TAXCONNECT
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TAX CONNECT

Knowledge Partner:

The Bengal Chamber of Commerce & Industry

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THE BENGAL CHAMBER

INCOME TAX

CUSTOMS

TAX CONNECT
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EDITORIAL

Friends,

During the last week there have been a flood of notifications issued under the CGST, IGST and SGST laws. As is our endeavor, we have covered a gist of all notifications issued in the last week in this bulletin.

Further, over the last week there have been a lot of queries on the export procedure. Below is an attempt to bring clarity about the impact of GST on exports and the refund mechanism.

Exports under GST

- Shipping Bill formats including Courier Shipping Bill has been amended to include GSTIN and IGST related information so to ensure that the export benefits like refund of IGST paid as well as accumulated input tax credit can be processed seamlessly.

- Export would be treated as zero-rated supply. Under zero-rated supply IGST paid on export goods or the input tax credit proportionate to the goods and services consumed in goods exported under bond /LUT would be refunded.

    - No amendments have been made to the drawback provisions in the GST regime. Hence, the drawback scheme will continue in terms of both Section 74 and section 75. Option of All Industry Rate (AIR) as well as Brand Rate under Section 75 shall also continue.

- A transition period of three months is also being provided from date of implementation of GST i.e. 1.7.2017. During this period, existing duty drawback scheme under Section 75 shall continue.

  - For exports during this period, exporters can claim higher rate of duty drawback (composite AIR) subject to conditions that:

    i) No input tax credit of CGST/IGST is claimed,

    ii) No refund of IGST paid on export goods is claimed and

    iii) No CENVAT credit is carried forward.

- The exporter can claim brand rate for Customs, Central Excise duties and Service Tax during this period.

- Exporters also have the option of claiming only the Customs portion of AIR and claim refund/ITC under GST laws.

- The invoice meant for shall carry an endorsement “SUPPLY MEANT FOR EXPORT ON PAYMENT OF INTEGRATED TAX” or “SUPPLY MEANT FOR EXPORT UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX”.

EDITORIAL

Following are the procedures for processing of refund claimed-:

- Application form for claiming refund can be filed through the GST portal. Department is yet to give the option for filing the form online.
- Concept of "unjust enrichment" would be examined for reach refund application. If it does not qualify, then the refund would be transferred to Consumer Welfare Fund).
- Refund will be credited electronically to the account of applicant via ECS, RTGS or NEFT.
- Application for refund can be made at end of each quarter.
- No refund shall be provided for an amount of less than Rs 1000.

Refund will only be allowed in the following cases:

i) Zero rated supplies made without payment of taxes.

ii) Where the credit is accumulated due to higher rate in inputs and lower rate outputs.

Refund to International Tourist

An enabling mechanism has been introduced in Section 15 of the IGST Act, 2017 whereby an international tourist procuring goods in India, may while leaving the country seek refund of integrated tax paid by them.

The term, "tourist" has been defined and refers to any person who is not normally a resident of India and who enters India for a stay of not more than 6 months for legitimate non-immigrant purposes

Circular issued by CBEC on 04th July, 2017.

- Any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking.
- This bond or Letter of Undertaking is required to be furnished in FORM GST RFD-11.
- Till the module for furnishing of FORM RFD-11 is available on the common portal. The exporters may download the FORM GST RFD-11 from the website of the CBEC (www.cbec.gov.in) and furnish the duly filled form to the jurisdictional Deputy/Assistant Commissioner.

Above specified provisions shall be applicable to all applications which have been filed on or after 1st July, 2017.

We do hope that this bulletin adds value to your professional sphere.

Just to reiterate that we remain available over a telecom or e-mail.

Truly Yours

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SYNOPSIS

TAX CALENDAR

Due date	COMPLIANCES FROM 09th July, 2017 to 15th July, 2017	CGST/SGST/IGST/UTGST/Others
NO DUE DATES UNDER GST IS AVAILABLE FOR THIS WEEK.		

GST: CGST

NOTIFICATIONS/CIRCULARS

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 14 to 16 /2017-Central Tax dated 01.07.2017 to 07.07.2017** the Central Government notified the following :

CGST Notifications

Notification No.	Notification Date	Subject
14/2017	01.07.2017	Assigning jurisdiction and power to officers of various directorates.
15/2017	01.07.2017	Amending CGST Rules notification 10/2017-CT dt 28.06.2017.
16/2017	07.07.2017	Notification No. 16/2017 - CT (conditions and safeguards for furnishing a Letter of Undertaking in place of a bond for export without payment of integrated tax).

