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ICAI-GST

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A Newsletter from The Institute of Chartered Accountants of India on GST

Ek Naya Savera

**ONE STOP SOLUTION FOR
TAX DISPUTE RESOLUTION**



SABKA VISHWAS
(Legacy Dispute Resolution)
SCHEME, 2019

For Service Tax and Central Excise

Make a New Beginning!

Scheme valid till 31st December, 2019

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President's Communication



My Esteemed professional colleagues,

ICAI as true partner in nation building has been pro-actively supporting the Government by providing its suggestions, be it pre-implementation, post implementation, on policy issues or on procedural aspects. We have been recently invited by the Ministry of Finance to give inputs on simplification of return filing process, wherein live presentation was made by the Institute before the Hon'ble Finance Minister. Also present in the meeting were Revenue Secretary, Chairman Central Board of Indirect Taxes and Customs (CBIC), GSTN CEO, Member (Tax Policy), CBIC, Assistant Secretary (Revenue), Joint Secretary (Revenue). Subsequently, a memorandum containing list of practical difficulties being faced by the taxpayers in filing the GST Return along with suggestions thereof was also submitted for consideration.

Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, which has been introduced as onetime measure for the purpose of liquidation of past disputes of Central Excise and Service Tax, can be availed by 31st December 2019. GST & Indirect Taxes Committee of ICAI has among other measures supported various outreach program organised by various Zone/Commissionerates to promote the scheme.

As a proactive measure, CBIC throughout the country has organised "Stakeholder Feedback Divas on New Return Form", which not only provided feed back to the government but also helped in building faith among the stake holders. ICAI through its local units had also actively participated in the activities at

various Commissionerate.

ICAI also plays a crucial role in GST knowledge dissemination among all the stakeholders through our technical publications. We have recently revised our flagship publication Background Material on GST (8th edition) in November 2019, which is now updated for amendments till 31st October 2019 and stakeholders can download the publication (free of cost) from www.idtc.icai.org or order hard copy through the website only. This comprehensive material containing clause by clause analysis of the GST Acts along with FAQ's, MCQ's, Flowcharts and Illustrations etc. which will be easier to read and comprehend by the readers and will immensely help the stakeholders at large.

I am pleased to note that this year our Institute has organised more than 1600 workshops, seminars or conferences on GST which have been attended and benefited about 1.56 lakh participants. Also, 112 batches of Certificate Courses have been organized across the country which has been attended by 6000 participants.

Let's be informed, participate and support in successful implementation of GST.

With Best Wishes,

CA. Prafulla Preme Sukh Chhajed
President, ICAI



IMPLEMENTATION OF GOODS AND SERVICES TAX IN INDIA

Goods and Services Tax was implemented in India from 1st July, 2017 by subsuming a host of indirect taxes being levied by the central and state governments, which has changed the taxation landscape. Central and the State Government united together and implemented this long-awaited indirect taxation reform. This is the best example of co-operative federalism wherein decisions are taken by "GST Council", a constitutional body comprising of Union Finance Minister as well as Finance Minister of each State. As we approach the mid way of third year of GST in India, it is a good time to take stock of the significant developments, milestones achieved and the way forward.

GST is a win-win situation for the entire country and has paved the way for realization of goal of One Nation - One Market - One Tax and has benefited all the stakeholders namely industry, government and consumer. The underlying theme to have a 'one nation one tax' is to improve ease of doing business for taxpayers, bring in transparency, ensure timely compliance and ultimately reduce the tax burden for the common man. The hassle-free movement of goods has enabled smoother and faster transportation. The cascading effect of taxes has been minimized to a large extent. GST is largely technology driven, has reduced the human interface to a great extent and thereby improving ease of doing business in India.

The Government with its two weapons, GST Council and Central Board of Indirect Taxes and Customs (CBIC) have played an important role in handholding taxpayers for smooth transition to this new regime and in addressing their grievances and providing relief. GST council has held various meeting on a timely manner to address the initial issues cropping up with the new Law. The CBIC, on the other hand, has played an active role in giving effect to GST Council's recommendations by extending the due dates for various return filings, providing waivers from late fees, interest and penalty, etc. as and when required. Further, CBIC has issued various notifications, clarifications and FAQs to address the business concerns and sector-specific issues.

Some of the benefits of GST are enlisted as follows:

(1) Benefits to economy

- **Creation of unified national market:** GST has facilitated in making India a common market with common tax rates and procedures and removing the economic barriers thus paving the way for an integrated economy at the national level.
- **Boost to 'Make in India' initiative:** GST gives a major boost to the 'Make in India' initiative of the Government of India by making goods and services produced in India competitive in the national as well

as international market. This will create India as a — Manufacturing hub.

- **Enhanced investment and employment:** The subsuming of major Central and State taxes in GST, complete and comprehensive setoff of input tax on goods and services and phasing out of Central Sales Tax (CST) reduces the cost of locally manufactured goods and services and increases the competitiveness of Indian goods and services in the international market and thus, gives boost to investments and Indian exports. With a boost in exports and manufacturing activity, more employment is generated and thus increasing the GDP.

(2) Simplified tax structure

- **Ease of doing business:** Simpler tax regime with fewer exemptions along with reduction in multiplicity of taxes under GST has led to simplification and uniformity. The uniformity in laws, procedures and tax rates across the country makes doing business easier.
- **Certainty in tax administration:** Common system of classification of goods and services ensures certainty in tax administration across India.

(3) Easy tax compliance

- **Automated procedures with greater use of IT:** There are simplified and automated procedures for various processes such as registration, returns, refunds, tax payments. All interaction is through the common GSTN portal, therefore, less public interface between the taxpayer and the tax administration.
- **Reduction in compliance costs:** The compliance cost is lesser under GST as multiple record-keeping for a variety of taxes is not needed, therefore, there is lesser investment of resources and manpower in maintaining records.

(4) Advantages for trade and industry

- **Benefits to agriculture and industry:** The agriculture sector is the largest contributing sector to the overall Indian GDP. The transparent and complete chain of set-offs which results in widening of tax base and better tax compliance also leads to lowering of tax burden on an average dealer in industry, trade and agriculture.
- **Mitigation of ill effects of cascading:** By subsuming most of the Central and State taxes into a single tax and by allowing a set-off of prior-stage taxes for the transactions across the entire value chain, it helps

in mitigating the ill effects of cascading, improving competitiveness and improving liquidity of the businesses.

- **Benefits to small traders and entrepreneurs:** GST has increased the threshold for GST registration for small businesses. Further, single registration is needed in one State. Small businesses have also been provided the additional benefit of composition scheme. With the creation of a seamless national market across the country, small enterprises have an opportunity to expand their national footprint with minimal investment.

Besides the GST Council and CBIC, the Authority for Advance ruling (AAR) established in various states have over the last year pronounced important rulings providing clarity on various issues such as classification of good/services for determining the GST rate, determining eligible Input tax credit, the time and value of supply of goods/services, registration requirements, etc. The AAR's ruling is binding on the applicant as well as tax authorities, it helps in avoiding future litigation. The AAR's ruling can be appealed before an Appellate AAR. Such rulings even though applicable only to the applicant, have a persuasive value for other taxpayers having similar transactions. Keeping in view the conflicting rulings of AAR on some of the critical issues and representations made by the tax payers, the government has come up with National Bench for Goods and Services Tax Appellate Tribunal which will further help in bringing in certainty and clarity on various GST matters and thus reduce the litigation.

The GST regime also provides for a National Anti-Profitteering Authority (NAA) which ensures that the benefit of reduction in the rate of tax on goods or services or the benefit of the input tax credit is passed on to the customer by way of a commensurate reduction in prices. The system was meant to shield consumers against any sudden spike in prices after GST was rolled out. The NAA has passed orders against several companies. In cases where the ultimate customer is not identifiable, the taxpayers have been directed to deposit the amount in the Consumer Welfare Fund. However, application of the anti-profitteering provisions has been seen with litigation as the current GST provisions do not prescribe any methodology for taxpayers to quantify the amount of benefits to be passed on to the consumers.

Recent welcome steps by Government

GSTR 9 and GSTR 9C

Government has made many fields optional in GSTR 9 and GSTR 9C for the FY 2017-18 and FY 2018-19. Thus tax payers are not required to invest time on conquering data which is not easily available with them, a major relief to the tax payers.

Late fee reduction for Filing of returns

Government has reduced the late fee of late filing the returns for taxpayers. This has given respite to taxpayers and has parallelly induced them for compliance.

Refund by One authority

Under the 'single authority mechanism', once a refund claim is filed with a tax officer, whether Centre or state, the officer will check, assess and sanction full tax refund (both Central GST and State GST portion), thereby removing difficulties faced by the taxpayers.

Thus, the inconvenience of visiting multiple officers for every refund has now been done away with.

Automated refund

Government has recently made fully electronic refund process through FORM GST RFD-01 and single disbursement. Procedure of the same has been well explained by the department by issuance of master circular Circular No. 125/44/2019 – GST dated 18th Nov, 2019. This is a great step towards making Goods and Service tax simple in real sense.

Correction of tax wrongly paid

Government has recently introduced Form PMT-09 to shift a tax paid under a wrong head to its rightful head. This enables a taxpayer to transfer any amount of tax, interest, penalty, etc. which was wrongly paid in such head in the electronic cash ledger to the correct tax or cess head under IGST, CGST and SGST in the electronic cash ledger [Rule 87(13)].

This will reduce the unnecessary hassle of payment of tax again and claiming refund of wrongly paid tax.

