

GST BULLETIN

Bhasin Sethi & Associates

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Government clarifies on furnishing of Bond/ Letter of Undertaking for Exports

Government issued circular 2/2017 to provide clarification regarding issues related to furnishing of Bond/ Letter of Undertaking for Exports–Reg.

Keeping in mind that a large number of such Bonds/Letter of Undertakings would be required to be filed by the registered exporters who would be located at a distance from the office of the jurisdictional Commissioner and the furnishing of such bonds/undertakings before the jurisdictional Commissioner may cause hardship to the exporters, the

government has stated that the acceptance of the Bond/Letter of Undertaking required to be furnished by the exporter under rule 96A of the said rules shall be done by the jurisdictional Deputy/Assistant Commissioner.

COMMENT: This clarity was very necessary as there was a lot of confusion among the exporters whether or not the old bond which was furnished would continue or not. Allowing the bond to be submitted to the Assistant Commissioner would speed up

the process as there are many applications.

Revenue Secretary clarifies on few common misconceptions about GST

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The revenue secretary took to twitter to bust 8 GST myths. He has clarified that GST that the new GST rate is not higher than compared to earlier VAT, the invoices can be generated manually. Further, he has also clarified that the GST will not be levied twice if the credit card is used to pay the utility bills and also confirmed that there is only one monthly return with three parts, out of which first part filed by dealer and two other parts auto populated by computer. Moreover, it was confirmed that provisional ID will be the final GSTIN number.

Comment: These clarifications were very important for industry.

Govt allows stickers with revised rates alongside printed MRP till 30 Sept

The government allowed use of stickers with revised rates, alongside the printed MRP for pre-packaged items, for three months to reflect changes in selling price. The clarification from the government came as several businesses were left with huge unsold inventories before the GST kicked in from 1 July.

The unsold items had an MRP which included all taxes of

pre-GST era but with the implementation of new regime, some of the final retail prices have undergone changes because of increase or decrease in tax incidences.

COMMENT: This clarification comes as a huge relief to the industry as well as the distributors as there was a lot stock lying unsold in the inventory.

No impact of GST on educational services:
Finance Ministry

The Government has denied that education will become expensive under GST and also stated that such reports are completely unsubstantiated. Further, Government also clarified that the services provided by an educational institution are exempted. Moreover, it was clarified that the transportation of students, faculty and staff services provided to an educational institution are also exempt from GST. In this regard, it was clarified that education upto higher secondary school level does not suffer GST on output services and also on input services.

Comment: This comes a huge relief for the education sector.

Inter state conveyance movement carrying goods/ passengers or for repairs would not be supply

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The government clarified that “the inter-state movement of goods like movement of various modes of conveyance, between distinct persons as specified in section 25(4) of the Central Goods and Services Tax Act, 2017, including the ones specified at (i) to (viii) of para 3, may not be treated as supply and consequently IGST will not be payable on such supply.

The government clarified that the issue of inter-state movement of goods like movement of various modes of conveyance, between distinct persons as specified in section 25(4) of the said Act, not involving further supply of such conveyance, including- trains, buses, trucks, tankers, trailers, vessels, containers, aircrafts for carrying goods or passengers or both or for repair and maintenance would not treated as supply of goods or supply of services.

COMMENT: This with regard to the conveyance services provided by the government and other private agencies and transfer of goods between distinct person where such transfer is not for further supply.

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