CGST (Rate) Notifications

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 1 to 18 /2017-Central Tax (Rate) dated 28.06.2017 to 30.06.2017** the Central Government notified the following :

CGST (Rate) Notifications

Notification No.	Notification Date	Subject
01/2017	28.06.2017	CGST Rate Schedule notified under section 9 (1)
02/2017	28.06.2017	CGST exempt goods notified under section 11 (1)
03/2017	28.06.2017	2.5% concessional CGST rate for supplies to Exploration and Production notified under section 11 (1)
04/2017	28.06.2017	Reverse charge on certain specified supplies of goods under section 9 (3)
05/2017	28.06.2017	Supplies of goods in respect of which no refund of unutilised input tax credit shall be allowed under section 54 (3)
06/2017	28.06.2017	Refund of 50% of CGST on supplies to CSD under section 55
07/2017	28.06.2017	Exemption from CGST supplies by CSD to Unit Run Canteens and supplies by CSD / Unit Run Canteens to authorised customers notified under section 11 (1) and section 55 CSD
08/2017	28.06.2017	CGST exemption from reverse charge upto Rs.5000 per day under section 11 (1)
09/2017	28.06.2017	Exempting supplies to a TDS deductor by a supplier, who is not registered, under section 11 (1)
10/2017	28.06.2017	CGST exemption for dealers operating under Margin Scheme notified under section 11 (1)
11/2017	28.06.2017	To notify the rates for supply of services under CGST Act
12/2017	28.06.2017	To notify the exemptions on supply of services under CGST Act
13/2017	28.06.2017	To notify the categories of services on which tax will be payable under reverse charge mechanism under CGST Act
14/2017	28.06.2017	To notify the supplies which shall be treated neither as a supply of goods nor a supply of service under the CGST Act
15/2017	28.06.2017	To notify the supplies not eligible for refund of unutilized ITC under CGST Act
16/2017	28.06.2017	To notify specialised agencies entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them under CGST Act
17/2017	28.06.2017	To notify the categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator
18/2017	30.06.2017	Seek to reduce the rate of Central Tax, Union Territory Tax, on fertilisers from 6% to 2.5% and Integrated Tax rate on fertilisers from 12% to 5%

GST: IGST

NOTIFICATIONS/CIRCULARS

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 1 to 18/ 2017-Integrated Tax (Rate) dated 28.06.2017, 05.07.2017** the Central Government notified the following :

IGST (Rate) Notifications		
Notification No.	**Notification Date**	**Subject**
01/2017	28.06.2017	Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the rate of the integrated tax.
02/2017	28.06.2017	Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the rate of the integrated tax.
03/2017	28.06.2017	Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the rate of the integrated tax.
04/2017	28.06.2017	Reverse charge on certain specified supplies of goods under section 5 (3).
05/2017	28.06.2017	Supplies of goods in respect of which no refund of unutilised input tax credit shall be allowed.
06/2017	28.06.2017	Notification prescribing refund of 50% of IGST on supplies to CSD under section 20.
07/2017	28.06.2017	Exemption from IGST supplies by CSD to Unit Run Canteens and supplies by CSD / Unit Run Canteens to authorised customers under section 6 (1).
08/2017	28.06.2017	To notify the rates for supply of services under IGST Act
09/2017	28.06.2017	To notify the exemptions on supply of services under IGST Act.
10/2017	28.06.2017	To notify the categories of services on which integrated tax will be payable under reverse charge mechanism under IGST Act.
11/2017	28.06.2017	To notify the supplies which shall be treated neither as a supply of goods nor a supply of service under the IGST Act.
12/2017	28.06.2017	To notify the supplies not eligible for refund of unutilized ITC under IGST Act.
13/2017	28.06.2017	To notify specialised agencies entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them under IGST Act.
14/2017	28.06.2017	To notify the categories of services the tax on inter-State supplies of which shall be paid by the electronic commerce operator.
15/2017	30.06.2017	Notification for Exemption from Integrated Tax to SEZ.
16/2017	30.06.2017	Seek to reduce the rate of Central Tax, Union Territory Tax, on fertilisers from 6% to 2.5% and Integrated Tax rate on fertilisers from 12% to 5%.
17/2017	05.07.2017	Rescinding Notification No. 15/2017-Integrated Tax (Rate) dated 30.06.2017.
18/2017	05.07.2017	IGST exemption to SEZs on import of Services by a unit/developer in an SEZ.

