Rules, 2017 provides the power to Central Government to specify the documents that the person in charge of a conveyance carrying any consignment of goods shall carry till the E-bill system is developed.

Now the Central Government vide [Notification no.27/2017-Central Tax, dated. 30-08-2017](#) has substituted Rule 138 of CGST Rules, 2017 and prescribed the detailed procedure to be followed for generation of E-way bill and information to be furnished prior to commencement of movement of goods. The detailed procedure is available at www.cbec.gov.in.

[\[Notification no.27/2017-Central Tax, dated. 30-08-2017\]](#)

Comment: As provided in the notification, the said procedure will come into force on such date as the Central Government may, by notification in the Official Gazette, appoint

Cabinet approves promulgation of the Goods and Services Tax (Compensation to States) Ordinance, 2017

The Union Cabinet has given its approval to the proposal of the Finance Ministry to promulgate an ordinance to suitably amend the Goods and Services Tax (Compensation to States) Act, 2017.

The approval would allow to increase the maximum rate at which the Compensation Cess can be levied from 15% to 25% on:

- a) motor vehicles for transport of not more than thirteen persons, including the driver falling under sub-headings 870210, 8702 20, 8702 30 or 8702 90; and
- b) motor vehicles falling under headings 8703.

The GST Council, in its meeting held in August 2017, taking into consideration the fact that post introduction of GST, the total incidence on motor vehicles [GST + Compensation Cess] has come down vis-a-vis pre-GST, had recommended increase in the maximum rate at which Compensation Cess can be levied on motor vehicles falling under headings 8702 and 8703 from 15% to 25%.

The issue regarding the increase in effective rate of Compensation Cess on motor vehicles will be examined by the GST Council in due course.

Comment: It remains to be seen if this increase in the ceiling limit will be given effect by amending sl.no.5 and reorganizing sl.no.6 or by creating two sub-entries within sl.no. 5 to accommodate the changes to motor vehicles in The Schedule.

(Release ID :170358)

[\[http://pib.nic.in/newsite/erelease.aspx\]](http://pib.nic.in/newsite/erelease.aspx)

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