Reduced compliance

Government has reduced the compliance for a composition supplier. Composition supplier has to pay taxes quarterly, keeping of books and accounts also is minimal and return shall be filed by him on quarterly basis, thereby relaxing compliances for a small taxpayer.

Way forward on GST

As we enter the third year of GST implementation, the focus of GST Council appears to be shifting from rate rationalization and compliance simplification to revenue growth.

Electronic invoicing system

An electronic invoice is issued, transmitted and received in a structured data format which allows for its automatic and electronic processing. Electronic invoicing system is prevalent and widely adopted in Latin American countries. It helps to reduce operating expenses by eliminating paper and data entry and automating workflow. It also enables real-time/online view and traceability of invoice-related documents and eliminates the possibility of falsification.

Rule 138(2) of the CGST Rules provides for generation of Invoice Reference Number (IRN) from the common portal by uploading the details of tax invoices in FORM GST INV-1 in lieu of tax invoice, which would be valid for thirty days from the date of uploading. Once IRN is integrated with the ERP system, the assessee would be freed from the inconvenience on account of multiple data entry for furnishing of returns and generation of e-way bills. This would also substantially reduce the issues relating to verification of input tax credits.

Denial of facility to generate e-way bills for non-furnishing of returns

Rule 138E of the CGST Rules lays down restriction on furnishing of information in PART A of FORM GST EWB-01 if a person, whether as a supplier or a recipient, fails to furnish the returns for two consecutive tax periods. This restriction has been introduced in order to secure the revenue of the government and also to ensure strict adherence to payment of taxes and filing of return by assesseees.

Validation of e-way bills through RFID tags

The Radio Frequency Identification Devices (RFID) use radio waves to identify certain objects. In RFID, a microchip is attached to an antenna, for transmission of information to a reader. The reader converts the radio waves into digital information that can then be passed on to the computers for validation.

New returns with ITC matching functionality

The GST Council, as per Press Release dated 21-6-2019 has laid down the schedule to migrate to the new GST return functionality. As per the transition plan, the assesseees may familiarise themselves with the new functionality by using trial offline tools to upload the details of invoices and view/download the details of inward supplies on the common portal.

The new returns functionality is intended to track credit at invoice level supplies with a clear mechanism for counterparties to reconcile accounts and mismatches and eliminate subjective assessment by tax officials. The recipient would need to accept and lock invoices else they may not be able to take input tax credit. The new functionality is programmed considering parameters like ease of compliance, alignment to business process without additional burden, and alignment to tax administration regulations. With the new simplified version of returns, the issues relating to credit mismatch are expected to be eliminated.

Government has been regularly making changes in the GST Law to facilitate tax payers. The tax rates on large numbers of goods have been slashed. Recently, large no. of relaxations have been provided in GST Annual Return Form- 9, facilitating single disbursement refund window etc.

In spite of all the benefits as listed above and changes made by the Government for facilitating trade, the taxpayers are still facing difficulties and therefore, there is a scope of further improvement, some of which are listed below:

- (i) **Smooth filing system:** The taxpayers are still facing difficulties in filing their returns and also taking a lot of time. The IT infrastructure needs further improvement. Technical glitches need to be taken care off. Though GSTR 9 and GSTR 9C many fields have been made optional still further simplification of returns is sought.
- (ii) **Seamless Credit of Input Tax:** Seamless credit of taxes paid is the backbone of GST and is in line with the principle of good taxation over the world. Although, the Government have allowed credit in most of cases. Conditions and restrictions on availment of ITC are imposed. Blocked credit concept exists. Recently, the sub-rule 4 to Rule 36 has been

inserted vide Notification No. 49/2019 – Central Tax dated 9th October, 2019 through which claim of credit have been restricted based on the invoices uploaded by the suppliers. Thus, seamless flow of credit in real sense does not exist.

- (iii) **Matching and Reconciliation:** The matching of input tax credit is a big hurdle for the Government and there have been report that most of the refund frauds have been committed due to non-matching and Government has started restricting the credit. The Government should focus on strengthen the IT infrastructures. The proposed E-invoicing may address this concern of reconciliation to some extent, but more work need to be done for proper matching and mitigating the fraud.
- (iv) **Inclusion of petroleum products & stamp duty under GST:** Presently petroleum products and stamp duty are out of GST net. There has been continuous demand from the industry to subsume the petroleum product and stamp duty into GST net. This will facilitate the seamless credit and further reduce the cascading of taxes.
- (v) **Rationalization of Place of Supply:** There is blockage of Input Tax Credit on account of place of supply provision in services, which needs to be rationalized.
- (vi) **Procedure for simplification of Advance Ruling:** Presently, advance ruling can only be filed by registered person / person intending to be a registered person but not an association representing the industry, or in the capacity as a member of such association / industry. The Government should allow filing of Advance Ruling application on behalf of an association representing its members. Further, the process of outcome of advance ruling needs to be expedited.
- (vii) **Extensive Training to Tax Administration Staff:** GST is absolutely different from the earlier indirect taxation system. It, therefore, requires that tax administrative staffs at both Centre and states be trained properly in terms of concept, legislation and Procedure. They all should be updated with latest amendments.
- (viii) **Awareness among the industry:** It is the taxpayer who has to comply the GST Law, therefore, there is need of organising awareness programme for them also. The help desk system provided by the Government has been to address concern of limited taxpayers only. The ICAI have been assisting the Government on this front and increasing the awareness of GST through its publication, organising large no. of awareness programme, Live Webcast, short video etc. for the awareness.

Conclusion:

The basic objective of GST is to remove trade barriers by creating a common domestic market for goods and services at a national level. The entire process appears to be still in mid way and as on date a lot has been done and a lot more to be achieved. Thus the four pillars of GST, GST Council, CBIC, Advance appellate Tribunal and National Anti-profiteering Authority have paved a long way in success of GST, the historical reform. GST, seeks to achieve economic efficiency and tax neutrality.

Contributed by GST & Indirect Taxes Committee

VALUE OF SUPPLY – TOOL COST AMORTIZATION

Introduction

Determination of value of supply is one of the key considerations while levying Goods and Services Tax (GST) on any supply of Goods or Services. The value of supply under GST Act is governed by Section 15 of CGST Act, 2017 and Rule 27 to 35 of Central Goods and Services Tax (CGST) Rules, 2017. Section 15(2) prescribes certain amounts which shall form part of value of supply. One such item in Section 15(2) is that any amount which the supplier was liable to pay but has been incurred by the recipient and has not been included in the value of supply, shall form part of value of supply. In this article, we shall discuss the implications of the said section on Tooling cost borne by Original Equipment Manufacturer (OEM) on supplies received from its vendors and determine whether the Tooling Cost borne by OEM shall form part of value of supply.

What is Tooling Cost?

First, we must understand the business transaction in order to determine the GST implication. In several industries where goods/products are manufactured by OEMs like Automobiles, Consumer Durables etc. (example Maruti, LG etc), the OEM procures several components for its finished goods from its vendors. Since the products themselves are distinct in terms of model, size, dimensions, the components too are different for each model. To manufacture these components, the vendors require investment for moulds, dies, tools, specific machinery, lines etc which are called tools in trade parlance. Often the investment in these tools are financed by the OEM itself since vendors may not have sufficient funds for such financial commitment.

Now OEMs usually have two options available with them.

- First, they can purchase the tools themselves and send it to vendor for carrying out manufacturing activity
- Second, they can ask the vendor to develop/procure/manufacture the tool.

The first option is usually not followed because these tools are to be designed and to be used for manufacturing of very specific products and are not easily available in open market. They have to be developed or customized to meet production requirements.

So, in majority of the cases, the tools are developed by the vendor themselves. The tool development includes the following process:

- A Request for Quotation (RFQ) is raised by the OEM to Vendor for tool development and product to be manufactured using that tool

- Vendor submits the Quote for Tooling Cost to OEM with the technical details
- OEM after evaluation approves and provides advance for Tool Development also called Tooling Advance
- Vendor develops the tools either inhouse or procures them from market and customizes them
- The Tool is then sold to OEM as a separate product itself after levying GST on Sale price of the Tool
- The Tool is capitalized in the books of OEM as Fixed Assets. The Tool is sent back to the Vendor for carrying out manufacturing on delivery challan
- Vendor manufactures the products using the Tool and makes Supply to OEM

The above process can be understood with the help of following example.

ABC Ltd (OEM) wants XYZ Ltd (Vendor) to manufacture a Product P for it. XYZ claims that to manufacture Product P, it would need set of specific machinery which shall be used exclusively for Product P and such specific machinery cannot be used in any other product. ABC agrees to pay for the specific Tools at Rs. 500,000. On technical evaluation, it was agreed that maximum of 100,000 pieces can be manufactured using the tool. The per unit amortization shall be Rs. 5. Now transactions can be summarized as below

- XYZ will develop tool and sell it to ABC for Rs. 500,000 + 90,000 (GST) [Assuming 18% GST]
- ABC will send the tool back to XYZ on delivery challan for use in production
- XYZ will produce the goods using the tool and sell it to ABC.
- Assuming that the total cost, including profits and cost of tool comes to Rs. 100, XYZ will reduce the price of the product by Rs. 5 per piece as amortized value of the tool and charge Rs. 95 to ABC for the product.

Now this situation gives rise to the following questions:

- Whether the cost of Tool provided by OEM to Vendor shall be included in the value of supply of products manufactured using that tool for determining taxable value i.e. the taxable value shall be 95 or 100 ?
- If yes how the value of Tool shall be included in the value of product ?
- Whether there will be any double taxation as GST has already been paid on Tool Sale from Vendor to OEM ?