NOTIFICATIONS/CIRCULARS

RATE OF CENTRAL TAX, UNION TERRITORY TAX, REDDUCE ON FERTILISERS FROM 6% TO 2.5% AND INTEGRATED TAX RATE ON FERTILISERS FROM 12% TO 5%

OUR COMMENTS: The (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No.18/2017-Union Territory Tax (Rate) dated 30.06.2017** has notified the following:

Reduce the rate of Central Tax, Union Territory Tax, on fertilisers from 6% to 2.5% and Integrated Tax rate on fertilisers from 12% to 5%.

E-WAYBILL UNDER WBGST ORDINANCE, 2017

OUR COMMENTS: The Directorate of Commercial Taxes Government of West Bengal vide **Trade Circular No.06/ 2017 dated 30.06.2017** has circulated the following:

A new electronic system is introduced on and from the 1st July, 2017 in respect of issuance of Way Bills under the West Bengal Goods and Services Tax Ordinance, 2017.

As per the new system, the Way Bills will have to be generated and printed from the Directorate's website **www.wbcomtax.gov.in** by the importing persons after furnishing the required particulars, which are described in the circular.

TAX DEDUCTED AT SOURCE

OUR COMMENTS: The Directorate of Commercial Taxes Government of West Bengal vide **Trade Circular No.05/ 2017 dated 29.06.2017** has circulated the following:

- No deduction of STDS/TCS under the WBVAT Act, 2003 to be made w.e.f. 01/07/2017.
- No deduction of TDS under GST is to be made on and from 01/07/2017, till the relevant section is made operative.
- This will apply not only to bills that have been submitted before 01/07/2017, but also to bills submitted on and from 01/07/2017.

For all the deductions of STDS/TCS made under the provisions of the WBVAT Act, 2003 till 30th of June 2017, all the statutory liabilities like payment of deducted STDS/TCS, filing of online Scrolls in Form-19A, generation and issue of TDS/TCS Certificate in Form- 18A have to be discharged in accordance with the provisions of the said Act, even after 1st July, 2017.

GUIDELINES FOR ONLINE ISSUANCE OF GST PERMIT AND TRANSIT PASSES ETC. FOR FACILITATING MOVEMENT OF GOODS

OUR COMMENTS: The Office of the Commissioner of Taxes Government of Assam vide **Circular No. CT/COMP -49/2013/23 dated 07.07.2017** has circulated the Guidelines for online issuance of GST permit and Transit Passes.etc. for facilitating movement of goods.
The existing registered dealers shall access the e-services for GST Permits with their existing VAT User Id and Password.

BIHAR E-WAY BILL

- SUVIDHA form will be known as Bihar e-way Bill Form from 1st July '17.
- Bihar e-way Bill can be generated from CTD web portal.
- Bihar e-way Bill can be applied for:
  - Bihar e-way Bill Form IX - for incoming movement.
  - Bihar e-way Bill Form X - Outgoing movement.
  - Bihar e-way Bill Form VIII - Within State movement.
  - Bihar e-way Bill Form VII - Out to Out movement.
- The commodities in all the Bihar e-way Bill Form will remain in sync and non GST commodities and commodities under GST with HSN code will be displayed. We have referred GST HSN commodity list from https:// www.gst.gov.in/ documents/HSN.pdf.
- NEW Portal Sign up facility is provided for the dealers who are registered with GST only (Not having VAT TIN in the system).

OTHER TOPICS UNDER GST

NOTIFICATIONS/CIRCULARS

REVERSE CHARGE ON SPECIFIED GOODS & SERVICES

Section 9(3) of CGST/SGST acts provides that, Government may specify categories of supply of goods or services which shall be paid on reverse charge basis i.e. tax shall be paid by the recipient of such goods or services. In this regards two notifications have been issued providing the list of goods and services, wherein the purchaser/recipient has the liability to pay GST.

Reverse Charge on Procurement by Registered Person from Unregistered Person Section 9(4) of CGST/SGST Act provides that in case of procurement of goods or services by a registered person from an unregistered person then the registered person shall pay GST on reverse charge basis as if he is the person liable for paying the tax.

This provision of section 9(4) is applicable for all the procurement whether same is for procurement of raw material or any other direct or indirect expenses.

Section 9(4) shall come into play if the below conditions are met:

- There should be supply.
- Supply should be in respect of taxable goods or services or both.
- Supply must be by unregistered person.
- Supply must be to registered person.

