

GST

Central Goods and Services Tax (Amendment) Rules, 2018

The Central Government *vide* [Notification No. 53/2018 –CT](#) & [Notification No. 54/2018 dated 9th October, 2018](#) has notified following rules further to amend the Central Goods and Services Tax Rules, 2017.

Substitution in sub-rule 10 of Rule 96 [Refund of integrated tax paid on goods or services exported out of India]

For period from 23.10.2017 to 08.10.2018 ([Notification No. 53/2018 –CT](#))

The persons claiming refund of integrated tax paid on export of goods or services should not have –

(a) received supplies by availing the following benefits :

- Notification No. 48/2017-CT, dated the 18th October, 2017: It covers domestic supplies made against advance authorization, supply of capital goods against EPCG authorization, supply of goods to EOU & supply of gold by a bank or PSU against advance authorization.
- Notification No. 40/2017-CT (Rate), dated the 23rd October or Notification No. 41/2017-Integrated Tax (Rate), dated the 23rd October, 2017: This notification covers supplies made to merchant exporter at the rate of 0.1% in case of IGST or 0.05% each in case of CGST & SGST.

(b) availed the benefit under following notifications:

- Notification No. 78/2017-Customs, dated the 13th October, 2017: This notification provides exemption from Customs Duty & IGST under Customs on goods imported or procured from Public or Private Warehouse or from International Exhibition by Hundred per cent EOU, STP or EHTP units.
- Notification No. 79/2017- Customs, dated the 13th October, 2017: This notification provides exemption from Customs Duty & IGST under Customs on imports under EPCG, Advance Authorization, Advance Authorization for Annual Requirements, Advance Authorization for Deemed Export, Advance Authorization for export of Prohibited Goods and Narrow Woven Fabrics, etc.

Further, [Notification No. 54/2018 dated 9th October, 2018](#) has been issued effective from **09.10.2018** to restrict the refund in case he has availed the benefits as mentioned aforesaid *except* so far it relates to receipt of capital goods by such person against Export Promotion Capital Goods Scheme.

Substitution in sub rule 4 of Rule 89 [Application for refund of tax, interest, penalty, fees or any other amount- [Notification No. 54/2018 dated 9th October, 2018](#)]

Refund of unutilized input tax credit on account of zero rated supplies without payment of tax shall be granted where a person has :

(a) received supplies on which the following benefits of the Government of India has been availed:

- Notification No. 48/2017-CT, dated the 18th October, 2017
- Notification No. 40/2017-CT (Rate), dated the 23rd October or notification No. 41/2017-Integrated Tax (Rate), dated the 23rd October, 2017

(b) availed the benefit under following notifications:

- Notification No. 78/2017-Customs, dated the 13th October, 2017
- Notification No. 79/2017- Customs, dated the 13th October, 2017

Hence in above cases, exporter has to export only under LUT and claim refund of unutilized ITC.

[\[Notification No. 53/2018 –CT and Notification No. 54/2018 dated 9th October, 2018 \]](#)

[Notifications issued under CGST Act, 2017 applicable to Goods and Services Tax \(Compensation to States\) Act, 2017](#)

Section 9(2) of the Compensation Cess Act provides that for all the purposes of claiming refunds, except the form to be filed, the provisions of the CGST Act and the rules made thereunder, shall apply in relation to the levy and collection of Compensation Cess.

Keeping in view the above provision the Central Government vide [Circular No. 68/42/2018-GST dated 5th October, 2018](#) has clarified that the Notification no. 16/2017-CT (R) dated 28th June,2018 issued for notifying organizations for claiming refunds of taxes paid on notified goods shall be applicable to Goods and Services (Compensation to States) ACT, 2017.

Therefore, UN and specified international organizations, foreign diplomatic missions or consular posts in India, or diplomatic agents or career consular officers posted therein, having being specified under section 55 of the CGST Act, 2017, are entitled to refund of Compensation Cess payable on intra-State and inter-State supply of goods or services or both received by them subject to the same conditions and restrictions, mutatis mutandis, as prescribed in Notification No. 16/2017-CT(Rate) dated 28.06.2017.

[\[Circular No. 68/42/2018-GST dated 5th October, 2018\]](#)

Modification to the Guidelines for Deductions and Deposits of TDS by the DDO under GST

Central Government vide [Circular No. 67/41/2018-DOR dated 28th September, 2018](#) made following modification to the Point 9(iv) of the Circular No. 65/39/2018-DOR dated 14/09/2018 which provides for the Guidelines for Deductions and Deposits of TDS by the DDO under GST:-

To enable the DDOs to account for the TDS bunched together (in terms of Option II), following sub-head related to the GST-TDS below the Head 8658.00.101-PAO Suspense has been opened.

S. No.	Major Head	Sub Head Description	Major Head Serial Code (8-digit reduced accounting code)	SCCD Code
1.	8658-00-101	08-GST TDS	86580344	367

[[Circular No. 67/41/2018-DOR dated 28th September, 2018](#)]

GST on Residential programmes or camps meant for advancement of religion, spirituality or yoga by religious and charitable trusts- reg.

