

GOODS & SERVICES TAX / IDT UPDATE – 52

Central Goods and Services tax (Sixth Amendment) Rules, 2018

The Central Government vide *Notification No. 28/2018 –GST dated 19th June, 2018* has notified following rules further to amend the Central Goods and Service Tax Rules ,2017.

Particulars	Revised provision
<p>Insertion of sub-rule (1A) in Rule : 58 Records to be maintained by owner or operator of godown or warehouse and transporters</p>	<p>(1A) For the purposes of Chapter XVI of these rules, a transporter who is registered in more than one State or Union Territory having the same Permanent Account Number, he may apply for a unique common enrolment number by submitting the details in FORM GST ENR-02 using any one of his Goods and Services Tax Identification Numbers, and upon validation of the details furnished, a unique common enrolment number shall be generated and communicated to the said transporter:</p> <p>Provided that where the said transporter has obtained a unique common enrolment number, he shall not be eligible to use any of the Goods and Services Tax Identification Numbers for the purposes of the said Chapter XVI.</p> <p><i>Remarks: By this insertion a transporter who is registered in more than one State or Union Territory having the same Permanent Account Number may apply for a unique common enrolment number rather than applying separately for different registrations.</i></p>
<p>Insertion of Form GST ENR-02: Application for obtaining unique common enrolment number</p>	<p><i>Remarks: With a view to give effect to the amendment made in Rule 58 a new Form GST ENR-02 has been introduced for transporters registered in more than one state or union territory having the same PAN to apply for obtaining unique common enrolment number.</i></p>
<p>Insertion of proviso in sub Rule (1) of Rule : 138C: Inspection and verification of goods</p>	<p>(1) A summary report of every inspection of goods in transit shall be recorded online by the proper officer in Part A of FORM GST EWB-03 within 24 hours of inspection and the final report in Part B of FORM GST EWB-03 shall be recorded within 3 days of such inspection.</p> <p>Provided that where the circumstances so warrant, the Commissioner, or any other officer authorised by him, may, on sufficient cause being shown, extend the time for recording of the final report in Part B of FORM EWB-03, for a further period not exceeding three days. Explanation.- The period of twenty four hours or, as the case may be, three days shall be counted from the midnight of the date on which the vehicle was intercepted.”</p> <p><i>Remarks: By insertion of this proviso commissioner has been</i></p>

	<i>granted power to allow delay in submission of summary report of inspection upto a period not exceeding 3 days.</i>
Substitution in sub-rule (5) of Rule: 142 Notice and order for demand of amounts payable under the Act.	A summary of the order issued under sub-section (9) of section 73 or sub-section (9) of section 74 or sub-section (3) of section 76 [or section 129 or section 130] shall be uploaded electronically in FORM GST DRC-07, specifying therein the amount of tax, interest and penalty payable by the person chargeable with tax. <i>Remarks: Publishing the orders in summary form showing disposal of show cause notices is a new high in transparency in governance.</i>

[Notification No. 28/2018 –GST dated 19th June, 2018]

Modifications to the procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances, as clarified in Circular No. 41/15/2018-GST dated 13.04.2018

Circular No. 41/15/2018-GST dated 13.04.2018 was issued to clarify the procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances.

In order to clarify certain issues regarding the specified procedure and to ensure uniform implementation of the provisions of the CGST Act across all the field formations, the Central Government vide *Circular No. 49/23/2018-GST dated 21st June, 2018* has made certain modifications to Circular no. . 41/15/2018-GST :

	Existing provision	Revised provision
Para 2(e) of Circular 41/15/2018	Within a period of 3 working days from the date of issue of the order in FORM GST MOV-02, the proper officer shall conclude the inspection proceedings, either by himself or through any other proper officer authorised in this behalf.	Now the 3 working days has been replaced with 3 days. <i>Remarks: Seems like increased rigidity so that power of relaxation by Commissioner be sought, if needed, before extending time for disposal of interception.</i>
Statement after Paragraph 3 in GST MOV-05	In view of the above, the goods and conveyance are hereby released on _____ at ____ AM/PM in good condition.	In view of the above, the goods and conveyance(s) are hereby released on (DD/MM/YYYY) at ____ AM/PM in good condition. <i>Remarks: Appears to overcome excessive responsibility attendant to stoppage affecting the 'condition' of the goods. Should not cause much concern as the</i>

		<i>Consignor/Consignee/Carrier would continue to be responsible for care of goods during transit.</i>
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Since the requisite FORMS are not available on the common portal currently, any action initiated by the State tax officers is not being intimated to the central tax officers and vice-versa; therefore it is clarified that the hard copies of the notices/orders issued in the specified FORMS by a tax authority may be shown as proof of initiation of action by a tax authority by the transporter/registered person to another tax authority as and when required.

Further, it is clarified that only such goods and/or conveyances should be detained/confiscated in respect of which there is a violation of the provisions of the GST Acts or the rules made thereunder.

Illustration: Where a conveyance carrying twenty-five consignments is intercepted and the person-in-charge of such conveyance produces valid e-way bills and/or other relevant documents in respect of twenty consignments, but is unable to produce the same with respect to the remaining five consignments, detention/confiscation can be made only with respect to the five consignments and the conveyance in respect of which the violation of the Act or the rules made thereunder has been established by the proper officer.

[Circular No. 49/23/2018-GST dated 21st June, 2018]

Customs

Electronic sealing - Deposit in and removal of goods from Customs bonded Warehouses

The Warehouse Regulations prescribe the affixation of a one-time-lock for transport of goods to be deposited in a warehouse or removed therefrom. Further Circulars 36/2017, 37/2017 and 41/2017 - Customs prescribe the use of "RFID tamper proof one-time-bolt seal" and providing of readers / procedure for its use by Customs.