- If the supply involved exempt goods or services or both this section won't be applicable.

Exemption to Section 9(4)
Vide Notification 08/2017 dated 28/06/2017, reverse charge provisions would not be applicable if the aggregate value of such supplies of goods or service or both received by a registered person from any or all the suppliers, who is or are not registered, does not exceed Rs.5000 in a day.

Registration
All persons procuring gods/services notified above, on which GST is payable on reverse charge, have to be registered mandatorily as per Section 24 (iii) of CGST/SGST law, irrespective of the threshold.

Time of supply for goods under reverse charge

In case of reverse charge, the time of supply shall be the earliest of the following dates –

- The date of receipt of goods OR

- The date of payment OR

- The date immediately after 30 days from the date of issue of invoice by the supplier

If it is not possible to determine the time of supply under (a), (b) or (c), the time of supply shall be the date of entry in the books of account of the recipient.

Time of supply for services under reverse charge
In case of reverse charge, the time of supply shall be the earliest of the following dates –

(a) The date of payment

OR

(b) The date immediately after 60 days from the date of issue of invoice by the supplier

If it is not possible to determine the time of supply under (a) or (b), the time of supply shall be the date of entry in the books of account of the receiver of service.

Input tax credit on reverse charge supplies
Tax paid on reverse charge basis will be available for input tax credit if such goods and/or services are used in the course or furtherance of business. The service recipient (i.e., who pays reverse tax) can avail input tax credit.

Invoice in case of reverse charge
As per section 31(3)(f), person discharging GST liability under reverse charge under section 9(3) or 9(4) shall issue an invoice in respect of goods or services or both received by him from the supplier. Further as per 31(3)(g) shall issue a payment voucher at the time of making payment to the supplier.

INCOME TAXES

ANALYSIS

NOTIFICATIONS/CIRCULARS

CLARIFICATIONS IN RESPECT OF SECTION 269ST OF THE INCOME-TAX ACT, 1961

OUR COMMENTS: The CBDT (Dept. of Revenue), Ministry of Finance, Government of India vide **Circular No.22 of 2017, dated 03.07.2017** has circulated the following:

- New section 269ST has been inserted in the Income-tax Act, 1961.
- The said section inter-alia prohibits receipt of an amount of two lakh rupees or more by a person, in the circumstances specified therein through modes other than by way of:
  - an account payee cheque or
  - an account payee bank draft or
  - use of ECS through a bank A/c.
- Penal provisions have also been introduced by way of a new section 271DA.

C.G. SPECIFIES PROVISION SHALL NOT APPLY U/S 269ST- BEHALF OF A BANKING COMPANY/ CO-OPERATIVE BANK, IN ACCORDANCE WITH THE GUIDELINES ISSUED BY THE R.B.I.

OUR COMMENTS: The CBDT (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No.57/ 2017, dated 03.07.2017** has notified the following:

Central Government specifies provision shall not apply u/s 269ST- behalf of a banking company or co-operative bank, in accordance with the guidelines issued by the Reserve Bank of India.

INCOME –TAX (18TH AMENDMENT) RULES, 2017

OUR COMMENTS: The CBDT (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No.58/ 2017, dated 03.07.2017** has notified the following:

The Central Board of Direct Taxes hereby makes the Income –tax (18th Amendment) Rules, 2017 further to amend the Income-tax Rules, 1962.

INCOME-TAX (19TH AMENDMENT) RULES, 2017

OUR COMMENTS: The CBDT (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No.59/ 2017, dated 04.07.2017** has notified the following:

The Central Board of Direct Taxes hereby makes the Income –tax (19th Amendment) Rules, 2017 further to amend the Income-tax Rules, 1962.

INDIA'S ADVANCE PRICING AGREEMENT REGIME MOVES FORWARD WITH SIGNING OF MORE ADVANCE PRICING AGREEMENTS BY CBDT

The Central Board of Direct Taxes (CBDT) entered into 5 Unilateral Advance Pricing Agreement with Indian taxpayers during June, 2017.

These agreements provide certainty to taxpayers in the domain of transfer pricing by specifying the methods of pricing and determining the arm's length price of international transactions in advance for the maximum of five future years.

The APAs signed in June, 2017 pertain to healthcare, information technology and gaming/animation (media) sectors of the economy.

The taxpayer has the option to rollback the APA for four preceding years, as a result of which, tax certainty for a total period of nine years is provided.