We shall answer the above questions after analysing the legal provisions applicable to this subject.

Legal Provisions

Section 15(1) - The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

Section 15(2) -The value of supply shall include—

(a) any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the State Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier;

(b) any amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods or services or both;

(c) incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply and any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of, or before delivery of goods or supply of services;

(d) interest or late fee or penalty for delayed payment of any consideration for any supply; and

(e) subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments.

Explanation.—For the purposes of this sub-section, the amount of subsidy shall be included in the value of supply of the supplier who receives the subsidy.

As per Section 15(2) any amount that the supplier is liable to pay but incurred by recipient and not included in the value of supply shall form part of value of supply.

In this particular case, if the vendor was supposed to incur the cost of specific Tools, then depreciation of such Tools would have been part of the cost of the product. But since the cost is borne by the OEM, the Vendor reduces the price charged to OEM by the amount per unit amortized value as discussed above.

The question arises whether the tool can be considered as “any

amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply”.

Treatment in Earlier Regime (Central Excise Act)

As per Rule 6 of Central Excise Valuation (determination of price of excisable goods) Rules, 2000 –

Where the excisable goods are sold in the circumstances specified in clause (a) of sub section (1) of section 4 of the Act except the circumstance where the price is not the sole consideration for sale, the value of such goods shall be deemed to be the aggregate of such transaction value and the amount of money value of any additional consideration flowing directly or indirectly from the buyer to the assessee

For removal of doubts, it is hereby clarified that the value, apportioned as appropriate, of the following goods and services, whether supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and sale of such goods, to the extent that such value has not been included in the price actually paid or payable, shall be treated to be the amount of money value of additional consideration flowing directly or indirectly from the buyer to the assessee in relation to sale of the goods being valued and aggregated accordingly, namely : -

- (i) value of materials, components, parts and similar items relatable to such goods;
- (ii) value of tools, dies, moulds, drawings, blue prints, technical maps and charts and similar items used in the production of such goods;
- (iii) value of material consumed, including packaging materials, in the production of such goods;
- (iv) value of engineering, development, art work, design work and plans and sketches undertaken elsewhere than in the factory of production and necessary for the production of such goods.

The Central Excise Valuation Rules clearly stated that any benefit which flows directly or indirectly from the buyer to seller (example Tools, dies, moulds), shall be added to the transaction value.

The provisions of GST were drawn on similar lines. However, to give more clarity the department issued Circular No. 47/21/2018 dated June 8th, 2018 and clarified the matters as mentioned in the table below

S. No.	Issue	Clarification
1.	Whether moulds and dies owned by Original Equipment Manufacturers (OEM) that are sent free of cost (FOC) to a component manufacturer is leviable to tax and whether OEMs are required to reverse input tax credit in this case?	1.1 Moulds and dies owned by the original equipment manufacturer (OEM) which are provided to a component manufacturer (the two not being related persons or distinct persons) on FOC basis does not constitute a supply as there is no consideration involved. Further, since the moulds and dies are provided on FOC basis by the OEM to the component manufacturer in the course or furtherance of his business, there is no requirement for reversal of input tax credit availed on such moulds and dies by the OEM.

		<p>1.2 It is further clarified that while calculating the value of the supply made by the component manufacturer, the value of moulds and dies provided by the OEM to the component manufacturer on FOC basis shall not be added to the value of such supply because the cost of moulds/dies was not to be incurred by the component manufacturer and thus, does not merit inclusion in the value of supply in terms of section 15(2)(b) of the Central Goods and Services Tax Act, 2017 (CGST Act for short).</p> <p>1.3 However, if the contract between OEM and component manufacturer was for supply of components made by using the moulds/dies belonging to the component manufacturer, but the same have been supplied by the OEM to the component manufacturer on FOC basis, the amortised cost of such moulds/dies shall be added to the value of the components. In such cases, the OEM will be required to reverse the credit availed on such moulds/ dies, as the same will not be considered to be provided by OEM to the component manufacturer in the course or furtherance of the former's business.</p>
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Analysis of the Circular

The circular emphasises the whole matter on the initial agreement between the parties. In clarification 1.1 and 1.2 (table above), the intention is that Vendor or component manufacturer shall not bear the cost of Tools and hence at the very onset of the transactions the Supplier is not liable to pay the amount. Since the supplier was not liable to pay the amount, Section 15(2)(b) does not get triggered and the value of supply shall not include the amortized cost of Tools.

In clarification 1.3 (table above), the cost of Tools was supposed to be borne by the supplier but was actually borne by recipient. In such case the provisions of Section 15(2)(b) gets invoked and the amortized value (Rs. 5 in above example) shall be added to the transaction value (Rs. 95).

Considering the earlier example, the transaction shall be as follows:

Case	Transaction Value (A)	Taxable Value (B)	Rate of Tax (C)	Tax (D) = (B)*(C)	Total Value Charged to Customer (E) = (A) + (D)
Excluding Amortized value	95	95	18%	17.1	112.1
Including Amortized value	95	100	18	18	113

Additional Scenario

Sale of Tools does not involve movement from the premises of the Vendor to OEM. There may be concerns over availability of ITC if the vendor and customer are in different states. In such case Section 10(1)(a) or 10(1)(b) of IGST Act may be applicable depending upon the arrangement and circumstances. In case Section 10(1)(a) is applicable, OEM may run a risk of credit loss,

since the place of supply would be the state of vendor and CGST and State GST would be applicable. Risk of such credit loss could force OEM to pay the amount required to manufacture tools as 'advance towards components' to be supplied in future. In such cases, components manufactured would be at Rs.100 and NOT at Rs.95.

It is also known that vendors may prefer to retain 'title' to the Tools so that OEM cannot terminate PO and replace vendor with new vendor. Vendors in such cases, may NOT accept to sell the Tools but retain the same so that their contract with OEM is not at risk. In this case too, components manufactured would be at Rs.100 and NOT at Rs.95.

The commercial motivations for (i) means of financing Tool development cost and (ii) leverage over ownership of Tool, would drive the arrangement between vendor and OEM. Based on this information, valuation adjustment in GST needs to be examined.

Conclusion

The circular clearly implies that the initial agreement serves as a critical evidence to determine as to who will bear the cost of the tools and clarifies its treatment accordingly. Therefore, it becomes important at the time of OEM raising the Purchase Order or entering the agreement to clearly define the ownership of tools, cost of the product and responsibility to bear the cost of the tools. The vendors should also consider the leverage obtained over the Tool ownership at the time of negotiation and agreement.

If amortized value of tools is to be included then a certificate from Chartered Engineer or any other competent technical person shall be obtained to determine the life of the tools or number of products that can be manufactured using the tool.

Further, sale of tool by vendor to OEM is a separate transaction from use of such tool in production by vendor. The treatment of ITC in the hands of OEM has also been clarified in the circular.

A clearly defined agreement in such cases would help both Vendor and OEM to provide evidence to support their stance.

Contributed by CA Rahul Kothari

RESTRICTION IN AVAILMENT OF ITC



Input Tax Credit

CBIC vide Notification No. 49/2019-Central Tax, dated 09th October, 2019 has inserted Sub-rule (4) to rule 36 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the CGST Rules). The said sub-rule provides restriction in availment of input tax credit (ITC) in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act).

Further, CBIC vide Circular No. 123/42/2019-GST Dated: November 11, 2019 has clarified that this being a new provision,

the restriction is not imposed through the common portal and it is the responsibility of the taxpayer that credit is availed in terms of the said rule and therefore, the availment of restricted credit in terms of sub-rule (4) of rule 36 of CGST Rules shall be done on self-assessment basis by the tax payers.

Various issues relating to implementation of the said sub-rule have been clarified as under: -

Sl. No	Issue	Clarification
1.	What are the invoices / debit notes on which the restriction under rule 36(4) of the CGST Rules shall apply?	The restriction of availment of ITC is imposed only in respect of those invoices / debit notes, details of which are required to be uploaded by the suppliers under sub-section (1) of section 37 and which have not been uploaded. Therefore, taxpayers may avail full ITC in respect of IGST paid on import, documents issued under RCM, credit received from ISD etc. which are outside the ambit of sub-section (1) of section 37, provided that eligibility conditions for availment of ITC are met in respect of the same. The restriction of 36(4) will be applicable only on the invoices / debit notes on which credit is availed after 09.10.2019.
2.	Whether the said restriction is to be calculated supplier wise or on consolidated basis?	The restriction imposed is not supplier wise. The credit available under sub-rule (4) of rule 36 is linked to total eligible credit from all suppliers against all supplies whose details have been uploaded by the suppliers. Further, the calculation would be based on only those invoices which are otherwise eligible for ITC. Accordingly, those invoices on which ITC is not available under any of the provision (say under sub-section (5) of section 17) would not be considered for calculating 20 per cent. of the eligible credit available.
3.	FORM GSTR-2A being a dynamic document, what would be the amount of input tax credit that is admissible to the taxpayers for a particular tax period in respect of invoices / debit notes whose details have not been uploaded by the suppliers?	The amount of input tax credit in respect of the invoices / debit notes whose details have not been uploaded by the suppliers shall not exceed 20% of the eligible input tax credit available to the recipient in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 as on the due date of filing of the returns in FORM GSTR-1 of the suppliers for the said tax period. The taxpayer may have to ascertain the same from his auto populated FORM GSTR 2A as available on the due date of filing of FORM GSTR-1 under sub-section (1) of section 37.
4.	How much ITC a registered tax payer can avail in his FORM GSTR-3B in a month in case the details of some of the invoices have not been uploaded by the suppliers under sub-section (1) of section 37.	Sub-rule (4) of rule 36 prescribes that the ITC to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, shall not exceed 20 per cent. of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37. The eligible ITC that can be availed is explained by way of illustrations, in a tabulated form, below. In the illustrations, say a taxpayer "R" receives 100 invoices (for inward supply of goods or services) involving ITC of Rs. 10 lakhs, from various suppliers during the month of Oct, 2019 and has to claim ITC in his FORM GSTR-3B of October, to be filed by 20th Nov, 2019.

