Major amendments in The Central Goods and Services Tax Act, 2017

Sl No	Section/Sub-section/Clause	Amendments
1	Section 2 – Definitions	Sub section (102) definition of 'Services' amended to include 'facilitating or arranging transactions in securities'
2	Section 7 – Meaning and Scope of Supply	Sub-clause (d) of Sub section (1) omitted to limit Scope of supply to Sub-Clause (a), (b) and (c) only and Sub Section (1A) inserted to clarify that where certain activities or transactions, constitute supply under provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II. This shall help trade in ignoring certain clauses of Schedule II which as well treated some of the transactions as supply
3	Section 9 – Levy Section	Sub Section (4) substituted to allow Government to notify **certain class of registered persons** as persons liable to pay tax on reverse charge basis on certain **specified category of supplies** received from unregistered persons instead reverse charge payment by all category of registered persons on blanket supplies received from unregistered persons
4	Section 10 – Composition Scheme	Amended to increase composition threshold to one crore fifty lakh rupees and to allow composition taxpayers to supply services (other than restaurant services), for up to a value not exceeding ten per cent. of turnover in the preceding financial year, or five lakh rupees, whichever is higher. Further amendment also made to specify that the fixed rate will apply only for outward transaction of the registered persons covered under Section 9(1) only and not to reverse charge covered under 9(3) or 9(4) on which he has to pay at applicable rate
5	Section 12 and Section 13 - time of supply of Goods and/or Services	amended to specify that time of supply will be determined in terms of date of issue of invoice specified under all relevant sub sections of Section 31 instead of only sub section (1) of Section 31. This will allow determination of time of supply for categories of supplies such as continuous supply of goods or services, goods sent on approval for sale or return basis, notified goods and services liable for reverse charge etc. on the basis of date of raising invoices specified for such category of services under Section 31
6	Section 16 – Input Tax Credit	amended to allow the registered person to take credit on any services where such services are provided by supplier to any other person on the direction of such registered person. In terms of the amended provision. It will be deemed that the person giving direction has received the said services. This provision is parallel to the Bill to Ship to mode of supply of goods where the person giving direction to supply goods to the recipient i.e. the bill to guy is allowed to take credit. However, in case of supply of goods parallel provisions are also

		incorporated in the Place of supply provisions under Section 10(b) the IGST Act wherein in it is deemed that place of supply of such goods will be treated as the registered place of business of the Bill to guy and not the actual recipient of goods. In the case of supply of service there is no such parallel provisions provided for determining place of supply in the case of such services. This may create complications in availing ITC since place of supply of certain category of services such as WCT etc. will be location of the immovable property and if the same is different from the location of the person giving direction then taking ITC of a different state may be questioned by the Department or may not match unless GSTN is suitably aligned as the tax paid could be CGST and SGST if the supplier of such services and place of supply is same whereas the customer/ client for such services would be in different State. In such case need to keep eye on any clarification that may get issued in this regard
7	Section 17 – manner of availment of ITC	Sub-Section (3) amended to provide that for the purpose of apportioning common credits between taxable supplies and exempt supplies, value of such exempt supplies shall not include transactions specified in Schedule III except Land and Building specified in the said schedule Sub - Section (5), clause (a) and (b) substituted to deny credit on • motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver) and vessels and Aircrafts instead of denying credit on all motor vehicles and other conveyances. This means motor vehicles having seating capacity more than thirteen persons are eligible for credit. Further credit is also available in case above category of conveyances used for making taxable supplies of further supply of such conveyance, used for transportation of passengers, imparting training or for transportation of goods. • General insurance, servicing, repair and maintenance of Motor vehicle, vessel and Aircraft except where such conveyances used for making taxable supplies of further supply of such conveyance, used for transportation of passengers, imparting training or for transportation of goods or where such services are received by a taxable person engaged in the manufacture of such conveyances, or are used in the supply of general insurance services in respect of such conveyances. • Leasing, renting or hiring of motor vehicles, vessels or Aircrafts Proviso inserted in Sub-section (5) to allow credit on any goods or services where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.

8	Section 25 – Registration provisions	• Changes made in Section permitting multiple registration for multiple place of business instead of multiple business verticals in a state. Accordingly, definition of 'Business vertical in Section 2 of the CGST Act is omitted • Changes also made to specify that SEZ unit has to take separate registration in the State.
9	Section 34 – Credit Note/ Debit Note provisions	Provisions amended to permit raising consolidated Debit/Credit Notes for invoices issued during the same financial year
10	Section 43A – Manner of filling return and availing ITC	New Section inserted to provide for manner of filling returns and availing credit
11	Section 49 – Payment of tax	Section amended to provide that ITC of State tax can be used for payment of integrated tax only where no balance of central tax is available for payment of such Integrated tax. This means that SGST can be utilised for payment of IGST only where balance of IGST and CGST are fully exhausted
12	Section 49A – new Section inserted	Inserted to specify that ITC on account of CGST and SGST can be utilised towards payment of IGST, CGST and SGST as the case may be only after ITC available on account of IGST has been fully exhausted towards payment of such taxes. This means IGST has to be fully exhausted first and thereafter only other taxes can be utilised
13	Section 54 – Refund provisions	• amended to provide for receipt in foreign currency or in Indian rupees wherever permitted by the Reserve Bank of India as realisation towards export of services • amended to provide that doctrine of unjust enrichment applies to refund claim arising out of supplies made to SEZ. Sub Section (8)(a) of Section 54 amended and the word export inserted in place of the word Zero rated supply • amended to provide due date of furnishing monthly return as relevant date for filling refund on account of inverted duty structure instead of end of financial year. This will permit monthly filling of such claims instead of yearly filling
14	Section 79 – Recovery of tax	amended to enable Recovery Proceedings against distinct person in another state also
15	Section 107 – Appeal before	amended to provide for restriction of maximum pre-deposit upto twenty-five crore for filling appeal before Appellate authority

	Appellate authority	
16	Section 112 – Appeal before Appellate Tribunal	amended to provide for restriction of maximum pre-deposit upto Fifty crore for filling appeal before Appellate Tribunal
17	Section 140 – Transitional provisions	amended retrospectively to deny credit of Cess such as KKC under TRAN 1
18	Section 143 – Job work provisions	amended to enable Commissioners to extend time line for receipt of inputs or capital goods sent for job work for a further period of One year for inputs and two years for Capital goods
19	Schedule I of the CGST Act, 2017	amended and entry 4 amended to provide that any person (instead of taxable person) importing services from a related person or from any of his other establishments outside India without consideration will be considered as supply
20	Schedule III of the CGST Act, 2017	amended to include the following as not amounting to supply – • Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India • Supply of warehoused goods to any person before clearance for home consumption • Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption (High sea sales)