[Circular No. 66/40/2018-GST dated 26th September, 2018](#) clarified taxability of the services of religious and charitable trusts by way of residential programmes or camps meant for advancement of religion, spirituality or yoga in the light of the Chapter 39 “GST on Charitable and Religious Trusts” of Compilation of 51 GST Flyers available on CBIC website at the link <https://goo.gl/EgAJtA> .

[[Circular No. 66/40/2018-GST dated 26th September, 2018](#)]

Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117(1A) of the Central Goods and Service Tax Rules, 2017 in certain cases

The Commissioner, in exercise of the powers conferred by rule 117 of the Central Goods and Services Tax Rules, 2017 read with section 168 of the Central Goods and Services Tax Act, 2017, vide [Order No. 4/2018-GST dated 17th September, 2018](#) provides for extension in the period for submitting the declaration in FORM GST TRAN-1 till 31st January, 2019, for those registered persons who could not submit the said declaration by the due date on account of technical difficulties on the common portal.

[[Order No. 4/2018-GST dated 17th September, 2018](#)]

Insertion of an explanation in an entry in notification No. 12/2017 – CT (Rate)

Central Government vide [Notification No. 23/2018- CT \(Rate\) dated 20th September, 2018](#) made insertion of following explanation in serial no. 41(3) of table of the said notification, namely:-

“Explanation. - For the purpose of this exemption, the Central Government, State Government or Union territory shall have 50 per cent or more ownership in the entity directly or through an entity which is wholly owned by the Central Government, State Government or Union territory.”

Similar Notification have been issued in Integrated Tax as well as Union Territory Tax laws vide [Notification No. 24/2018-Integrated Tax \(Rate\) dated 20th September, 2018](#) and [Notification No. 23/2018-Union Territory Tax \(Rate\) dated 20th September, 2018](#) respectively.

[Notification No. 23/2018- CT (Rate) dated 20th September, 2018, Notification No. 24/2018-Integrated Tax (Rate) dated 20th September, 2018, Notification No. 23/2018-Union Territory Tax (Rate) dated 20th September, 2018]

Rate of TCS to be collected by every electronic commerce operator for intra-State taxable supplies and inter- State taxable supplies

Central Government vide [Notification No. 52/2018 – CT dated 20th September, 2018](#) notifies that every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of half per cent of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator.

Further, Central Government vide [Notification No. 02/2018 – Integrated Tax dated 20th September, 2018](#) notifies that every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of one per cent. of the net value of inter-State taxable supplies made through it by other suppliers where consideration with respect to such supplies is to be collected by the said operator.

Similar Notification have been issued in Union Territory Tax laws vide [Notification No. 12/2018 – Union Territory Tax dated 28th September, 2018](#) and [Notification No. 13/2018 – Union Territory Tax dated 28th September, 2018](#) respectively

[Notification No. 52/2018 – CT dated 20th September, 2018, Notification No. 02/2018 – Integrated Tax dated 20th September, 2018]

Customs

Cases where IGST refunds have not been granted due to claiming higher rate of drawback OR where higher rate and lower rate were identical –reg

[Circular 37/2018-Customs dated 9th October, 2018](#) clarified that exporters are availing the option to take drawback at higher rate in place of IGST refund out of their own volition. Considering the fact that exporters have made declaration in the shipping bill while claiming the higher rate of drawback, it has been decided that it would not be justified allowing exporters to avail IGST refund after initially claiming the benefit of higher drawback.

[[Circular 37/2018-Customs dated 9th October, 2018](#)]

Advisory-circular for registration of beneficiaries on ICEGATE-regarding

Government vide [Circular 35/2018- Customs dated 1st October, 2018](#) has introduced **Single Window Interface for facilitating Trade (SWIFT)** as part of ease of doing business initiative to integrate Customs and other Participating Government Agencies (PGAs) for seamless processing of import and export clearances. One of the component of SWIFT is *e-SANCHIT*. Under eSANCHIT, the system allows a trader to submit all supporting documents for clearance of consignments electronically with digital signatures, thereby making the entire process of consignment clearance faceless and paperless. It has been made mandatory for all the importers from 01st April, 2018 onwards. Shortly eSANCHIT facility will be extended to exports also, for which a pilot is underway.

Further, CBIC is embarking on a project under SWIFT to bring all the Participating Government Agencies (PGAs) under eSANCHIT wherein instead of importer/exporter the PGAs who issue Licences, Permits, Certificates and Other Authorizations (LPCOs), will upload the documents themselves.

Once the LPCO is uploaded by a PGA, a unique IRN (Image reference number) will be generated by the system and the same will be communicated to the beneficiary. For availing this facility, the registered email id with ICEGATE will be used. In future, a view facility will also be available, wherein a beneficiary will be able to view the documents uploaded by the PGAs during a given period.

A pilot is expected to be launched shortly for testing the eSANCHIT facility for PGAs with three PGAs. Thereafter on successful testing, the facility will be extended to all the PGAs. Once the facility of uploading the document on eSANCHIT by PGAs is implemented, the beneficiaries (importer/exporter) will not be allowed to upload such documents themselves.

Further, a detailed procedure on registration is available at ICEGATE website under the path www.icegate.gov.in --> Downloads --> Registration Demo.

[[Circular 35/2018- Customs dated 1st October, 2018](#)]

For further updates, you may visit <http://idtc.icai.org/indirect-tax-update.html>