		Details of suppliers' invoices for which recipient is eligible to take ITC	20% of eligible credit where invoices are uploaded	Eligible ITC to be taken in GSTR-3B to be filed by 20th Nov.				
	Case 1	Suppliers have furnished in FORM GSTR-1 80 invoices involving ITC of Rs. 6 lakhs as on the due date of furnishing of the details of outward supplies by the suppliers.	Rs.1,20,000/-	Rs. 6,00,000 (i.e. amount of eligible ITC available, as per details uploaded by the suppliers) + Rs.1,20,000 (i.e. 20% of amount of eligible ITC available, as per details uploaded by the suppliers) = Rs. 7,20,000/-				
	Case 2	Suppliers have furnished in FORM GSTR-1 80 invoices involving ITC of Rs. 7 lakhs as on the due date of furnishing of the details of outward supplies by the suppliers.	Rs. 1,40,000/-	Rs 7,00,000 + Rs. 1,40,000 = Rs. 8,40,000/-				
	Case 3	Suppliers have furnished in FORM GSTR-1 75 invoices having ITC of Rs. 8.5 lakhs as on the due date of furnishing of the details of outward supplies by the suppliers.	Rs. 1,70,000/-	Rs. 8,50,000/- + Rs.1,50,000/-* = Rs. 10,00,000 * The additional amount of ITC availed shall be limited to ensure that the total ITC availed does not exceed the total eligible ITC.				
5.	When can balance ITC be claimed in case availment of ITC is restricted as per the provisions of rule 36(4)?	<p>The balance ITC may be claimed by the taxpayer in any of the succeeding months provided details of requisite invoices are uploaded by the suppliers. He can claim proportionate ITC as and when details of some invoices are uploaded by the suppliers provided that credit on invoices, the details of which are not uploaded (under sub-section (1) of section 37) remains under 20 per cent of the eligible input tax credit, the details of which are uploaded by the suppliers. Full ITC of balance amount may be availed, in present illustration by "R", in case total ITC pertaining to invoices the details of which have been uploaded reaches Rs. 8.3 lakhs (Rs 10 lakhs /1.20). In other words, taxpayer may avail full ITC in respect of a tax period, as and when the invoices are uploaded by the suppliers to the extent Eligible ITC/ 1.2. The same is explained for Case No. 1 and 2 of the illustrations provided at Sl.No.3 above as under:</p> <table border="1"> <tbody> <tr> <td>Case 1</td> <td>"R" may avail balance ITC of Rs. 2.8 lakhs in case suppliers upload details of some of the invoices for the tax period involving ITC of Rs. 2.3 lakhs out of invoices involving ITC of Rs. 4 lakhs details of which had not been uploaded by the suppliers. [Rs. 6 lakhs + Rs. 2.3 lakhs = Rs. 8.3 lakhs]</td> </tr> <tr> <td>Case 2</td> <td>"R" may avail balance ITC of Rs. 1.6 lakhs in case suppliers upload details of some of the invoices involving ITC of Rs. 1.3 lakhs out of outstanding invoices involving Rs. 3 lakhs. [Rs. 7 lakhs + Rs. 1.3 lakhs = Rs. 8.3 lakhs]</td> </tr> </tbody> </table>			Case 1	"R" may avail balance ITC of Rs. 2.8 lakhs in case suppliers upload details of some of the invoices for the tax period involving ITC of Rs. 2.3 lakhs out of invoices involving ITC of Rs. 4 lakhs details of which had not been uploaded by the suppliers. [Rs. 6 lakhs + Rs. 2.3 lakhs = Rs. 8.3 lakhs]	Case 2	"R" may avail balance ITC of Rs. 1.6 lakhs in case suppliers upload details of some of the invoices involving ITC of Rs. 1.3 lakhs out of outstanding invoices involving Rs. 3 lakhs. [Rs. 7 lakhs + Rs. 1.3 lakhs = Rs. 8.3 lakhs]
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AMENDMENTS IN RULES

The Central Government vide Notification No. 49/2019-CT dt 9th October, 2019; has made the following amendments in the CGST Rules, 2017 :-

Rule	Amendments	Comment
Rule 21A: (Registration to be cancelled in certain cases)	Insertion of Explanation in sub-rule (3) For the purposes of this sub-rule, the expression “shall not make any taxable supply” shall mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension.”	A registered person, whose registration has been suspended, during the period of suspension, shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the said period.
	Insertion of sub-rule (5) Where any order having the effect of revocation of suspension of registration has been passed, the provisions of clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply	This sub-rule clarifies the procedure to be followed in case of revocation order is issued: - In case an order of revocation of suspension of registration has been passed, the registered person may issue a revised invoice against the invoice already issued in respect of the supplies made during the period of suspension & shall declare the details of such supply in the first return furnished by him after grant of order of revocation of suspension of registration.
Rule 36: (Documentary requirements and conditions for claiming input tax credit.)	Insertion of sub-rule (4) Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, shall not exceed 20 per cent. of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37	This sub rule has restricted full availment of Input tax credit by the registered tax payers in respect of Invoices/Debit Notes, in case the Suppliers have not filed GST-1 timely.
Rule 61: (Form and manner of submission of monthly return)	Substitution of sub-rule (5) w.e.f. 1st July 2017: - Where the time limit for furnishing of details in FORM GSTR-1 under section 37 or in FORM GSTR-2 under section 38 has been extended, the return specified in section 39(1) shall, be furnished in FORM GSTR- 3B Provided that where a return in FORM GSTR-3B is required to be furnished then the return in FORM GSTR-3 need not required to be furnished sub-rule (6) has been omitted w.e.f 1.07.2017	This sub-rule has been substituted w.e.f. 1st July,2017, to provide that GSTR-3B shall be the “return” specified u/s 39(1). Moreover, the proviso has been inserted to provide that where a return is filed in Form GSTR-3B, there is no further requirement to file GSTR-3. Sub-rule (6) has also been omitted w.e.f. 1st July 2017 wherein the details in respect of information to be furnished & auto population of data in GSTR-3 was mentioned.
Rule 83A: (Examination of Goods and Services Tax Practitioners)	Substitution of clause (i) of sub-rule (6): Every person referred to in clause (b) of sub-rule (1) of rule 83 and who is enrolled as a goods and services tax practitioner under sub-rule (2) of the said rule is required to pass the examination within the period as specified in the second proviso of sub-rule (3) of the said rule.”	This sub-rule has been substituted to provide that sales tax Practitioner or tax return preparer under the existing law who is enrolled as a goods and services tax practitioner is required to pass the examination of GST Practitioners within a period of 30 months from the appointed date.

Rule 91: (Grant of provisional refund)	Amendment in sub-rule (3) & insertion of sub-rule (4) (a) in sub-rule (3), with effect from the 24th September, 2019, after the words “application for refund”, the words “on the basis of a consolidated payment advice:” shall be inserted; (b) after the sub-rule (3), with effect from the 24th September, 2019, the following sub-rule shall be inserted, namely:- “(4) The Central Government shall disburse the refund based on the consolidated payment advice issued under sub-rule (3).”	The sub-rule (3) has been amended & sub-rule (4) has been inserted w.e.f. 24th September, 2019 to allow consolidated payment advice of refund from a single authority for disbursement of refund.
Rule 97: (Consumer Welfare Fund)	Insertion of sub-rule (7A) & omission of clause (e) of sub-rule (8) w.e.f. 1st July, 2017	The sub-rule (7A) has been inserted & clause (e) of sub-rule (8) has been omitted w.e.f. 1st July, 2019. Sub-rule (7A) provides that the Committee shall make available to the Board 50% of the amount credited to the Fund each year, for publicity or consumer awareness on GST, provided the availability of funds for consumer welfare activities of the Department of Consumer Affairs is not less than Rs. 25 Crores per annum.
Rule 117: (Tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day)	Amendment in sub-rule (1A) & in the proviso to sub-clause (iii) of clause (b) of sub-rule (4) :- in sub-rule (1A) for the figures, letters and word “31st March, 2019”, the figures, letters and word “31st December, 2019” shall be substituted in sub-rule (4), in clause (b), in sub-clause (iii), in the proviso for the figures, letters and word “30th April, 2019”, the figures, letters and word “31st January, 2020” , shall be substituted.	This sub-rule has been amended to permit availment of transitional credits through FORM TRAN – I till 31st December, 2019 & Tran-II till 31st Jan, 2020 in cases where registered persons could not submit the said declaration by the due date on account of technical difficulties on the common portal and in respect of whom the Council has made a recommendation for such extension.
Rule 142 : (Notice and order for demand of amounts payable under the Act)	Insertion of sub-rule (1A), amendment in sub-rule (2) & insertion of sub-rule (2A):- “(1A) The proper officer shall, before service of notice to the person chargeable with tax, interest and penalty, under sub-section (1) of Section 73 or sub-section (1) of Section 74, as the case may be, shall communicate the details of any tax, interest and penalty as ascertained by the said officer, in Part A of FORM GST DRC-01A.”; (b) in sub-rule (2), after the words “in accordance with the provisions of the Act”, the words, figures and brackets “, whether on his own ascertainment or, as communicated by the proper officer under sub-rule (1A),” shall be inserted; (c) after sub-rule (2) the following sub-rule shall be inserted, namely:- “(2A) Where the person referred to in sub-rule (1A) has made partial payment of the amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in Part B of FORM GST DRC-01A.”	These sub-rules have been inserted/amended to provide for a procedure for issuance of a communication in Part A of FORM GST DRC-01A before service of notice to the person chargeable with tax, interest and penalty. The person on receipt of the communication may make submission in Part B of FORM GST DRC-01A of partial payment made by him of the amount communicated to him or if he desires to file any submissions against the proposed liability.
FORM GST DRC-01 A	Insertion of Form GST DRC-01A	The Form GST DRC-01A has been inserted & its format has been specified.

