Tax Talk

GST GST

The Monthly Goods & Services Tax Bulletin Rs. 5/-

Editorial...

Four months have been passed since the Goods and Services Tax was applied and India is still gearing up to face the major challenges and teething issues. Along with the joy of celebrating Diwali, the festival of lights, the month of October was proved to be the crucial period for witnessing onerous tasks as the due dates of compliances of auditing, filing Income Tax Returns and the 4 back to back GST Returns. Filing of Goods and Services Tax (GST) returns have not been a smooth process due to technical glitches faced in the GST Network (GSTN), resulting again in the extension of the due date for filing GSTR-2(July), GSTR- 3(July) and Tran-1. Extending GSTR-2 deadlines hampers the filing of pending GSTR-1.Government should have initiated manual submission of forms by taxpayer, for say initial one year, which might have reduced the challenges in online filings. The system seems to be not yet ready, but govt is expecting people to be ready for timely compliance.

Ad hoc changes in GST rates on certain items and rules after implementation along with levying time bomb of late fees for delay in filing returns bothered the tax payers. However, the government finally waived the late fees for filing GSTR-3B for the month of Aug and Sept.

The 22nd GST Council meeting was held to discuss more measures to ease the business operations. There have been various positive decisions taken pertaining to GST return filing, Composition scheme, GST rates resulting into big relief for SMEs. The compliance burden for Small and Medium Enterprises (SMEs) with an annual aggregate turnover of less than Rs.1.5 crores was reduced by allowing them to file quarterly GST returns. However, the taxpayer can avail ITC and file FORM GSTR-3B (till Dec'17) on monthly basis. Increasing the aggregate turnover threshold from Rs. 75 lacs to Rs. 1 crore for enrolling under the GST Composition Scheme made the composition scheme more attractive for SMEs. The aggregate turnover threshold for special category States, except Jammu & Kashmir and Uttarakhand, has also been increased to Rs. 75 lacs from Rs. 50 lacs whereas the turnover threshold for Jammu & Kashmir and Uttarakhand has been fixed at Rs. 1 crore. The due date for enrolling under the increased threshold is 31st March, 2018. The decision of suspending GST on reverse charge basis for supplies from an unregistered person till 31st March, 2018 will provide a major boost to micro, small and medium businesses. SMEs will also not be required to pay GST at the time of receipt of advances on account of supply of goods. Goods Transport Agency are now no more reluctant in extending services to unregistered persons as service of Goods Transport Agencies (GTAs) to unregistered persons is exempt from GST.

In order to give trade and industry more time to get acquainted with the e-way bill system, Govt has postponed it 31st March, 2018. Also due date for registration of TDS/TCS provisions has been extended till 31st March, 2018. The tax payers can now make Application for Amendment in core and non-core fields of registration and also Cancellation of registration. However, it has become hurdle for those tax payers who have mistakenly issued a tax invoice during the period as they have to wait for FORM GST REG-16.

The Government brought a big relief for supply of goods to exporter for export of such goods by reducing the rate to 0.1% . Further, Finance Ministry exempted the supply of services in Nepal and Bhutan if received in INR, which were not on equal footing earlier. Analysing the amendment, government could have considered it as export to reward the taxpayer with Input Tax Credit benefit.

For GST to gain better acceptance, more flexibility is required when it comes to refunds. Why this is very important is that the refunds put funds back in the hands of the taxpayer, who can then use it to fund their working capital requirements.

We hope this newsletter will add some value and prove to be beneficial to the readers. We highly solicit suggestion/opinions of the readers. Please feel free to convey your views at servicetaxgoyal@gmail.com. You may refer all earlier issues of Tax Talk at www.gstpeople.com

CA Sushil Kr Goyal

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Transit Cargo (Nepal/Bhutan)
31/2017-ITR, 30/2017-CTR, 30/2017-UTR

Services associated with transit cargo to Nepal and Bhutan has been exempted.

(31/2017-Integrated Tax (Rate), dt. 29-09-2017)

(30/2017-Central Tax (Rate), dt. 29-09-2017)

(30/2017-Union Territory tax(rate), dt. 29-09-2017)

Export on LUT 37/2017-CT

Letter of Undertaking to be furnished in place of a bond to supply goods or services without payment of integrated tax

- for export
- zero-rated supply to a SEZ

subject to the conditions specified.
(37/2017-Central Tax,dt. 04-10-2017)

Handicraft Goods
38/2017-CT, 9/2017-IT

Amending notification no. 32/2017-CT the scope of Handicraft goods has been enlarged by adding goods such as textile, chain stich, crewel namda, Witcher, Toran, Articles made of Shola, which grants exemption to a casual taxable person making taxable supplies of handicraft goods from the requirement to obtain registration.

(38/2017-Central Tax, dt. 13-10-2017)

(09/2017-Integrated Tax, dt. 13-10-2017)

Cross Empower
11/2017-IT, 39/2017- CT

State or Union Territory tax officer are authorised to issue refund of Central and Integrated tax u/s 54 and 55.

(39/2017-Central Tax,dt. 13-10-2017)

(11/2017-Integrated Tax,dt. 13-10-2017)

Advance Received 40/2017-CT

No tax on advance to be paid by supplier of goods whose turnover was below Rs.1.5 crores during preceding F.Y.

