

GOODS & SERVICES TAX UPDATE – 8

GOODS & SERVICES TAX (GST) - Clarifications

Password for Provisional ID not received

The issue faced here relates to Provisional ID being received by an assessee but requisite password for future use was not received. The issue was forwarded to CBEC Mitra Helpdesk wherein it was clarified that in case the password to the Provision ID has not been issued it might be a case where Registration Certificate had been cancelled.

If the Provisional ID was cancelled, or assessee has been unable to migrate to GST for any reason, an application for a new registration may be made on the GST Common Portal at <https://reg.gst.gov.in/registration>.

The details of your existing Central Excise (CE)/Service Tax (ST) registration need to be provided while filling up the form, in order to be eligible for transitional credit under Section 140 of CGST Act, 2017 (**Rule 117 of CGST Rules, 2017 needs to be referred**). In case of any further issues in submitting the registration form, the GST Helpdesk may be contacted at helpdesk@gst.gov.in or 0120-4888-999.

For any help on how to issue invoices till the GSTIN is received, please visit <https://cbec-gst.gov.in/adv-t-faq-relating-gst-migration-registration.html>.

Toll-free number 1800-1200-232 may be dialed for further clarifications.

Tax in reverse charge on gold ornaments

Section 9(4) of the CGST Act, 2017 mandates that tax on supply of taxable goods by an unregistered supplier to a registered person will be paid by the registered person under reverse charge mechanism. This provision, however, must be read in conjunction with section 2(105) read with section 7 of the CGST Act, 2017. Section 2 (105) defines supplier as a person supplying the goods or services. Section 7 provides that a supply is a transaction for a consideration by a person in the course or furtherance of business.

Even though the sale of old gold by an individual is for a consideration, it cannot be said to be in the course or furtherance of his business (as selling old gold jewellery is not the business of the said individual), and hence does not qualify to be a supply per se. Accordingly, the sale of old jewellery by an individual to a jeweller will not attract the provisions of Section 9(4) and jeweller will not be liable to pay tax under reverse charge mechanism on such purchases. However, if an unregistered supplier (who is dealing in such trade) of gold ornaments sells it to registered supplier, the tax under RCM will apply.

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

No GST on Annual subscription/fees charged as lodging/boarding charges by educational institutions from its students for hostel accommodation

Services provided by an educational institution to students, faculty and staff are fully exempt. Educational institution has been defined as an institution imparting

- (i) pre-school education and education up to higher secondary school or equivalent;
- (ii) education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force;
- (iii) education as a part of an approved vocational education course.

Thus, services of lodging/boarding in hostels provided by such educational institutions which are providing pre-school education and education up to higher secondary school or equivalent or education leading to a qualification recognized by law, are fully exempt from GST. Annual subscription/fees charged as lodging/boarding charges by such educational institutions from its students for hostel accommodation shall not attract GST.

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

Impact of GST on Housing Society Resident Welfare Association (RWA)

Supply of service by RWA (unincorporated body or a registered non- profit entity) to its own members by way of reimbursement of charges or share of contribution up to an amount of Rs. 5000 per month per member for providing services and goods for the common use of its members in a housing society or a residential complex are exempt from GST.

Further, if the aggregate turnover of such RWA is upto Rs.20 Lakh in a financial year, then such supplies would be exempted from GST even if charges per member are more than Rs. 5000.

RWA shall be required to pay GST on monthly subscription/contribution charged from its members if such subscription is more than Rs. 5000 per member and the annual turnover of RWA by way of supplying of services and goods is also Rs. 20 lakhs or more. Under GST, the tax burden on RWAs will be lower for the reason that they would now be entitled to ITC in respect of taxes paid by them on capital goods (generators, water pumps, lawn furniture etc.), goods (taps, pipes, other sanitary/hardware fillings etc.) and input services such as repair and maintenance services. ITC of Central Excise and VAT paid on goods and capital goods was not available in the pre-GST period and these were a cost to the RWA.

Thus, there is no change made to services provided by the Housing Society (RWA) to its members in the GST era.

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

Source: www.cbec.gov.in, www.pib.nic.in

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