CHANGES IN EXEMPTION

Notification no. 21/2019- CT (Rate) dt 30th Sept, 2019 made the following amendments in the exemption list of services:-

- a) in 7 & 45, turnover limit of “twenty lakh rupees (ten lakh rupees in case of a special category state) in the preceding financial year” has been substituted by –

“such amount in the preceding financial year as makes it eligible for exemption from registration under the CGST Act, 2017 (12 of 2017)”;

- b) Insertion of S.n. 9AA, 24B, 29B, 35(r) & 82A: - To exempt the following services :-

Sl. No.	Chapter, or Section	Description of Services	Rate	Condition
9AA	Chapter 99	Services provided by and to Fédération Internationale de Football Association and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 Women’s World Cup 2020 to be hosted in India.	Nil	Director (Sports), Ministry of Youth Affairs and Sports certifies that services are directly or indirectly related to any of the events under FIFA U-17 Women’s World Cup 2020.
24B	Heading 9967 or Heading 9985	Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea.	Nil	Nil
29B	Heading 9971 or Heading 9991	Services of life insurance provided or agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force.	Nil	Nil
35	Heading 9971 or Heading 9991	“(r) Bangla Shasya Bima”	Nil	Nil
82A	Heading 9996	Services by way of right to admission to the events organised under FIFA U-17 Women’s World Cup 2020.	Nil	Nil

Changes in Rate of GST of various services

Notification No. 20 /2019 CT (Rate) dt 30th September, 2019, have notified Changes in rates of GST on the following services: -

Restaurant Service & Outdoor Catering

S. No.	Name of Service	Earlier rate	Rate w.e.f 01/10/2019
(ii)	<ul style="list-style-type: none"> Restaurant Services other than at specified premises Outdoor catering Outdoor catering at premises other than specified premises 	2.5% without ITC/ 9% with ITC	2.5% without ITC
(iii)	<ul style="list-style-type: none"> Restaurant Service at specified premises Outdoor catering at specified premises 	9% / 14%	9%

Hotel Accommodation

Earlier		Revised	
Provision	Rate	Provision	Rate
<ul style="list-style-type: none"> Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having value of supply of a unit of accommodation of Rs. 1,000/- and above but less than Rs. 2,500/- per unit per day or equivalent. 	6%	<ul style="list-style-type: none"> Supply of hotel accommodation having value of supply of a unit of accommodation above Rs 1,000/- but less than or equal to Rs 7,500/- per unit per day or equivalent. Supply of hotel accommodation having value of supply of a unit of accommodation above Rs. 7,500/- per unit per day or equivalent. 	6% 9%

Specified Premises means premises providing hotel accommodation services having declared tariff of any unit of accommodation above Rs. 7,500 per unit per day or equivalent.

CHANGES IN RCM

The Central Government vide Notification No. 22/2019 – Central Tax (Rate) dated 30th September 2019 has further substituted/ inserted the following serial numbers/entries in Notification No. 13/2017– Central Tax (Rate) dated 28th June, 2017, namely:-

Table



Sl. No.	Category	Supplier of service	Recipient of Service	Remarks
(1)	(2)	(3)	(4)	(5)
9	Supply of services by a music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original dramatic, musical or artistic works to a music company, producer or the like.	Music composer, photographer, artist, or the like	Music company, producer or the like, located in the taxable territory	
9A	Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher.	Author	Publisher located in the taxable territory: Provided that nothing contained in this entry shall apply where, - (i) the author has taken registration under the CGST Act, 2017 (12 of 2017), and filed a declaration, in the form at Annexure I, within the time limit prescribed therein, with the jurisdictional CGST or SGST commissioner, as the case may be, that he exercises the option to pay CT on the service specified in column (2), under forward charge in accordance with Section 9 (1) of the Central Goods and Service Tax Act, 2017 under forward charge, and to comply with all the provisions of Central Goods and Service Tax Act, 2017 (12 of 2017) as they apply to a person liable for paying the tax in relation to the supply of any goods or services or both and that he shall not withdraw the said option within a period of 1 year from the date of exercising such option; (ii) the author makes a declaration, as prescribed in Annexure II on the invoice issued by him in Form GST Inv-I to the publisher.”;	The registered authors have been given an option to pay GST on royalty charged from publishers under forward charge and observe regular GST compliance subject to proviso in column (4).

15	Services provided by way of renting of a motor vehicle provided to a body corporate.	Any person other than a body corporate, paying CT at the rate of 2.5% on renting of motor vehicles with input tax credit only of input service in the same line of business	Any body corporate located in the taxable territory.	
16	Services of lending of securities under Securities Lending Scheme, 1997 ("Scheme") of Securities and Exchange Board of India ("SEBI"), as amended.	Lender i.e. a person who deposits the securities registered in his name or in the name of any other person duly authorised on his behalf with an approved intermediary for the purpose of lending under the Scheme of SEBI	Borrower i.e. a person who borrows the securities under the Scheme through an approved intermediary of SEBI."	Payment of GST have been allowed on securities lending service under reverse charge mechanism (RCM)

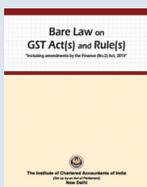
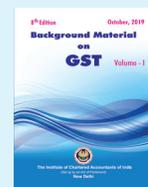
[Similar amendments have been done vide Notification No. 22/2019- Union Territory Tax(Rate) dt 30th September'2019 & Notification No. 21/2019 – Integrated Tax (Rate) dt 30th September'2019.]

PUBLICATIONS

The GST & Indirect Taxes Committee of ICAI keeps the members updated with the changes through its publications. The following publications have been published by the Committee:

Background material on GST – November, 2019

This publication aims to provide a comprehensive platform containing analysis of the entire GST law including Acts, rules, recent notifications, clarifications, circulars or orders issued by the Government from time to time (updated upto 30th October, 2019) along with few FAQ's, MCQ's, Flowcharts, Diagrams and Illustrations etc. to resolve a wide range of issues and make the reading and understanding of GST law easier.



Bare Law on GST Acts and Rules–October 2019

This publication dealt with the CGST Act, IGST Act and UTGST Act along with the amendments [including proposed] therein, brought by either their Amendment Acts respectively or vide Finance No.2 Act,2019.

Background Material on Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

The publication contains the extract of Finance Act (No.2), 2019, Rules, Notifications, Circulars and FAQ etc. issued by the Government on Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 at once place which may be referred by the reader.



OTHER GST UPDATES

Withdrawal of Circular No. 107/26/2019-GST dated 18-07-2019.

The Central Board of Indirect Taxes and Customs vide Circular No. 127/46/2019 dated 4th December, 2019 has withdrawn ab-initio, Circular No. 107/26/2019-GST dated 18.07.2019, wherein certain clarifications were given in relation to various doubts related to supply of Information Technology enabled Services (ITeS services) under GST.

Comment: The above withdrawal is effective from 18th July, 2019 & it is a welcome step by the Government since as the above circular was creating doubts related to supply of Information Technology enabled Services (ITeS services) under GST.

Extension of last date for filing of appeals before the GST Appellate Tribunal against orders of Appellate Authority

The Appellate Tribunal and its Benches are yet to be constituted in many States and Union territories under section 109 of the CGST Act as a result whereof, the appeal or applications referred to in subsection (1) or sub-section (3) of section 112 of the said Act could not be filed within the time limit specified in the said sub-sections, and because of that, certain difficulties have arisen in giving effect to the provisions of the said section.

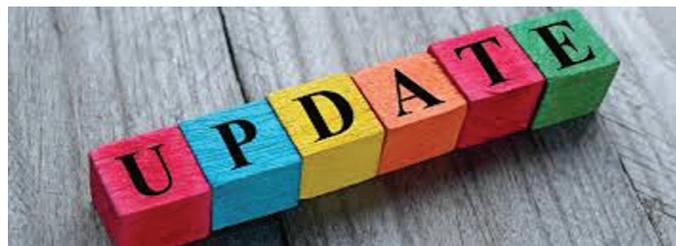
Therefore, the Central Government vide Removal of difficulty order No.9/2019 - Central Tax dated 3rd December, 2019 has clarified that the Start of three months or six months, as the case may be, for filing of appeal or application as referred to in subsection (1) or sub-section (3) of section 112 of the CGST Act shall be considered to be the later of:-

- (i) date of communication of order; or
- (ii) the date on which the President or the State President, as the case may be, of the Appellate Tribunal after its constitution under section 109, enters office.

