

Significant Notifications and Circulars issued in GST and Customs from 16th September, 2023 to 15th October, 2023

GST

Notifications

1. Reporting of invoices on the IRP Portal

A time limit of 30 days has been imposed for reporting of invoices including debit or credit note from the date of invoice, or as the case may be, date of issue debit or credit note on e-invoice portals for taxpayers with Aggregate Annual Turnover (AATO) greater than or equal to 100 crores. Hence, the taxpayers in this category will not be allowed to report invoices older than 30 days on the date of reporting.

This validation shall come into effect from 1st Nov, 2023.

einvoice1.gst.gov.in

2. Mandatory 2 Factor Authentication

GST e-invoice portal has also mandated two factor authentication (2FA) for all taxpayers with AATO above Rs 20 Cr from 1st Nov, 2023. In order to implement this, users are requested to register for 2FA immediately and also create sub-users so that EWB activities are managed without any problem.

einvoice1.gst.gov.in

3. Establishment of State Benches of GST Appellate Tribunal

Central Government, on the recommendation of the Goods and Services Tax Council, has constituted the following State Benches of the Goods and Services Tax Appellate Tribunal:

S. No.	State Name	No. of Benches	Location
1.	Andhra Pradesh	1	Vishakhapatnam and Vijayawada
2.	Bihar	1	Patna
3.	Chhattisgarh	1	Raipur and Bilaspur
4.	Delhi	1	Delhi
5.	Gujarat	2	Ahmedabad, Surat and Rajkot
6.	Dadra and Nagar Haveli and Daman and Diu		
7.	Haryana	1	Gurugram and Hissar

8.	Himachal Pradesh	1	Shimla
9.	Jammu & Kashmir	1	Jammu & Srinagar
10.	Ladakh		
11.	Jharkhand	1	Ranchi
12.	Karnataka	2	Bengaluru
13.	Kerala	1	Ernakulum and Trivandrum
14.	Lakshadweep		
15.	Madhya Pradesh	1	Bhopal
16.	Goa	3	Mumbai, Pune, Thane, Nagpur, Aurangabad and Panaji
17.	Maharashtra		
18.	Odisha	1	Cuttack
19.	Punjab	1	Chandigarh and Jalandhar
20.	Chandigarh		
21.	Rajasthan	2	Jaipur and Jodhpur
22.	Tamil Nadu	2	Chennai, Madurai, Coimbatore and Puducherry
23.	Puducherry		
24.	Telangana	1	Hyderabad
25.	Uttar Pradesh	3	Lucknow, Varanasi, Ghaziabad, Agra and Prayagraj
26.	Uttarakhand	1	Dehradun
27.	Andaman and Nicobar Islands	2	Kolkata
28.	Sikkim		
29.	West Bengal		
30.	Arunachal Pradesh	1	Guwahati, Aizawl (Circuit), Agartala (Circuit), Kohima (Circuit)
31.	Assam		
32.	Manipur		
33.	Meghalaya		
34.	Mizoram		
35.	Nagaland		
36.	Tripura		

Locations shown as 'Circuit' shall be operational in such manner as the President may order, depending upon the number of appeals filed by suppliers in the respective States.

4. Special procedure to be followed by manufacturers of Pan Masala and Tobacco products to be effective from 1st January, 2024

Notification No. 30/2023-CT dt. 31.07.2023 specifying the special procedure to be followed by a registered person engaged in manufacturing of Pan Masala, Tobacco, Cigarettes, Hookah etc., has been amended to provide that the said special procedure shall become effective from 01.01.2024.

[*Notification No. 47/2023-CT dt. 25.09.2023*](#)

5. Amendments made vide the CGST (Amendment) Act, 2023 and IGST (Amendment) Act, 2023 have become effective from 01.10.2023.

The Central Government vide [*Notification No. 48/2023-CT dt. 29.09.2023*](#) and [*Notification No. 02/2023-IT dt. 29.09.2023*](#) has appointed 1st day of October, 2023, as the date on which the provisions of the CGST (Amendment) Act, 2023 and the IGST (Amendment) Act, 2023 shall come into force.

6. Supplies notified under section 15(5) of the CGST Act, 2017

With effect from 01.10.2023, the Central Government vide [*Notification No. 49/2023-CT dt. 29.09.2023*](#) has notified the following supplies the value of which shall be determined in the prescribed manner notwithstanding anything contained in sub-section (1) or sub-section (4) of section 15:

- i) supply of online money gaming;
- ii) supply of online gaming, other than online money gaming; and
- iii) supply of actionable claims in casinos.

