# THE FINANCE BILL, 2023-GST AMENDMENTS

| Section | Changes Via Finance Bill, 2023 | Our View |
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| | **CGST ACT, 2017** | |
| **Section 10 of CGST Act, 2017** | Clause (d) of sub-section (2) and clause (c) of sub-section (2A) in section 10 of the CGST Act *the words **"goods or" shall be omitted**.* | **Composition dealer can make intra-state supply of goods through e-commerce operator.** |
| **Section 16 of CGST Act, 2017** | In section 16 of the Central Goods and Services Tax Act, in sub-section (2)<br>(i) in the second proviso, for the words "added to his output tax liability, along with interest thereon", the words and figures "paid by him along with interest payable under section 50" shall be substituted;<br>(ii) in the third proviso, after the words "made by him", the words "to the supplier" shall be inserted. | **The amendment now purpose to reversal of ITC in GSTR-3B under other reversal at table 4(B)(2) 'others' instead of adding output tax liability, or it can be paid through DRC-3**<br><br>**No Interest would be charged if ITC remains unutilized.** |
| **Section 17 of CGST Act, 2017** | New Clause Under 17(5) shall be inserted goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;" | **ITC Would not be allowed on CSR Expenditure.** |
| **Substitution of ne w section fo rsection 23** | **Notwithstanding** anything to the contrary contained in sub-section (1) of section 22 or section 24,–<br>(a) the following persons shall not be liable to registration, namely:–<br>(i) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act, 2017; 13 of 2017.<br>(ii) an agriculturist, to the extent of supply of produce out of cultivation of land; | **Person making only exempt supplies and agriculturist now not liable take registration even though required under section 24.**<br>***Section 23 has been given an overriding effect on section 24*** |

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| | (b) the Government may, on the recommendations of the Council, bynotification, subject to such conditions and restrictions as may be specified therein, specifythe category of persons who may be exempted from obtaining registration under this Act.”. | |
| Amendment of section 37 | In section 37 of the Central Goods and Services Tax Act, after sub-section (4), the following sub-section shall be inserted, namely:–– “(5) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period after the expiry of a period of three years from the due date of furnishing the said details: Provided that the Government may, on the recommendations of the Council, bynotification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registeredpersons to furnish the details of outward supplies for a tax period under sub-section (1),even after the expiry of the said period of three years from the due date of furnishing the said details.” | **GSTR-1 cannot be filed after 3 years from due date.** |
| Amendment of section 39 | In section 39 of the Central Goods and Services Tax Act, after sub-section (10), the following sub-section shall be inserted, namely:–– “(11) A registered person shall not be allowed to furnish a return for a tax period after the expiry of a period of three years from the due date of furnishing the said return: Provided that the Government may, on the recommendations of the Council, bynotification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registeredpersons to furnish the return for a tax period, even after the expiry of the said period of three years from the due date of furnishing the said return.”. | **GSTR-3B cannot befiled after 3 years from due date.** |

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| Amendment of section 44. | Section 44 of the Central Goods and Services Tax Act shall be re-numbered as sub-section (1) thereof, and after subsection (1) as so re-numbered, the following sub-section shall be inserted, namely:–– <br> "(2) A registered person shall not be allowed to furnish an annual return under sub-section (1) for a financial year after the expiry of a period of three years from the due date of furnishing the said annual return: <br> Provided that the Government may, on the recommendations of the Council, bynotification, and subject to such conditions andrestrictions as may be specified therein, allow a registered person or a class of registered persons to furnish an annual return for a financial year under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said annual return.". | **GSTR-9 cannot be filed after 3 years from due date.** |
| Amendment of section 52. | In section 52 of the Central Goods and Services Tax Act, after sub-section (14), the following sub-section shall be inserted, namely:–– <br> "(15) The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement: <br> Provided that the Government may, on the recommendations of the Council, bynotification, subject to such conditions and restrictions as may be specified therein, allow an operator or a class of operators to furnish a statement under sub-section (4), even after theexpiry of the said period of three years from the due date of furnishing the said statement.". | **GSTR-8 cannot be filed after 3 years from due date.** |
| Amendment of section 54. | In section 54 of the CGST, in sub-section (6), the words "excluding the amount of input tax credit provisionally accepted," shall be omitted. | 90% of refund shall begranted considering provisionally accepted ITC. |

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| Amendment of section 56. | In section 56 of the Central Goods and Services Tax Act, for the words "from the date immediately after the expiry of sixty days from the date of receipt of application under the said subsection till the date of refund of such tax", the words "for the period of delay beyond sixty days from the date of receipt of such application till the date of refund of such tax, to be computed in such manner and subject to such conditions and restrictions as may be prescribed" shall be substituted. | Rules shall be prescribed |
| Amendment of section 122. | In section 122 of the Central Goods and Services Tax Act, after sub-section (1A), the following sub-section shall be inserted, namely:–– <br><br> "(1B) Any electronic commerce operator who–– <br> (i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply; <br><br> (ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or <br><br> (iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act, shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.". | ECO shall be liable for penalties in following cases: <br><br> . <br> If ECO allows an unregistered for supply of goods or services or both through it <br> • If ECO allow ineligible persons to entered into inter-state supply on its portal <br> • If ECO fails to furnish the details of outward supplies of goods or services or both effected through it |

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| Amendment of section 132. | In section 132 of the Central Goods and Services Tax Act, in sub-section (1),–– (a) clauses (g), (j) and (k) shall be omitted; (b) in clause (l), for the words, brackets and letters "clauses (a) to (k)", the words, brackets and letters "clauses (a) to (f) and clauses (h) and (i)" shall be substituted; (c) in clause (iii), for the words "any other offence", the words, brackets and letter "an offence specified in clause (b)," shall be substituted; (d) in clause (iv), the words, brackets and letters "or clause (g) or clause (j)" shall be omitted. | Minimum Threshold raised to Rs. 2 Crore from Rs 1 Crore. |
| Insertion of new section 158A. | Consent based sharing of information furnished by taxable person. | Consent based sharing of information furnished by taxable person. |
| Retrospective exemption to certain activities and transactions in Schedule III to the Central Goods and Services Tax Act. | In Schedule III to the Central Goods and Services Tax Act, paragraphs 7 and 8 and the Explanation 2 thereof (as inserted vide section 32 of Act 31 of 2018) shall be deemed to have been inserted therein with effect from the 1st day of July, 2017.<br>No refund shall be made of all the tax which has been collected, but which would not have been so collected, had subsection (1) been inforce at all material times | No Refund |

| IGST ACT, 2017 | | |
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| **Section** | **Changes Via Finance Bill, 2023** | **Our View** |
| Amendment of section 2. | In the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the Integrated Goods and Services Tax Act), in section 2,– (a) for clause (16), the following clause shall be substituted, namely:–– '(16) "non-taxable online recipient" means any unregistered person receiving online information and database access or retrieval services located in taxable territory. Explanation.––For the purposes of this clause, the expression "unregistered person" includes a person registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act, 2017'; (b) in clause (17), the words "essentially automated and involving minimal human intervention and" shall be omitted | Definition of OIDAR has been Changed and Enhanced the scope of the Services |
| Amendment of section 12. | In section 12 of the Integrated Goods and Services Tax Act, in sub-section (8), the proviso shall be omitted | Place of supply of services for transportation of goods in case where the goods are being transported to a place outside India, shall either be:<br>• in case of registered person, the location of such person or<br>• in case of person other than registered person, the location where such goods are handed over for transportation |

## Disclaimer

- The list of proposals are only highlights and it is only for general understanding of budget.
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