Now, the Central Government vide *Circular No. 19/2018 –Customs dated 14th June, 2018* has clarified that RFID sealing shall be extended to transport of goods for deposit in a warehouse as well as removal therefrom. Therefore, where ever the Warehousing Regulations prescribe affixing of a One Time Lock", the importer or owner of the goods shall use RFID anti-tamper one-time-locks.

Considering the fact that goods may be removed through a variety of vehicles, different types of RFID OTLs, such as bolt seals) or wire - cable seal shall be used. The specifications, data elements and procedure to be used under the Regulations for Warehousing shall be as follows:

Types of Seals

(i) For containers (RFID One-Time-Bolt Seal)

(ii) For closed body vehicles (RFID Wire Cable seal)

(a) Each seal shall be a one-time-lock bearing a unique serial number and brand of the vendor.

(b) The RFID seal shall conform to ISO 17712:2013 and ISO/IEC 18000-6 Class 1

Gen 2.

- (c) The manufacturer or vendor, as the case may be, shall be in possession of certifications required for conformance of the ISO standard.
- (d) Before commencement of sales, the vendor shall submit self-certified copies of the above certifications to the Risk Management Division (RMD).

Procedure

- (a) All licensees of customs bonded warehouses shall have to procure Readers for scanning of RFID OTLs at the bonded warehouse at their own cost.
- (b) The licensee shall also procure RFID OTLs from the vendors for providing the same to importer, owner and exporter or in case of private bonded warehouses for their own use. It is clarified that licensees are free to procure RFID OTLs from any one or more vendors.
- (c) The vendors shall be required to provide Readers to Customs locations. Readers already deployed by vendors to Ports and ICDs for RFID sealing can also be used for this procedure. Air Cargo Complexes, CFS and LCSs are also covered under this procedure for transport of bonded goods.
- (d) Any importer permitted to remove goods for deposit in a warehouse shall obtain an RFID seal from the Warehouse where the goods are to be deposited.
- (e) Vendors shall ensure that the TID number is captured in their data base and warehouse code of the licensee is linked to the same at the time of sale of seals.
- (f) Vendors shall ensure that data can be uploaded from internet enabled Readers as well as desktops.
- (g) Circular No 19/2016-Cus dated 20th May 2016 prescribes that the importer shall declare the warehouse code in the Bill of Entry for warehousing. The Out of Charge officer releasing the cargo for deposit in a warehouse is advised to match the warehouse code declared in the bill of entry with that linked to the seal. This procedure shall dispense the need for securing any space availability certificates by importers.
- (h) The exporter of warehoused goods will be obligated to declare the physical serial number of the RFID OTL at the time of filing the online integrated shipping bill or in the case of manual shipping bill, before the container or cargo is dispatched from the warehouse.
- (i) In case the RFID OTL is found to be tampered at the Customs Station at the time of export, then mandatory examination would be carried out by the Customs authorities.
- (j) In case at the time of arrival of the goods at the warehouse, the RFID OTL is found to be tampered, then the licensee shall not permit unloading of the goods and shall inform the bond officer
- (k) The "trip report" generated by scanning the RFID OIL at the destination customs station or warehouse, shall be printed and retained for records by the customs station, bond officer and licensee. This will enable discharge of the requirement of acknowledgement enjoined under the regulation (5) of the Warehoused Goods (Removal) Regulations 2016. However, this is notwithstanding the obligation cast on the licensee under Warehouse (Custody & Handling) Regulations 2016 for account of goods.

(l) For the purposes of risk management, if there is any inordinate delay in the due arrival of goods, the bond officer may be alerted by the customs station or vice versa.

(m) Where any procedure requires that goods removed from a warehouse shall move under physical escort by customs (e.g. as prescribed by circular 32/2016 regarding Duty Free Shops), the use of RFID OIL shall not apply.

The Principal Commissioner of Customs /Commissioner of Customs is duly empowered to permit movement of goods without affixation of RFID OTLs, where the nature of goods or their manner of transport so warrant (e.g. Liquid Bulk Cargo transported through Pipe Lines and Over Dimensional Cargo).

It is to be noted that the above procedure shall come into force with effect from 1st August 2018.

[Circular No. 19/2018 –Customs dated 14th June, 2018]

Submission of application seeking authorization for import / export of restricted items through e-mail

The Director General Foreign Trade vide [Trade notice no. 18/2018](#) has provided that applicants seeking import/export license from DGFT for "restricted" items, having paid the applicable fees can w.e.f 21.06.2018 submit online application to the concerned jurisdictional authority and subsequently send their application through email to either import-dgft@nic.in (for import licenses) or exportdgft@nic.in (for export licenses) as the case may be, along with proof of the application fee paid besides attaching the necessary documents for processing the case.

Applications are required to be submitted in prescribed pro-forma ANF-2M (for import license) and ANF- 2N (for export license) along with ANF-I (Applicant's Importer Exporter Profile), copy of IEC and other supporting documents, as applicable. Aayat Niryat forms are available on the DGFT's website www.dgft.gov.in . In case the applicant firm has received the NOC from the concerned administrative Ministry, the same should invariably be attached with the application and it should necessarily be in the pdf format.

[Trade notice no. 18/2018]

Frequently Asked Questions on Banking, Insurance and Stock Brokers Sector

In order to clarify various queries related to Banking, Insurance and Stock Brokers Sector. The Central Government has released 91 frequently asked questions which can be referred at :-

http://www.cbic.gov.in/resources//htdocs-cbec/gst/FAQs_on_Financial_Services_Sector.pdf

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Secretary

Indirect Taxes Committee

The Institute of Chartered Accountants of India

ICAI Bhawan A-29, Sector -62,

NOIDA (U.P.) India

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