7. GST on advances received against the supply of specified actionable claims

With effect from 01.10.2023, *Notification No. 66/2017-CT dt. 15.11.2017* has been amended to provide that the registered persons who are engaged in making supply of specified actionable claims as defined under section 2(102A) of the CGST Act, 2017 shall be liable to pay GST on the advances received for such supply.

[*Notification No. 50/2023- CT dt. 29.09.2023*](#)

8. Amendments in CGST Rules, 2017

The below-mentioned amendments have been made in the CGST Rules, 2017 vide [*Notification No. 51/2023 – CT dt. 29.09.2023*](#). The amendments shall become effective from 01.10.2023 unless mentioned otherwise:

a) Rule 8 (Application for Registration) and rule 14 (Grant of registration to person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient or to a person supplying online money gaming from a place outside India to a person in India)

Rules 8 and 14 have been amended to provide that any person supplying online money gaming from a place outside India to a person in India shall submit an application for registration, duly signed or verified through electronic verification code, in FORM GST REG-10, at the common portal, either directly or through a Facilitation Centre notified by the Commissioner. The registration shall be granted in FORM GST REG-06, subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council.

b) Insertion of rules 31B (Value of supply in case of online gaming including online money gaming) and 31C (Value of supply of actionable claims in case of casinos)

Rules 31B and 31C have been inserted in the CGST Rules, 2017 with effect from 01.10.2023 for determining the value of supply in case of online gaming including online money gaming and actionable claims in case of casinos respectively.

As per rule 31B, the value of supply of online gaming, including supply of actionable claims involved in online money gaming, shall be the total amount paid or payable to or deposited with the supplier by way of money or money's worth, including virtual digital assets, by or on behalf of the player. Further, any amount returned or refunded by the supplier to the player for any reasons whatsoever, including player not using the amount paid or deposited with the supplier for participating in any event, shall not be deductible from the value of supply of online money gaming.

As per rule 31C, the value of supply of actionable claims in casino shall be the total amount paid or payable by or on behalf of the player for –

- (i) purchase of the tokens, chips, coins or tickets, by whatever name called, for use in casino; or
- (ii) participating in any event, including game, scheme, competition or any other activity or process, in the casino, in cases where the token, chips, coins or tickets, by whatever name called, are not required.

However, any amount returned or refunded by the casino to the player on return of token, coins, chips, or tickets, as the case may be, or otherwise, shall not be deductible from the value of the supply of actionable claims in casino.

For the purpose of rules 31B and 31C, any amount received by the player by winning any event, including game, scheme, competition or any other activity or process, which is used for playing by the said player in a further event without withdrawing, shall not be considered as the amount paid to or deposited with the supplier by or on behalf of the said player.

c) Amendment in rule 46 (Tax Invoice)

In cases involving supply of online money gaming, the tax invoice issued by the registered person to an unregistered person shall contain name of the State of the recipient and the same shall be deemed to be the address on record of the recipient.

d) Substitution of rule 64 (Form and manner of submission of return by persons providing online information and data base access or retrieval services and by persons supplying online money gaming from a place outside India to a person in India)

Every registered person providing online money gaming from a place outside India to a person in India, shall file return in FORM GSTR-5A on or before the twentieth day of the month succeeding the calendar month or part thereof.

e) Amendment in rule 87 (Electronic Cash Ledger)

A person supplying online money gaming from a place outside India to a person in India as referred to in section 14A of the IGST Act, 2017 may make the deposit in electronic cash ledger through international money transfer through Society for Worldwide Inter-bank Financial Telecommunication payment network, from the date to be notified by the Board.

f) Amendments in Forms GSTR-5A and GST REG-10

Form GSTR-5A (Details of supplies of OIDAR services by a person located outside India made to non-taxable online recipient (as defined in Integrated Goods and Services Tax Act, 2017) and to registered persons in India and details of supplies of online money gaming by a person located outside India to a person in India) has been amended to give the effect to the amendments relating to online gaming. Similarly, Form REG-10 (Application for registration of person supplying online money gaming from a place outside India to a person in India or for registration of person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient in India) has been amended in order to give the effect to the amendments relating to online gaming.

9. Taxability of specified actionable claims

Notification No. 01/2023 – CT(R) dt. 28.06.2017 and *Notification No. 01/2023 – IT(R) dt. 28.06.2017* have been amended to bring into force the taxability of specified actionable claims as defined in section 2(102A) of the Act at the rate of 28% with effect from 01.10.2023. Further, an explanation has been inserted specifying that the words and expressions used and not defined in this notification, but defined in the CGST Act, 2017; IGST Act, 2017 and the UTGST Act, 2017, shall have the same meanings as assigned to them in those Acts.