(40/2017-Central Tax,dt. 13-10-2017)

42/2017-ITR

Supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees.

CGST Rules Amended
45/2017-CT

Following amendments have been made in CGST Rules:

- Invoice cum bill of supply may be issued while supplies to unregistered person.
- ITC-03 to be filed within 90 days of opting for composition scheme for detail of stocks and tax paid thereon.
- Invoice by banking company to be called as consolidated tax invoice and to be issued at the end of the month for services supplied.

(45/2017-Central Tax, dt. 13-10-2017)

Composite Scheme
46/2017-CT

Turnover threshold for registration under composite scheme increased to Rs.1 crore. It shall be Rs.75 lacs for special category states.

(46/2017-Central Tax, dt. 13-10-2017)

Exemption from Registration
10/2017-IT

Exemption from obtaining registration to persons making inter-State supplies of taxable services having aggregate turnover not exceeding Rs. 20 lakh (Rs.10 lakh in case of special category States other than J&K) in a financial year.

34/2017-ITR, 33/2017-CTR,
33/2017-UTR

Service provided by the members of overseas committee to RBI is added in the list of RCM. RBI, being service receiver, would be liable to tax.

35/2017-ITR, 34/2017-CTR
34/2017-UTR

New entries of goods made in the Schedule as notified by CG with respective rates as specified.

36/2017-ITR, 35/2017-CTR
35/2017-UTR

New entries of goods made in the Schedule as notified by CG with respective rates as specified.

Updates

37/2017-ITR, 36/2017-CTR
36/2017-UTR

Reverse charge attracts when government supply used vehicles, old and used goods, waste and scraps to a registered person.

32/2017-ITR, 38/2017-CTR
38/2017-UTR

Liability to pay tax under reverse charge u/s 9(4)/5(4) postponed till 31.3.18 by all registered recipients

40/2017-ITR, 39/2017-CTR

Supply of food in unit container for free distribution to poor under a CG/SG approved programme would be taxed at reduced rate of 5% subject to a certificate from proper officer is obtained within 5 months after supply.

41/2017-ITR, 40/2017-CTR
40/2017-UTR

Supply of goods for export to exporter would be taxed at a token rate of 0.1% subject to fulfilment of specified conditions.

49/2017-CT

Central Government has notified evidences required to be produced by supplier of deemed export supplies for claiming refund as per CGST rule 89.

48/2017- CT

Supply of goods by a registered persons listed below are notified as deemed export:

- Goods against Advance Authorisation
- Capital goods against Export Promotion Capital Goods Authorisation
- Supply to Export Oriented Unit
- Supply of gold by a bank or PSU against Advance Authorisation.

38/2017-ITR, 37/2017-CTR
37/2017-UTR

Relief of 35% of tax has been provided on vehicle acquired and leased prior to 1/7/2017 till 30/6/2020

50/2017-CT

Late fees for filing GSTR-3B for August and September has been waived.

51/2017-CT

CGST Rules amended:

- Form REG-29 can be submitted till 31st Dec,2017
- Commission authorised to extend the time limit for filing ITC-04
- Table 6A of FORM GSTR-1 to be furnished for information relating to export

39/2017-ITR, 31/2017-CTR

New entries for supply of certain services made by CG with respective rates as specified

CIRCULARS ISSUED IN OCTOBER

S.No.	Circular No.	Date	Particular
1	9/9/2017	18.10.2017	Officer authorised for enrolment or rejection of Goods and Service Tax Practitioner in application in Form GST PCT-1.
2	10/10/2017	18.10.2017	Clarifications provided on goods(such as jewellery) which require approval to move within the state or to another state for supply
3	11/11/2017	20.10.2017	Taxability of printing contracts like supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc. printed with logo, design, name, address or other contents supplied by the recipient of such printed goods, are composite supplies and would be determined on the basis of what constitutes the principal supply
4	12/12/2017	26.10.2017	GST will be payable by the refinery on the value of net quantity of superior kerosene oil (SKO) retained for the manufacture of Linear Alkyl Benzene (LAB).
5	13/13/2017	27.10.2017	Unstitched Salwar Suits, classifiable under the heading of fabric and would attract GST rate of 5%

Compliance Chart

GST RETURN				
Period	**Form No**	**Description**	**Who should File**	**Due Date**
July	GSTR - 2	Inward Supplies	Regular Taxpayer	30th November
	GSTR - 3	Monthly Return	Regular Taxpayer	11th December
July, August, September	GSTR – 4	Quarterly (July to September)	Composite Dealer	15th November
	GSTR- 5A	Monthly Return (July, August, September)	Non Resident/OIDAR	20th November
	GSTR - 6	Monthly Return (July, August, September)	Input Service Distributor	15th November
	GST ITC-01	-	Newly Registered	30th November
	GST ITC-04	Quarterly (July to September)	Principal Manufacturer	30th November
October	GSTR - 3B	Summary Return	Regular Taxpayer	20th November
	GST TRAN - 1	Form for claiming Transitional Credit	-do-	20th November* /30th November
		*Credit in GST TRAN1 can be utilised in October 's return only if filed before 20th November.		

GST PAYMENT	
DESCRIPTION	**DUE DATE**
Due date for payment of tax for the month of October, 2017 for all assessee	20th November

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