

SIGNIFICANT NOTIFICATIONS / CIRCULARS ISSUED DURING THE PERIOD 16TH JULY, 2013 TO 15TH AUGUST, 2013

A. SERVICE TAX

1. Clarification on issues in VCE Scheme

CBEC has issued *Circular No. 170/5/2013- ST dated 08.08.2013* to clarify various issues raised by trade and commerce in regard to Service Tax Voluntary Compliance Encouragement Scheme (VCES). Following major issues have been clarified by the circular:

- In case of multiple units having separate registrations, the unit(s) wherein no show cause notice for non-payment of tax has been issued is eligible to make a declaration under the Scheme.
- In case declaration filed by declarant is incorrect, the declarant suo-motto may file an amended declaration on or before 31.12.2013 and designated authority may allow the same after taking into the overall facts.
- In case declaration filed by declarant is rejected, a notice of intention to reject the declaration will be given to the declarant within 30 days from the date of filing of declaration or date of circular, whichever is later to give an opportunity of being heard before the rejection.
- The CENVAT credit on any inputs and input services used for provision of output service in respect of which declaration has been made, may be allowed as per the provisions of the Cenvat Credit Rules, 2004. However, "Tax dues" under the scheme shall be paid in cash.
- A mere information of roving nature regarding business activity would not attract provision of section 106(2)(a) even though section 14 of the Central excise Act may be quoted.
- Declarant can declare the "tax dues" on an issue, which is not a part of the audit para.

Further, CBEC has issued a booklet namely 'Service Tax VCES, 2013- FAQ'. It contains clarifications on doubts and queries about the scheme in the form of FAQ, VCES statutory provisions and the Rules including the VCES forms. Copy of the Booklet may be downloaded from the link: <http://220.227.161.86/30583idtc20464.pdf>

(Circular No. 170/5/2013- ST dated 08.08.2013)

B. Customs

1. Purchase order can be considered as a contract in terms of provisions contained in the Project Import Regulations, 1986

CBEC has clarified vide *Circular No. 31/2013-Cus dated 06.08.2013* that purchase order can be accepted as a "deed of contract" for the purpose of Regulation 5 of Project Import Regulations, 1986 as it contains all the essential ingredients of a valid contract as per section 10 of the Indian Contract Act, 1872.

(Circular No. 31/2013-Cus dated 06.08.2013)

Other Updates

GST

1. Report of Parliamentary Committee on Finance on 115th Constitution Amendment (GST) Bill, 2011

The Parliamentary Standing Committee on Finance has submitted its report on the 115th Constitution Amendment (GST) Bill, 2011 to Parliament on 7th August, 2013.

Copy of report may be downloaded from the link below:

http://164.100.47.134/lsscommittee/Finance/15_Finance_73.pdf

It may be noted that the 115th Constitution Amendment (GST) Bill, 2011, was introduced in Lok Sabha on 22nd March, 2011 and had been referred to the Parliamentary Standing Committee on Finance on 29th March, 2011, for examination and its report on the same.

The text of the above notification/circulars is available at www.cbec.gov.in/ loksabha.nic.in