[*Notification No. 11/2023 – CT\(R\) dt. 29.09.2023*](#) and [*Notification No. 14/2023 – IT\(R\) dt. 29.09.2023*](#)

10. Supply of online money gaming notified as the supply of goods on import of which, integrated tax shall be levied and collected under section 5(1) of the IGST Act, 2017

With effect from 01.10.2023, the Central Government has notified the supply of online money gaming as the goods on import of which integrated tax shall be levied and collected under section 5(1) of the IGST Act, 2017 and not in accordance with the provisions of the Customs Tariff Act, 1975.

[*Notification No. 03/2023- IT dt. 29.09.2023*](#)

11. Simplified registration Scheme for overseas supplier of online money gaming

With effect from 01.10.2023, the Central Government has notified the Principal Commissioner of Central Tax, Bengaluru West and all the officers subordinate to him as the officers empowered to grant registration in case of supply of online money gaming provided or agreed to be provided by a person located in non- taxable territory and received by a person in India.

[*Notification No. 04/2023- IT dt. 29.09.2023*](#)

12. No IGST on ocean freight in case of import of goods on CIF basis

The Supreme Court in the case of *Union of India & Anr. v. M/s Mohit Minerals Pvt. Ltd. Civil Appeal No. 1390 of 2022 dated May 19, 2022* has held that levy imposed on the ‘service’ aspect of the transaction is in violation of the principle of ‘composite supply’ enshrined under section 2(30) read with section 8 of the CGST Act. Since the Indian importer is liable to pay IGST on the ‘composite supply’, comprising of supply of goods and supply of services of transportation, insurance, etc. in a CIF contract, a separate levy on the Indian importer for the ‘supply of services’ by the shipping line would be in violation of section 8 of the CGST Act.

In line with the said judgment, following amendments have been made in the IGST notifications to provide that IGST will not be leviable on ocean freight under reverse charge on CIF contracts of import of goods by the Indian importers, w.e.f 1st October, 2023:

- (i) IGST reverse charge notification (*Notification No. 10/2017-IT (R) dt. 28.06.2017*) – In the table, serial no. 10 and the entries relating thereto have been omitted. Serial No. 10 pertained to services provided or agreed to be provided by a person located in a non-taxable territory to a person located in a non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India [[Notification No. 13/2023- IT\(R\) dt. 26.09.2023](#)].
- (ii) IGST rate notification (*Notification No. 08/2017-IT (R) dt. 28.06.2017*) - In the Table, against serial number 9 prescribing rate of 5%, in column (3), in item (ii), the words "including services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India", have been omitted [[Notification No. 11/2023- IT\(R\) dt. 26.09.2023](#)].
- (iii) IGST exemption notification (*Notification No. 09/2017-IT(R) dt. 28.06.2017*) – In the Table, against serial number 10, in column (3), the proviso has been substituted. Clause (ii) of the proviso which pertained to services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India received by persons specified in the entry has been removed in the substituted proviso [[Notification No. 12/2023- IT\(R\) dt. 26.09.2023](#)].

Customs

Notification

1. Extension of exemption available to certain deposits from the provisions of section 51A of the Customs Act, 2023

The effectiveness of *Notification No. 18/2023-Customs (N.T) dt. 30.03.2023* and *Notification No. 19/2022-Customs (N.T) dt. 30.03.2022* which provides for exemption to certain deposits from the provisions of Electronic Cash Ledger (ECL) functionality as envisaged under section 51A has been further extended to 30th November, 2023 and 1st December, 2023 respectively vide [Notification No. 69/2023-Customs \(N.T\) dt. 27.09.2023](#) and [Notification No. 70/2023-Customs \(N.T.\) dt. 27.09.2023](#).

Circular

1. Implementation of Section 16(4) of IGST Act related to restriction on export of certain goods on payment of IGST and coverage under refund mechanism.

Notification No. 27/2023-CT dated 31.07.2023 has made section 16(4) of IGST Act, 2017 effective from 01.10.2023. In exercise of powers conferred under sub-section (4) of section 16, *Notification No. 01/2023-IT dt. 31.08.2023* has notified all goods and services except products like pan-masala, tobacco, hookah etc., that can be exported on payment of integrated tax and on which supplier of such goods or services may claim the refund of tax so paid. Consequently, DG Systems CBIC has developed a

backend functionality to restrict the IGST refund route for the goods as specified in the above notification. Through the said functionality, changes have been made in the system of filing shipping bills and the amendment thereto, with respect to the commodities mentioned in the said notification.

Circular No. 24 /2023-Customs dt. 30.09.2023