

GST BULLETIN

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Notifications & Circulars

No GST on advance payment received for supply of goods

Notification No. 66/2017-Central Tax **Dated – November 15, 2017**

Govt. vide Notification No. 66/2017-Central Tax dated November 15, 2017 has exempted GST on advance payment received for the supply of goods. The Notification provided that the registered person who has not opted for composition levy under Section 10 of the CGST Act, shall pay tax as per Clause (a) of Sub-Section (2) of Section 12, which provides that the time of supply for goods shall be the date of issue of invoice, which would mean that GST liability would arise only at the time of raising the invoice and not when the advance payment is received.

Comments: This would be a huge advantage for the industry as there were issues regarding the blockage of credit if the same is not taken within one year.

3B to continue till March, 2018

Notification No. 56/ 2017-Central Tax **dated November 15, 2017**

Government vide Notification No. 56/ 2017-Central Tax dated November 15, 2017 has extended the filing of 3B till March, 2018.

Comments: This is a good step by the Govt. keeping in mind that industry would need more time to settle into the compliance part of GST.

No compulsory registration for E-commerce operators supplying services

Notification No. 65/2017 **dated – November 15, 2017**

Govt. has exempted e-commerce operators supplying services from getting a compulsory registration even

though their aggregate turnover is less than 20 lakhs. Through Notification No. 65/2017 dated November 15, 2017, it was provided that if the aggregate turnover of the E-Commerce operator is less than 20 lakhs (or 10lakhs in special category states), then they are not required to obtain the registration.

Comments: This would be helpful for the small-scale e-commerce operators.

GST rate @ 5% prescribed for standalone restaurants, job work on handicrafts and scientific equipment

Notification No. 45/2017& 46/2017 -Central Tax (Rate) Dated- November 14, 2017

FinMin vide Notification No. 45/ 2017 and 46/ 2017 – Central Tax (rate) has notified that GST on standalone restaurants, job work done on handicrafts and scientific and technical equipment supplied to public funded research institutions, shall be 5%.

Comments: The reduction of rate on standalone restaurants and handicrafts job work is good step.

IGST rules notified on advertisement services provided to Govt.

Notification No. 12/2017- Integrated Tax dated November 15, 2017

Govt. vide Notification No. 12/2017- Integrated Tax dated November 15, 2017 has notified that IGST rules to value on which SGST or UTGST shall be discharged for advertisement services provided to Government, State government or Union territory government, if proportionate value is not specified in contracts as per Section 12(14) of the IGST Act. Further, it was Provided that in case of newspaper, publications, advertisements on back of utility bills of oil and gas companies, rail tickets the portion on which SGST should be discharged shall be equivalent to value of distribution in each state. In case of an advertisement through internet, the value of supply in each State or UT shall be calculated on basis of internet subscribers in each State or UT. It was also notified that in case of an advertisement through short messaging service, the value of supply in each State or UT shall be calculated on basis of internet subscribers in each State or UT. Notified mechanism to calculate value in case advertisement services provided through internet and short messaging services.

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Comments: The IGST rules were notified to provide the place of supply and value on which SGST would be paid in case where the advertisement services were provided in two states.

Due dates for GSTR 1, 4, 5, 5A & 6 extended

Notification	Details
Notification No. 57/2017 – Central Tax dated November 15, 2017	Seeks to prescribe quarterly furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of upto Rs.1.5 crore
Notification No. 58/2017 – Central Tax dated November 15, 2017	Seeks to extend the due dates for the furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of more than Rs.1.5 crores
Notification No. 59/2017 – Central Tax dated November 15, 2017	Seeks to extend the time limit for filing of FORM GSTR-4
Notification No. 60/2017 – Central Tax dated November 15, 2017	Seeks to extend the time limit for furnishing the return in FORM GSTR-5, for the months of July to October, 2017
Notification No. 61/2017 – Central Tax dated November 15, 2017	Seeks to extend the time limit for furnishing the return in FORM GSTR-5A for the months of July to October, 2017
Notification No. 62/2017 – Central Tax dated November 15, 2017	Seeks to extend the time limit for furnishing the return in FORM GSTR-6 for the month of July, 2017
Notification No. 63/2017 – Central Tax dated November 15, 2017	Seeks to extend the due date for submission of details in FORM GST-ITC-04

Comments: This provides more time for the industry to sort out the compliance part.

Refund of un-utilized ITC not available for narrow woven fabrics and few other goods

Notification No. 44/2017- Central Tax(Rate) dated November 14, 2017

Govt. vide Notification No. 44/2017 dated November 14, 2017 has amended No. 5/2017 -Central Tax (Rate) to add certain textiles to the list goods on which refund of un-utilized ITC is not available.