Transition plan with respect to J&K reorganization w.e.f. 31.10.2019

The Central Government vide Notification No. 62/2019-Central Tax dated 26th November, 2019 has notified that those persons whose principal place of business or place of business lies in the erstwhile State of Jammu and Kashmir till the 30th day of October, 2019; and lies in the Union territory of Jammu and Kashmir or in the Union territory of Ladakh from the 31st day of October, 2019 onwards shall follow the following special procedure till 31st Day of December, 2019 (Transition Date):-

- The said class of person shall :
 - (i) ascertain the tax period as per sub-clause (106) of section 2 of the said Act for the purposes of any of the provisions of the said Act for the month of October, 2019 and November,



2019 as below:

- (a) October, 2019: 1st October, 2019 to 30th October, 2019;
- (b) November, 2019: 31st October, 2019 to 30th November, 2019;

(ii) irrespective of the particulars of tax charged in the invoices, or in other like documents, raised from 31st October, 2019 till the transition date, pay the appropriate applicable tax in the return under section 39 of the said Act;

(iii) have an option to transfer the input tax credit (ITC) from the registered Goods and Services Tax Identification Number (GSTIN), till the 30th day of October, 2019 in the State of Jammu and Kashmir, to the new GSTIN in the Union territory of Jammu and Kashmir or in the Union territory of Ladakh from the 31st day of October by following the procedure as below:

- (a) the said class of persons shall intimate the jurisdictional tax officer of the transferor and the transferee regarding the transfer of ITC, within one month of obtaining new registration;
- (b) the ITC shall be transferred on the basis of ratio of turnover of the place of business in the Union territory of Jammu and Kashmir and in the Union territory of Ladakh;
- (c) the transfer of ITC shall be carried out through the return under section 39 of the said Act for any tax period before the transition date and the transferor GSTIN would be debiting the said ITC from its electronic credit ledger in Table 4 (B) (2) of FORM GSTR-3B and the transferee GSTIN would be crediting the equal amount of ITC in its electronic credit ledger in Table 4 (A) (5) of FORM GSTR-3B

- The balance of State taxes in electronic credit ledger of the said class of persons, whose principal place of business lies in the Union territory of Ladakh from the 31st day of October, 2019, shall be transferred as balance of Union territory tax in the electronic credit ledger.
- The provisions of clause (i) of section 24 of the said Act shall not apply on the said class of persons making inter-State supplies between the Union territories of Jammu and Kashmir and Ladakh from the 31st day of October, 2019 till the transition date.

Clarification on scope of the notification entry at item (id), related to job work, under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017

The Central Government vide Circular No. 126/45/2019-GST dated 22nd November, 2019 clarified the scope of entry at item (id) and (iv) under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017. The matter has been examined and observed that there is a clear demarcation between scope of the entries at item (id) and item (iv) under heading 9988. Entry at item (id) covers only job work services as defined in section 2 (68) of CGST Act, 2017, that is, services by way of treatment or processing undertaken by a person on goods belonging to another registered person. On the other hand, the entry at item (iv) specifically excludes the services covered by entry at item (id), and therefore, covers only such services which are carried out on physical inputs (goods) which are owned by persons other than those registered under the CGST Act.

The entries at items (id) and (iv) under heading 9988 read as under:

(3)	(4)	(5)
(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;	6	-
(iv) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (id), (ii), (iia) and (iii) above.	9	-

Fully electronic refund process through FORM GST RFD-01 and single disbursement

The Central Government issued Circular No. 125/44/2019 – GST dated 18th November, 2019 to provide for the process of electronic submission and processing of the refund application wherein it was specified that the refund application in FORM GST RFD01A, along with all supporting documents, shall be submitted electronically. However, various post submission stages of processing of the refund application continued to be manual.

The circular is issued in supersession of earlier Circulars viz. Circular No. 17/17/2017-GST dated 15.11.2017, 24/24/2017-GST dated 21.12.2017, 37/11/2018-GST dated 15.03.2018, 45/19/2018-GST dated 30.05.2018 (including corrigendum dated 18.07.2019), 59/33/2018-GST dated 04.09.2018, 70/44/2018-GST dated 26.10.2018, 79/53/2018-GST dated 31.12.2018 and 94/13/2019-GST dated 28.03.2019. However, the provisions of the said Circulars shall continue to apply for all refund applications filed on the common portal before 26.09.2019 and the said applications shall continue to be processed manually as prior to deployment of new system.

With effect from 26.09.2019, the applications for the following types of refunds shall be filed in FORM GST RFD 01 on the common portal and the same shall be processed electronically:

- Refund of unutilized input tax credit (ITC) on account of exports without payment of tax;

- Refund of tax paid on export of services with payment of tax;
- Refund of unutilized ITC on account of supplies made to SEZ Unit/SEZ Developer without payment of tax;
- Refund of tax paid on supplies made to SEZ Unit/SEZ Developer with payment of tax;
- Refund of unutilized ITC on account of accumulation due to inverted tax structure;
- Refund to supplier of tax paid on deemed export supplies;
- Refund to recipient of tax paid on deemed export supplies;
- Refund of excess balance in the electronic cash ledger;
- Refund of excess payment of tax;
- Refund of tax paid on intra-State supply which is subsequently held to be inter-State supply and vice versa;
- Refund on account of assessment/provisional assessment/appeal/any other order;
- Refund on account of “any other” ground or reason.

Changes in FORM GST RFD-01

The Central Government vide Notification No.56/2019-Central Tax dated 14th November, 2019 has amended the format of following statements which are required to be accompanied as documentary evidences in Annexure 1 in Form GST RFD-01 as the case may be :

- Statement 1A [rule 89(2)(h)] Refund Type: ITC accumulated due to inverted tax structure [clause (ii) of first proviso to section 54(3)]
- Statement 2 [rule 89(2)(c)] Refund Type: Export of services with payment of tax (accumulated ITC)
- Statement 3 [rule 89(2)(b) and rule 89(2)(c)] Refund Type: Export without payment of tax (accumulated ITC)
- Statement 4 [rule 89(2)(d) and rule 89(2)(e)] Refund Type: On account of supplies made to SEZ unit or SEZ Developer (on payment of tax)
- New insertion: after Statement 4, the following Statement shall be inserted, namely:- “Statement 4A Refund by SEZ on account of supplies received from DTA – With payment of tax
- Statement 5 [rule 89(2)(d) and rule 89(2)(e)] Refund Type: On account of supplies made to SEZ unit or SEZ Developer (without payment of tax)
- Statement 5B [rule 89(2)(g)] Refund Type: On account of deemed exports claimed by supplier
- Statement 5B [rule 89(2)(g)] Refund Type: On account of deemed exports claimed by recipient
- Statement 6 [rule 89(2)(j)] Refund Type: On account of change in POS (inter-state to intra-state and vice versa)

Changes in Form-9 /9C

With a view to remove practical difficulties in filling annual return in Form 9 and reconciliation statement in Form -9C CBIC vide Notification No. 56/2019-Central Tax dated 14th

November, 2019 has amended the fields in the format and taxpayer has provided an option to fill few fields in such forms on optional basis. The following are the important changes made in the forms :

Form-9

- For FY 17-18 /18-19, the registered person shall have an option to fill table-4B to Table 4E net of credit /debit notes / amendments in case there is any difficulty in reporting such details separately in Table 4I & 4J including amendments in 4K to L.
- For FY 17-18 /18-19, the registered person shall have an option to fill Table 5A to Table 5F net of credit / debit notes in case there is any difficulty in reporting such details separately in Table 5H& I.
- For FY 17-18 /18-19, the registered person shall have an option to either report the breakup of Input Tax Credit as inputs, capital goods and input services or report the entire input tax credit under the input row only. Similar treatment for reversal may be opted.
- For FY 17-18 /18-19, the registered person shall have an option to not to fill table -17-18 of HSN.

Form-9C

- The registered person shall option to report reconciliation differences in Table 5O instead of reporting in 5B to 5G.
- The registered person shall have an option not to fill table 14 in relation to expenses booked in financial statement vs ITC.
- Now, cash flow statement is required to be submitted wherever it is available.
- The wording of the certificate from “ True & Correct” has been changed to “True & Fair”

Amendments in these forms to make suitable for filing of FY 18-19 returns has also been made.

Generation and quoting of Document Identification Number (DIN) on any communication issued by the officers of the Central Board of Indirect Taxes and Customs (CBIC) to tax payers and other concerned persons

CBIC vide Circular No. 122/41/2019-GST dated November 5, 2019 clarified the implementation of a system for electronic (digital) generation of a Document Identification Number (DIN) for all communications sent by its offices to taxpayers and other concerned persons, with a view to meet the objective of transparency and accountability has made. To begin with, the DIN would be used for search authorization, summons, arrest memo, inspection notices and letters issued in the course of any enquiry. However, only in exceptional circumstances communications may be issued without an auto generated DIN after recording reason in writing.

The digital platform for generation of DIN is hosted on the Directorate of Data Management (DDM)'s online portal “cbicddm.gov.in”

This measure would create a digital directory for maintaining a proper audit trail of such communication. Importantly, it would provide the recipients of such communication a digital facility to ascertain their genuineness. Subsequently, the DIN would be extended to other communications

It may be noted above specified communication which does not bear the electronically generated DIN and is not covered by the exceptions mentioned shall be treated as invalid and shall be deemed to have never been issued. For further details, above circular may be referred.

Similar circular in Custom laws has also been issued vide Circular No. 37/2019 dated: November 5, 2019.

To notify jurisdiction of Jammu Commissionerate over UT of J&K and UT of Ladakh

The Central Government vide Notification No. 51/2019-Central Tax dated 31st October, 2019 has made amendments in Notification No. 02/2017-Central Tax dated 19th June 2017 as under:-

“In the said notification, in Table II, in column (3), in serial number 51, for the words “State of Jammu and Kashmir”, the words “Union territory of Jammu and Kashmir and Union territory of Ladakh” shall be substituted.”

