Transitional Provisions Draft Rules

Rule#	Rule title	Form No.	Time limit	Section Ref	Provision	Analysis
1 (1)	Application in respect of tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day	GST TRAN-1	60 days	140 of CGST Act and SGST Act	(1) Every registered person entitled to take credit of input tax under section 140 shall, within sixty days of the appointed day, submit an application electronically in FORM GST TRAN-1, duly signed, on the Common Portal specifying therein, separately, the amount of tax or duty to the credit of which the said person is entitled under the provisions of the said section: Provided that where the inputs have been received from an Export Oriented Unit or a unit located in Electronic Hardware Technology Park, the credit shall be allowed to the extent as provided in sub-rule (7) of rule 3 of the CENVAT Credit Rules, 2004: [*this proviso only in CGST rules*] Provided that in the case of a claim under sub-section (1) of section 140, the application shall specify separately— (i) the value of claims under section 3, sub-section (3) of section 5, sections 6 and 6A and sub-section (8) of section 8 of the Central Sales Tax Act, 1956 made by the applicant during the financial year relating to the relevant return, and (ii) the serial number and value of declarations in Forms C and/or F and Certificates in Forms E and/or H or Form I specified in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 submitted by the applicant in support of the claims referred to in sub-clause (i) above;	This rule will be applicable for availment of credit of eligible duties on stock lying as on date of transition into GST. Application for availment of credit of existing duties/taxes under GST in terms of section 140 of CGST Act, 2017 to be made electronically in form GST TRAN-1 within 60days. Credit on purchases from EOUs/EHTP allowed to the extent of credit equivalent to CVD and SAD (if any). Application should specify the serial number and value of pending Forms C, F, H, E, I under CST Act.

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					(this proviso only in SGST rules)	
1 (2) (a)		GST TRAN-1		140 (2) of CGST Act	Every application under sub-rule (1) shall:- (a) in the case of a claim under sub-section (2) of section140, specify separately the following particulars in respect of every item of capital goods as on the appointed day- (i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day, and (ii) the amount of duty or tax yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day;	For availment of balance credit of capital goods, detail of tax/duty availed earlier and to be availed shall be provided for each item of capital goods in the application.
1 (2) (b)				140 (3), 140 (4(b)), 140 (6), 140 (8), 140 (9) of CGST Act	(b) in the case of a claim under sub-section (3), or the proviso thereto, or clause (b) of sub-section (4), sub-section (6), sub-section (8), sub-section (9) of Section 140 shall specify separately details of stock held on the appointed day;	Separate details to be provided for the Credit pertaining to - stock of inputs and inputs held in SFG or FG on appointed day - person paying tax at fixed rate or fixed amount - person having centralised registration - person who reversed credit of input services due non-payment of consideration within 3 months
1 (2) (c)				140 (5) of CGST Act	(c) in the case of a claim under sub-section (5), shall furnish the following details— (i) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on	Details to be provided for goods in transit or services to be provided after appointed but tax/duty has already paid under existing law. The credit will

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					the basis of which credit of input tax was admissible under the existing law, (ii) the description, quantity and value of the goods or services (iii) the amount of eligible taxes and duties or, as the case may be, the value added tax [or entry tax] charged by the supplier in respect of the goods or services, (iv) the date on which the receipt of goods or services is entered in the books of account of the recipient.	be allowed after submission of the details.
1 (3) (a)				140 (3) of CGST Act	(3) (a) (i) A registered person, who was not registered under the existing law, availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of central excise duty. (ii) Such credit shall be allowed at the rate of [forty per cent.] of the central tax applicable on supply of such goods after the appointed date and shall be credited after the central tax payable on such supply has been paid. (iii) The scheme shall be available for six tax periods from the appointed date. (b) Such credit of central tax shall be availed subject to satisfying the following conditions, namely,- (i) Such goods were not wholly exempt from duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 or were not nil rated. (ii) Document for procurement of such goods is available with the registered person.	Registered person other than manufacturer or supplier of services, is not in possession of an invoice or duty paying document for inputs held in stock and inputs contained in SFG and FG shall be allowed to take credit @ 40% of CGST payable on supply of such goods upto 6 months after appointed day, subject to condition that: - such goods were not wholly exempted or nil rated - document evidencing purchases is available - statement of supply of such goods has been submitted - stock of goods should be stored separately

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					(iii) Registered person availing this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN--- at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period. (iv) The amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal. (v) The stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.	This option is available for a period of 6 months from the appointed date. It is important to note that the stock on which credit is availed needs to be identified separately. The credit will be given only after payment of tax on outward supplies in GST regime.
1 (3) (a)				140 (3) of SGST Act	*(3) (a) (i) A registered person, holding stock of goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of value added tax.* *(ii) Such credit shall be allowed at the rate of [forty per cent.] of the State tax applicable on supply of such goods after the appointed date and shall be credited after the State tax payable on such supply has been paid.* *(iii) The scheme shall be available for six tax periods from*	Input tax credit is allowed @ 40% of SGST payable on supply of goods on which VAT was paid at first point of sale on MRP basis in the States like Orissa, Chandigarh, Jharkhand etc.

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					the appointed date. *(b) Such credit of State tax shall be availed subject to satisfying the following conditions, namely,-* *(i) Such goods were not wholly exempt from tax under the <Name of the State> Value Added Tax Act,…..* *(ii) Document for procurement of such goods is available with the registered person.* *(iii) Registered person availing this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN--- at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.* *(iv) The amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.* *(v) The stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.*	
1 (4)		GST PMT-2	-		(4) The amount of credit specified in the application in FORM GST TRAN-1 shall be credited to the electronic credit ledger of the applicant maintained in FORM GST	Amount of credit of existing taxes/duties specified in GST TRAN-1 shall be credited in GST PMT-2 on

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					PMT-2 on the Common Portal.	GSTN.
2	Declaration of stock held by a principal	GST TRAN-1	60 days	141 of CGST Act and SGST Act	Every person to whom the provisions of section 141 apply shall, within sixty days of the appointed day, submit an application electronically in FORM GST TRAN-1, specifying therein, the stock or, as the case may be, capital goods held by him on the appointed day details of stock or, as the case may be, capital goods held by him as a principal at the place/places of business of his agents/branch, separately agent-wise/branch-wise.	The stock of inputs and capital goods held on appointed day lying at job workers shall be provided with 60 days in the form prescribed.
3	Details of goods sent on approval basis	GST TRAN-1	60 days	142 (12) of CGST Act and SGST Act	Every person having sent goods on approval under the earlier law and to whom sub-section (12) of section 142 applies shall, within sixty days of the appointed day, submit details of such goods sent on approval in FORM GST TRAN-1.	Details of goods sent on approval basis under earlier law shall be provided in the application
4	Recovery of credit wrongly availed	-	-	73 and 74 of CGST Act and SGST Act	The amount credited under sub-rule (3) of rule 1 may be verified and proceedings under section 73 or, as the case may be section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.	Credit @ 40% availed in case of non-availability of duty paying documents of inputs shall be verified and wrong credit availed will be recovered