The number of Unilateral APAs signed in the current financial year is now 9 and the number of Bilateral APAs signed in the current financial year is 1.
With this, the total number of APAs signed since the commencement of the program till date stands at 162 (Unilateral-150 and Bilateral-12).

CUSTOMS

NOTIFICATIONS/CIRCULARS

REVISED RATES OF REBATE OF STATE LEVIES ON EXPORT OF GARMENTS AND TEXTILE MADE-UP ARTICLES W.E.F. 01.07.2017

OUR COMMENTS: The (Dept. of Revenue), Ministry of Finance, Government of India Drawback Division vide **Circular No.28 /2017 –Customs, dated 06.07.2017** has circulated the following:

Revised rates of Rebate of State Levies on Export of Garments and textile made-up articles w.e.f. 01.07.2017.

These revised rates on garment and textile made-up exports under ROSL Scheme are applicable to exports with Let Export Order dates from 1.7.2017 onwards.

DISPOSAL OF SEIZED/ CONFISCATED CIGARETTES OF FOREIGN ORIGIN VIS-À-VIS PROVISIONS OF THE CIGARETTES AND OTHER TOBACCO PRODUCTS (PACKAGING AND LABELLING) RULES, 2008.

OUR COMMENTS: The (Dept. of Revenue), Ministry of Finance, Government of India, Anti Smuggling Unit vide **Circular No.27 /2017 –Customs, dated 05.07.2017** has circulated the following:

Disposal of seized/ confiscated cigarettes of foreign origin vis-à-vis provisions of the Cigarettes and other Tobacco products (Packaging and Labeling) Rules, 2008.

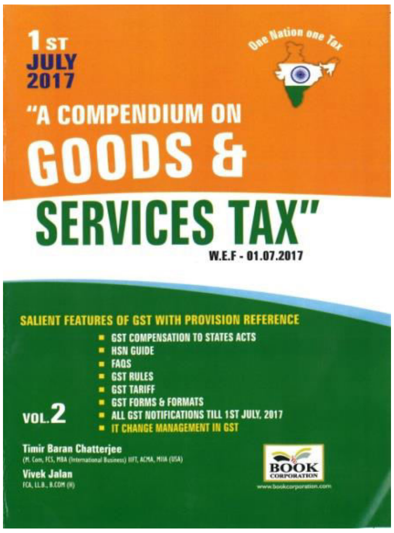
Customs (Non Tariff) Notifications

Notification No.	Notification Date	Subject
60/2017	29.06.2017	The Shipping Bill and Bill of Export (Forms) Regulations, 2017.
61/2017	29.06.2017	The Shipping Bill (Electronic Declaration) (Amendment) Regulations, 2017.
62/2017	30.06.2017	Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Sliver.
63/2017	30.06.2017	Amendment to notification No.93/2016-Customs (NT) dated 1st July, 2016.
64/2017	30.06.2017	Further amendment to Principal Notification No. 12/97-Cus (N.T.)
65/2017	30.06.2017	Bill of entry (Forms) (Amendment) Regulations, 2017
66/2017	30.06.2017	Related to the Courier Imports and Exports (Clearance) (Amendment) Regulations.
67/2017	30.06.2017	Courier Imports and Exports (Electronic Declaration and Processing) (Amendment) Regulations, 2017.
68/2017	30.06.2017	Customs (Import of Goods at concessional Rate of Duty) Rules, 2017.
69/2017	01.07.2017	Notification for further amendment in CBEC Tariff Value Notification No. 62/2017-Customs (N.T.) dated 30.06.2017.
70/2017	06.07.2017	Rate of exchange of conversion of the foreign currency with effect from 7th July, 2017.

NOW AVAILABLE FROM 10TH JULY, 2017 IN STANDS

A COMPENDIUM ON GOODS & SERVICES TAX

(Including ALL Notifications till 01st July, 2017)



ABOUT THE BOOK: PART A of the Book provides a Chapter wise and Topic wise Analysis of the Law. Along with this it provides Section and Rules where in the reader may find the Legal Provisions. It will help the reader to first understand the provision and then to exactly locate the provision. It provides an insight into the following:

1. Section-wise Compilation of IT Changes under GST
2. The GST Rates as finalised by The GST Council along with the HSN Code Referencer.
3. FAQs on GST
4. CGST, IGST, UTGST and The GST Compensation to States Acts
5. The Rules related to GST available in public Domain as on 17th June 2017.
6. The Forms and formats related to GST available in public Domain as on 17th June 2017.

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