Comment:This amendment has been made in order to notify jurisdiction of Jammu Commissionerate over the newly formed Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Clarification on issue of GST on Airport levies

The Central Board of Indirect Taxes and Customs vide Circular No. 115/34/2019 dt 11th October, 2019 has clarified the issues relating to GST on airport levies as under:

The airline acting as pure agent of the passenger should separately indicate actual amount of Passenger Service Fee (PSF) and User Development Fee (UDF) and GST payable on such PSF and UDF by the airport licensee, in the invoice issued by airlines to its passengers. The airline shall not take ITC of GST payable or paid on PSF and UDF. The airline would only recover the actual PSF and UDF and GST payable on such PSF and UDF by the airline operator. The amount so recovered will be excluded from the value of supplies made by the airline to its passengers. In other words, the airline shall not be liable to pay GST on the PSF and UDF (for airport services provided by airport licensee), provided the airline satisfies the conditions prescribed for a pure agent under Rule 33 of the CGST Rules. The registered passengers, who are the ultimate recipient of the airport services, may take ITC of GST paid on PSF and UDF on the basis of pure agent's invoice issued by the airline to them.

The airport operators shall pay GST on the PSF and UDF collected by them from the passengers through the airlines. Since, the airport operators are collecting PSF and UDF inclusive of ST/GST, there is no question of their not paying ST/GST collected by them to the Government.

The collection charges paid by airport operator to airlines are a consideration for the services provided by the airlines to the airport operator (AAI, DAIL, MAIL etc) and airlines shall be liable

to pay GST on the same under forward charge. ITC of the same will be available with the airport operator.

Levy of GST on the service of display of name or placing of name plates of the donor in the premises of charitable organisations receiving donation or gifts from individual donors

The Central Board of Indirect Taxes and Customs vide Circular No. 116/35/2019 dt 11th October, 2019 has issued clarification on the issue, whether GST is applicable on donations or gifts received from individual donors by charitable organisations involved in advancement of religion, spirituality or yoga which is acknowledged by them by placing name plates in the name of the individual donor, as under:-

GST is not leviable, where all the following three conditions are satisfied namely :-

- The gift or donation is made to a charitable organization
- The payment has the character of gift or donation
- The purpose is philanthropic (i.e. it leads to no commercial gain) and not advertisement.

Clarification on applicability of GST exemption to the DG Shipping approved maritime courses conducted by Maritime Training Institutes of India

The Central Board of Indirect Taxes and Customs vide Circular no. 117/36/2019 dt 11th October, 2019 has issued clarification regarding applicability of GST exemption to the Directorate General of Shipping approved maritime courses conducted by the Maritime Training Institutes of India as under:-

The Maritime Training Institutes and their training courses are approved by the Director General of Shipping which are duly recognised under the provisions of the Merchant Shipping Act, 1958 read with the Merchant Shipping (standards of training, certification and watch-keeping for Seafarers) Rules, 2014. Therefore, the Maritime Institutes are educational institutions under GST Law and the courses conducted by them are exempt from levy of GST. The exemption is subject to meeting the conditions specified at Sl. No. 66 of the notification No. 12/2017- CT (Rate) dt 28.06.2017.

This clarification applies, mutatis mutandis, to corresponding entries of respective IGST, UTGST, SGST exemption notifications.

Clarification regarding determination of place of supply in case of software/design services related to Electronics Semi-conductor and Design Manufacturing (ESDM) industry

The Central Board of Indirect Taxes and Customs vide Circular no. 118/37/2019 dt 11th October, 2019 has clarified that the place of supply of software/design by supplier located in taxable territory to service recipient located in non-taxable territory by using sample prototype hardware / test kits in a composite supply, where such testing is an ancillary supply, is the location of the service recipient as per Section 13(2) of the IGST Act. The provisions of section 13(3) (a) of IGST Act do not apply separately for determining the place of supply for ancillary

supply in such cases.

Clarification regarding taxability of supply of securities under Securities Lending Scheme, 1997

The Central Board of Indirect Taxes and Customs vide Circular no. 119/38/2019 dt 11th October, 2019 has clarified that the supply of lending of securities under the scheme is classifiable under heading 997119 and is leviable to GST@18% under Sl. No. 15(vii) of Notification No. 11/2017- CT (Rate) dt 28.06.2017 as amended from time to time.

For the past period i.e. from 01.07.2017 to 30.09.2019, GST is payable under forward charge by the lender and request may be made by the lender (supplier) to SEBI to disclose the information about borrower for discharging GST under forward charge. The nature of tax payable shall be IGST. However, if the service provider has already paid CGST / SGST / UTGST treating the supply as an intra-state supply, such lenders shall not be required to pay IGST again in lieu of such GST payments already made.

With effect from 1st October, 2019, the borrower of securities shall be liable to discharge GST as per Sl. No 16 of Notification No. 22/2019-CT (Rate) dt 30.09.2019 under reverse charge mechanism (RCM). The nature of GST to be paid shall be IGST under RCM.

Clarification on the effective date of explanation inserted in notification No. 11/2017- CT(R) dated 28.06.2017, Sr. No. 3(vi)

The Central Board of Indirect Taxes and Customs vide Circular No. 120/39/2019 dated 11th October, 2019 has issued clarification on the effective date of notification No. 17/2018-CTR dated 26.07.2018 whereby explanation was inserted in notification No. 11/2017- CTR dated 28.06.2017, Sr. No. 3(vi) to the effect that for the purpose of the said entry, the activities or transactions under taken by Government and Local Authority are excluded from the term 'business'.

It is hereby clarified that the explanation having been inserted under section 11(3) of the CGST Act, is effective from the inception of the entry at Sl. No. 3(vi) of the notification No. 11/2017- CTR dated 28.06.2017, that is 21.09.2017. The line in notification No. 17/2018-CTR dated 26.07.2018 which states that the notification shall come into effect from 27.07.2017 does not alter the operation of the notification in terms of Section 11(3).

Clarification related to supply of grant of alcoholic liquor license

Further, The Central Board of Indirect Taxes and Customs vide Circular No. 121/40/2019 dated 11th October, 2019 has issued clarification on GST on license fee charged by the States for grant of Liquor licences to vendors as under:-

Service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or by whatever name it is called, by State Government as neither a supply of goods nor a supply of service. Therefore, in exercise of powers conferred under sub-section 2 (b) of section 7 of CGST

Act, 2017, Notification No. 25/2019-Central Tax (Rate) dated 30th September, 2019 has been issued.

It has been clarified that this special dispensation applies only to supply of service by way of grant of liquor licenses by the State Governments as an agreement between the Centre and States and has no applicability or precedence value in relation to grant of other licenses and privileges for a fee in other situations, where GST is payable.

[Similar notification has been issued vide N.No.24/2019 Integrated Tax (Rate), N.No.25/2019 Union Territory Tax (Rate)]

Due Dates for filing various Returns under GST

The Central Government vide Notification No. 44/2019-CT dt 9th October, 2019; Notification No. 45/2019-CT dt 9th October, 2019; Notification No. 46/2019-CT dt 9th October, 2019; has provided/extended the following due dates:-

Sl. No	Form No.	Period	Due Date
1.	FORM GSTR-3B (Monthly summary of data)	For each of the months from October, 2019 to March, 2020.	20th day of the month succeeding s u c h month
2.	FORM GSTR-1 (Details of outward supply of goods or services or both.) (For registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year)	October, 2019 to December, 2019 January, 2020 to March, 2020	31st January, 2020 30th April, 2020
3.	FORM GSTR-1 (Details of outward supply of goods or services or both.) (For registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year)	For each of the months from October, 2019 to March, 2020.	11th day of the month succeeding s u c h month

Annual Return related relaxation for MSME

The Central Government vide Notification No. 47/2019-CT dt 9th October, 2019 has notified that filing of annual return under section 44 (1) of CGST Act for F.Y. 2017-18 and 2018-19 is optional for those registered persons whose aggregate turnover is less than Rs 2 crores and who have not filed the said return before the due date .

Provided that the said return shall be deemed to be furnished on the due date if it has not been furnished before the due date.

Clarification regarding procedure to claim refund in FORM GST RFD-01 subsequent to favorable order in appeal or any other forum

The Central Government vide Circular no. 111/30/2019 dt 3rd October,2019 has clarified the doubts raised on the procedure to be followed by a registered person to claim refund subsequent to a favourable order in appeal or any other forum against rejection of a refund claim in FORM GST RFD-06:-

- Procedure to be followed by the Registered Person claiming refund, if favourable order is received in appeal/any other forum:-In respect of a refund claim rejected through issuance of an order in FORM GST RFD-06, the registered person would file a fresh refund application under the category "Refund on account of assessment/provisional assessment/appeal/any other order" claiming refund of the amount allowed in appeal or any other forum. Since the amount debited, if any, at the time of filing of the refund application was not re-credited, the registered person shall not be required to debit the said amount again from his electronic credit ledger at the time of filing of the fresh refund application under the category "Refund on account of assessment/provisional assessment/appeal/any other order".

The registered person shall be required to give details of the type of the Order (appeal/any other order), Order No., Order date and the Order Issuing Authority. The registered person would also be required to upload a copy of the order of the Appellate or other authority, copy of the refund rejection order in FORM GST RFD 06 issued by the proper officer or such other order against which appeal has been preferred and other related documents.

