MODEL GST LAW - Transitional Provisions *"An Analysis"*

- **For Officers appointed under existing Law:**
  - All officer appointed under the Central and State laws shall be deemed to have been appointed as GST officers under the provisions of GST Act.

- **For Existing Taxpayer in relation to registration:**
  - Every dealer registered under any earlier laws shall be issued a Registration Certificate (RC) on provisional basis.
  - Such provisional RC shall be valid for a period of 6 months from the date of issue.
  - Dealer will submit relevant informations as prescribed to the relevant authority.
  - After furnishing of all informations, RC shall be granted on final basis by Central/State Government.
  - RC may be cancelled if dealer fails to furnish the informations within prescribed period.

- **Amount of CENVAT carried forward in earlier return:**
  - A registered taxable person shall be entitled to take credit of CENVAT credit/Value Added Tax credit carried forward in return furnished under earlier laws.
  - Credit shall be allowed if amount was admissible as credit under the earlier laws or Act.

- **Unavailed CENVAT credit on capital goods not carried forward in earlier return:**
  - A registered person shall be entitled to take credit of unavailed CENVAT credit on capital goods, not carried forward in earlier return filed under the earlier law or Act.

- **Credit of duties and taxes in respect of inputs held in stock:**
  - A registered person, who was not liable to registration under earlier law or dealing in exempted goods, but liable to registration under GST laws shall entitled to take credit of eligible duties and taxes in respect of inputs held in stock.

- **Impact on person Switching over to composition scheme:**
    - Dealer, who has carried forward input tax credit in return furnished under earlier laws, switches over to composition scheme under GST laws shall pay an amount equal to credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock.

- **Exempted goods returned to place of business:**
    - When exempted goods (under earlier laws) are removed, not being earlier than 6 months prior to enactment of GST laws, and returned within 6 months from the date of enactment of GST law, no tax shall be payable thereon.

- **Dutiable goods returned to place of business:**
    - When dutiable goods (under earlier laws) are removed, not being earlier than 6 months prior to enactment of GST laws, and returned within 6 months from the date of enactment of GST law, no tax shall be payable thereon.

- **Input removed for job work and returned:**
    - Where any input removed as such or removed after processing, to a job worker under the provisions of earlier law and returned on or after the enactment of GST law, no tax shall be payable if such inputs are returned to the factory within 6 months from the enactment of GST law.
    - Job worker shall be liable to pay tax if such inputs are returned after a period of 6 months from the date of enactment of GST law.
    - Manufacturer shall be liable to pay tax if such inputs are not returned within a period of 6 months from the date of enactment of GST law.
    - For benefit of above provisions, manufacturer and job worker shall declare the details of goods held in stock by job worker on behalf of manufacturer.

- **Provisions relating to Supplementary Invoice or Debit Note or Credit Note:**
    - In case contract entered into prior to enactment of GST law and the price of goods/services revised:

Upwards on or after the enactment of GST laws = Issue Supplementary invoice or debit note.
Downward on or after the enactment of GST laws = Issue supplementary invoice or credit note.

Within a period of 30 days of such revision.

- **Provisions relating to revision of return:**

  - When any return, furnished under any earlier law, is revised and due to such revision any amount is found to be recoverable from the person, the same shall be recovered as arrear.

  - Amount so recovered shall not be admissible as input tax credit under this Act.

- **Provision relating to progressive or periodic supply:**

  - No tax shall be payable for supply of goods or service made after the enactment of GST law if consideration for said supply has been received prior to the enactment of GST law.

- **Provisions relating to retention payments:**

  - No tax shall be payable on supply of goods or services made before the enactment of GST law and part payment received after the enactment of law, provided full tax on such supply has already been paid under the earlier law.

- **Provisions relating to TDS:**

  - Where supplier has made any sale of goods in respect of which tax was required to be deducted at source under earlier law and also issued the invoice before enactment of GST law,

    No tax shall be deducted where payment to the supplier is made on or after the enactment of GST law.

Analysis- No tax deduction at source, if sale of goods made in earlier law and issued invoices before enactment of GST law. But payment may be after the enactment of GST law.