Comments- This might be blow to the textile industry.

Raw cotton added to reverse charge supplies

Notification No. 43/2017-Central Tax(Rate) dated November 14, 2017.

Govt. vide Notification No. 43/2017- Central Tax(Rate) dated has added raw cotton supplied by the agriculturist to the list of goods on which GST is payable on reverse charge.

Comments: This would be way of an additional revenue to the department as most of the agriculturists are unregistered.

Govt. extends the lists of exempted goods

Notification No. 42/2017-Central Tax (Rate) Dated - November 14, 2017

Govt. vide Notification No. 42/2017-Central Tax(Rate) dated November 14, 2017 has extended the list of exempted goods which mainly consisted eatables and Uranium Ore Concentrate.

Comments: This would ease up the FMCG industry.

GST rates on 177 items cut down from 28% to 18%

Notification No. 41/2017- Central Tax(Rate) dated November14, 2017

Govt. vide Notification No. 41/2017 -Central Tax (Rate) has pruned the rates of as many 177 items from 28% to 18% bracket, the goods mainly were pertaining day to day consumables, cosmetics. Only the auto parts and cars and other motor vehicles remain in the 28% bracket.

Comments: There was lot criticism received by the government for placing the day to day use goods in the 28% bracket. However, the same has been rectified.

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Procedure for procurement of goods from DTA by EOU/ EHTP/STP/BTP prescribed

Circular No. 14/14/2017- GST dated November 6, 2017

CBEC vide. its Circular dated Nov 6, 2017, has prescribed detailed procedure for procurement of goods from DTA by EOUs / EHTP unit / STP unit / BTP unit under claim of deemed export benefits u/s 147 of CGST Act, viz. refund of tax paid on such supplies.

Recipient EOU / EHTP / STP / BTP units must give prior intimation in "Form-A" bearing a running serial number containing details of goods to be procured, as pre-approved by Development Commissioner and details of supplier before deemed export supplies are made, to – (i) registered supplier, (ii) jurisdictional GST officer in charge of such registered supplier, and (iii) jurisdictional GST officer.

On receipt of such supplies, EOU / EHTP / STP / BTP units shall endorse the tax invoice issued by registered supplier and send a copy thereof to these persons, which shall be considered as a valid proof of deemed export supplies.

Recipient EOU / EHTP / STP / BTP units are required to maintain records of such deemed export supplies in digital form in "Form-B", which should be kept updated, accurate, complete and available at all times for verification by proper officer, and same needs to be provided to jurisdictional GST officer by 10th of each month.

However, such procedure is in addition to terms and conditions to be adhered to by an EOU / EHTP / STP / BTP units in terms of FTP 2015-20 and duty exemption Notification being availed.

Comments: There was a certain kind ambiguity regarding the procurement of goods from DTA and the same has been clarified.

Govt. clarifies common mistakes in refund claim of IGST on exports

Govt. vide Circular No. 42/2017-Customs, issued certain guidelines and pointed out common mistakes made by the exporters while claiming the refund of IGST paid on exports under Rule 96 of the CGST Rules, 2017

IGST refunds for exports of goods in the month of July, 2017

Incorrect SB number in GSTR -1

The shipping bill number quoted in GSTR-1 is either incorrect or does not exist. In this regard, it was advised that the assessee shall amend GSTR-1 and enter the correct details, the amended information shall be furnished in Table 9A of GSTR-1 for August.

Invoice number and IGST paid amount mis-match

To avoid the mis-match of invoice number and the IGST indicated in the shipping bills, the exporters may take care to ensure the details of invoice i.e Invoice number, IGST paid etc, in GSTR -1 and shipping bills match with each other.

EGM Error

It must be ensured that all the shipping lines operating in ICDs/Gateway ports file Export General Manifest (EGM) online to fulfil the requirement under Rule 96(2) of the CGST Rules, 2017.

Wrong bank account given to Customs

Exporters are advised that if the account has not been validated by PFMS, due wrong account details available with Customs, they must get their details corrected in EDI system. Exporters were also advised not to change their bank account details frequently to avoid delay in refund payment.

2. IGST refunds for the export of goods in the month of August, 2017

GSTN has provided a utility to declare Table 6A in GSTR-1 for exporters to fill in information regarding Zero rated supplies, once the Table 6A is filed, it would be possible to sanction refunds for exports made in August, 2017.