- Steps to be taken by the Proper Officer:- Upon receipt of the application for refund under the category "Refund on account of assessment/provisional assessment/appeal/any other order" the proper officer would sanction the amount of refund as allowed in appeal or in subsequent forum which was originally rejected and shall make an order in FORM GST RFD 06 and issue payment order in FORM GST RFD 05 accordingly.

The proper officer disposing the application for refund under the category "Refund on account of assessment/provisional assessment/appeal/any other order" shall also ensure re-credit of any amount which remains rejected in the order of the appellate (or any other authority). However, such re-credit shall be made following the guideline as laid down in para 4.2 of Circular no. 59/33/2018 – GST dt 04/09/2018.

- Illustration:- The above clarifications can be illustrated with the help of an example.

Consider a registered person who makes an application for refund of unutilized ITC on account of export to the extent of Rs.100/- and debits the said amount from his electronic credit ledger. The proper officer disposes the application by allowing refund of Rs.70/- and rejecting the refund of Rs. 30/-. However, he does not recredit Rs.30/- since appeal is preferred by the claimant and accordingly FORM GST RFD 01B is not uploaded.

Assume that the appellate authority allows refund of only Rs.10/- out of the Rs. 30/- for which the registered person went in appeal. This Rs.10/- shall be claimed afresh under the category

“Refund on account of assessment/provisional assessment/appeal/any other order” and processed accordingly. However, subsequent to processing of this claim of Rs.10/- the proper officer shall re-credit Rs.20/- to the electronic credit ledger of the claimant, provided that the registered person is not challenging the order in a higher forum.

For this purpose, FORM GST RFD 01B under the original ARN which has so far not been uploaded will be uploaded with refund sanctioned amount as Rs.80/- and the amount to be re-credited as Rs. 20/-. In case, the proper officer who rejected the refund claim is not the one who is disposing the application under the category “Refund on account of assessment/provisional assessment/appeal/any other order”, the latter shall communicate to the proper officer who rejected the refund claim to close the ARN as above only after obtaining the undertaking as referred in para 4.2 of Circular no. 59/33/2018 – GST dt 04/09/2018.

Withdrawal of Circular No. 105/24/2019-GST dt 28.06.2019 related to treatment of secondary or post-sales discounts under GST

The Central Board of Indirect Taxes and Customs, on receipt of numerous representations expressing apprehensions on the implications of the said Circular related to treatment of secondary or post-sales discounts under GST, vide Circular no. 112/31/2019 dt 3rd October,2019 , has withdrawn the said circular.

Explanation added in respect of Development Rights

The Central Government vide Notification No. 23/2019 – CT (Rate) dt 30th September, 2019 has amended the Notification No. 04/2018 – CT (Rate) dt 25th January '2018 by adding an explanation on the applicability of provisions related to supply of development rights.:-

“Nothing contained in this notification shall apply with respect to the development rights supplied on or after 1st April 2019.”.

[Similar amendments has been done vide Notification No. 23/2019- Union Territory Tax(Rate) dt 30th September'2019 & Notification No. 22/2019 – Integrated Tax (Rate) dt 30th September'2019]

To notify grant of liquor licence by State Governments against payment of license fee as neither a supply of goods nor a supply of service

The Central Government vide Notification No. 25/2019 – CT (Rate) dt 30th September, 2019 in terms of Section 7(2) of CGST Act, 2017 notified the activities or transactions undertaken by the State Governments in which they are engaged as public authorities, shall be treated neither as a supply of goods nor a supply of service, namely:-

“Service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or by whatever name it is called.”



GST & INDIRECT TAXES COMMITTEE OF ICAI

A ONE STOP DESTINATION FOR ALL INDIRECT TAXES

website: www.idtc.icai.org



The GST & Indirect Taxes Committee of ICAI has launched its website viz. www.idtc.icai.org to provide the users a well set platform for sharing and gaining knowledge on GST & other indirect taxes and easy accessibility to the GST & Indirect taxes Committee. The Committee works relentlessly towards keeping the members abreast with the latest changes in all the Indirect tax laws vide various mediums like, organising programmes, updating study materials, sending regular updates etc.

Main features:

- ❖ Regular GST / Indirect Taxes Updates
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- ❖ E-learning on GST
- ❖ Upcoming events
- ❖ Details of Certificate Courses, Programme, Seminars etc. on GST/ Indirect Taxes
- ❖ Links of related important website
- ❖ Connect with GST & Indirect Taxes as a faculty / author of the publication etc.
- ❖ GST Tab newly created on website to provide consolidated GST information.

Your suggestions on the website are also welcome at idtc@icai.in

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ICAI'S CONTRIBUTION FOR SMOOTH IMPLEMENTATION OF GST AS PARTNER IN NATION BUILDING

1. Pre-Budget Meeting and Memorandum, 2020

Based on the request received from the Ministry of Finance, GST & Indirect Taxes Committee presented the highlight of the suggestions contained in Pre-Budget Memorandum, 2020 before the Officials of the Central Board of Indirect Taxes and Customs on 5th December, 2020.

Further, Pre-Budget Memorandum, 2020- Indirect Taxes has been submitted to the Government on 13th December, 2019.

2. Meeting with Ministry of Finance- Return filing issues

Based on the call received from Ministry of Finance for making a presentation on the practical difficulties in filing their GST returns, President and Vice-President, ICAI attended the meeting on 16th November, 2019. The presentation was made before the Hon'ble Finance Minister on the matter and thereafter, memorandum containing list of practical difficulties being faced by the taxpayers in filing the GST Return along with suggestions thereof were submitted for their consideration.

3. Suggestions on GST Annual Return and Audit Certificates

Considering the difficulties being faced by the taxpayers in the filing the GST Annual Return and Audit Certificates, GST & Indirect Taxes Committee had submitted various suggestions thereon to the Government. It may be mentioned that most of the suggestions given by it have been accepted by the Government.

4. Survey on GST Implementation in India

The GST & Indirect Taxes Committee is conducting survey on the entire gamut of GST Implementation to find out the achievement, glitches and area which needs attention going forward. Total 15474 stakeholders have given their feedback on the same.

5. Publication

(i) Revision of BGM on GST

The Committee has revised its flagship publication BGM on GST in November, 2019 to bring it in line with the recent changes made by the Government. It is very comprehensive material containing a clause by clause analysis of the GST Acts along with FAQ's, MCQ's, Flowcharts and Illustrations etc. to make the reading and understanding easier.

(ii) Background Material on Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

The Committee has published Background Material on Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. It contains the extract of Finance Act (No.2),

2019, Rules, Notifications, Circulars and FAQ etc. issued by the Government at once place which may be referred by the reader as and when required.

(iii) Bare Law on GST- revision

Committee has revised its publication, Bare Law on GST which contains GST Acts and Rules in Nov, 2019. This publication is a compilation of CGST Act, IGST Act, UTGST Act and GST (Compensation to the States) Act along with the Amendments made therein from time to time.

6. Stakeholder Feedback Divas on New GST Return

Central Board of Indirect Taxes and Customs organised a nationwide "Stakeholder Feedback Divas on New GST Return" on 7th December 2019. CGST Delhi North Commissionerate organised the event at India Habitat Centre, New Delhi. On the request received, GST & Indirect Taxes Committee nominated approx. 70 members for attending the above programme and providing feedback on the New GST Return. Similar support were extended to Pune and Vadodara Commissionerate.

7. Outreach Programme on Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

The Committee has organised an Outreach programme on Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 jointly with Central Good & Services Tax (CGST & CX), Delhi Zone on 2nd November, 2019 which was attended by more than 200 participants.

Further, similar outreach programme were organised jointly with Vishakhapatnam and Pune Commissionerate on 3rd and 7th December, 2019 respectively.

8. Live Webcast on Issues & Resolutions in FORM 9 & 9C

The Committee organised a Live Webcasts from Delhi on "Issues and Resolutions in FORM 9 & 9C" and "Discussion on Form 9/9C and Technical issues and resolution thereof in FORM 9 & 9C" on 15th November, 2019 and 12th December, 2019 respectively.

9. Certificate Course on GST

With a view to provide update knowledge on GST, ICAI has further organized two new batches of Certificate Course on GST at Vijayawada- 28th Dec, 2019 and Hyderabad- 11th January, 2019.

10. Programmes, Seminars and Conferences

ICAI has organised around 7,400 (1600 since 1st January, 2019) workshops, seminars or conferences on GST since 2017 which have been attended and benefited by 7.36 lakh (1.56 lakh since 1st January, 2019) participants.



Residential Workshop on GST and Capital Market and Investor Protection at Dharamshala



Four days Training Programme on GST Accounts & Audit for West Bengal State GST Officials organised in association with HRD Cell, Directorate of Commercial Taxes , West Bengal.



Outreach Seminar on Sabka Vishwas (LDR) Scheme organised in association with Central Goods and Services Tax, Delhi Zone at Delhi



Outreach Program on SVLDR Scheme, 2019 & New Returns of GST at Pune



GST Conclave at Delhi



Stakeholder Feedback Divas on New Return Form at Delhi

FORTH COMING EVENTS UNDER THE AEGIS OF GST & INDIRECT TAXES COMMITTEE

28th December 2019

Place : Vijaywada • CPE Hours : 30 Hours

Title of the Seminar : Certificate Course on GST
Contact Details : Vijayawada Branch of SIRC
Phone: 0866 - 2576666
Email: vijayawada@icai.org

Title of the Seminar : Certificate Course on GST
Contact Details : ICAI Centre of Excellence, Hyderabad
Phone: 0120-3045954
Email: coehyd@icai.in

11th January, 2020

Place : Hyderabad • CPE Hours : 30 Hours

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