In order to claim the benefit of GST at 0.1% for supplies to merchant exporters. The merchant exporters are advised to take following precautions:-

i) The Name and GSTIN of the registered supplier should be provided against each item in third party details column of the Shipping bill. The GST invoice details of the supplier of each item should also be declared in the ARE certificate and date columns in shipping bill.

ii) If an export consignment contains multiple supplies by registered person, the recipient (merchant exporter)

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shall provide details of all registered suppliers and corresponding invoices of each item in the shipping bills.

iii) For the purpose of supply to a merchant exporter at concessional GST, registered principal place of business or registered place of business shall be deemed to be a "registered warehouse".

iv) Merchant exporters may, if required, exclude commercially sensitive information while providing copies of shipping bills to registered suppliers.

Comments: This would be helpful for the industry.

Case Laws

Delhi HC to hear on transitional/deemed credit beyond 1 year

The issue in the Hafele India Private Limited v. Union of India and others which is before Delhi High Court is regarding entitlement of transitional/ deemed credit which is beyond 1 year.

Delhi HC issued notice to Revenue in writ petitions challenging entitlement to transitional input tax credit of stock not earlier than 1 year immediately preceding the appointed date i.e. July 1, u/s 140(3)(iv) of CGST Act.

Petitioners also challenged availability of deemed credit scheme for a period of 6 months from appointed date, in terms of proviso to Section 140(3) read with Rule 117(4)(a)(iii) of CGST Rules.

HC Directed Revenue to file counter-affidavit while listing both matters on December 11.

Comments: The assessee should be eligible to the transitional credit beyond the period of one year as there is no proper reason to block the credit beyond one year.

Government clarifications & Press Releases

Key takeaways from 23rd GST council meeting

The following are the key takeaways from 23rd GST council meeting

Rates

- 178 items moved from 28% to 18% GST slab and changes may be applicable from November 15.
- 13 items moved from 18% to 12%, 6 items from 18% to 5%, 8 items from 12% to 5%, 6 items from 5% to nil.
- auto, aircraft & yacht parts, cement, paint retained at 28% tax bracket.
- 12% GST for non-AC restaurants, 18% AC restaurants. Restaurants will not get ITC benefit.

Compliance

- All taxpayers would file return in FORM GSTR-3B till March, 2018 and the payment of the tax has to be made by 20th of every month.
- Taxpayers with aggregate turnover less than 1.5 crore shall file GSTR- 1 on quarterly basis till March, 2018.

The due dates for the same are as follo

Period	Dates
Jul- Sep	31 st Dec 2017
Oct- Dec	15 th Feb 2018
Jan- Mar	30 th April 2018

- Taxpayers with aggregate turnover more than 1.5 crore shall file GSTR-1 till March, 2018 as per following frequency

Period	Dates
Jul- Oct	31 st Dec 2017
Nov	10 th Jan 2018
Dec	10 th Feb 2018
Jan	10 th Mar 2018
Feb	10 th Apr 2018
Mar	10 th May 2018

- The time period for filing GSTR-2 and GSTR-3 for the months of July, 2017 to March 2018 would be worked out by a Committee of Officers.
- Late fee paid with regard to late filling of GSTR -3B for the month July and August will be re-credited into electronic ledger.
- late filing penalty for 'nil returns' cut from Rs 200/day to Rs 20/day.
- A facility for manual filing of application for advance ruling is being introduced for the time being.

Extension of dates

S. No.	FORM and Details	Original due date	Revised due date
1	GST ITC-04 for the quarter July-September, 2017	25.10.2017	31.12.2017
2	GSTR-4 for the quarter July-September, 2017	18.10.2017	24.12.2017
3	GSTR-5 for July, 2017	20.08.2017 or 7 days from the last date of registration whichever is earlier	11.12.2017
4	GSTR-5A for July, 2017	20.08.2017	15.12.2017
5	GSTR-6 for July, 2017	13.08.2017	31.12.2017
6	TRAN-1	30.09.2017	31.12.2017 (One-time option of revision also to be given till this date)

Cabinet approves setting up of National Anti-profiteering Authority under GST

Govt. through press release has stated that the Union Cabinet chaired by the Prime Minister Narendra Modi has given its approval for the creation of the posts of Chairman and Technical Members of the National Anti-profiteering Authority (NAA) under GST. The establishment of the NAA, would be headed by a senior officer of the level of Secretary to the Government of India with four Technical Members from the Centre and/or the States. Further, Govt. stated that this is one more measure aimed at reassuring consumers that Govt. is fully committed to take all possible steps to ensure the benefits of implementation of GST in terms of lower prices of the goods and services reach them.

Comments: The setting up of the Anti-Profiteering Authority would alert the industry. However, it is not clear as to how the anti-profiteering would be judged.

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