TAXCONNECT

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TAX CONNECT

Knowledge Partner:

The Bengal Chamber of Commerce & Industry

INCOME TAX

CUSTOMS

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EDITORIAL

Friends,

GST Council held its 31st meeting on 22nd December, 2018 at New Delhi and took key decisions relating to changes in GST rates on goods and services:

- Single cash ledger proposed for particular tax heading and modalities will be settled after the consultation with accounting and GSTN authorities.
- Single disbursement authority scheme for the refund amount sanctioned from either the Centre or the State tax authorities will be tried and implemented on the pilot scheme.
- The revised return filing system is scheduled for the trial basis from 1st April 2019 and for the mandatory basis from the 1st July 2019.
- **Annual returns of the forms including FORM GSTR-9, FORM GSTR-9A and reconciliation statement in FORM GSTR-9C for the Financial Year 2017 – 2018 due dates extended till 30th June 2019.**
- Form GSTR 8 due date for the e-commerce operators for the given months i.e. October, November and December 2018 for the extension till 31st January 2019.
- Form GST ITC 04 due date for the time period i.e. July 2017 to December 2018 extension till 31st March 2019.
- Invoice issued by the suppliers within the time period of FY 2017-18 in context to ITC is to be availed by the recipient till the due date for the purpose of furnishing Form GSTR 3B for the month of March 2019 pertaining to particular conditions
- Forms to be made available via FORM GST RFD 01A:

  i) Refund on account of Assessment/Provisional Assessment/Appeal/Any Other Order;
  ii) Paid-up tax on an intra-State supply which is particularly held to be inter-State supply and vice-versa;
  iii) Excess payment of Tax; and
  iv) Any other refund.

- In case of applications for refund in FORM GST RFD-01A which are generated on the common portal before the rollout of the specified functionality, and which have not been submitted in the jurisdictional tax office within 60 days of the generation of ARN, the claimants shall be sent email containing information on where to submit the said refund applications. If the applications are not submitted within 15 days of the date of the email, the application shall be rejected.
- An additional window for completion of the migration process is being allowed. The due date for the taxpayers had not filed the complete FORM GST REG-26 but have received Provisional ID (PID) only till 31.12.2017 for furnishing the requisite details to the jurisdictional nodal officer shall be extended till 31.01.2019.
- Late fee shall be completely waived for all taxpayers in case FORM GSTR-1, FORM GSTR-3B &FORM GSTR-4 for the months/quarters July 2017 to September 2018, are furnished after 22.12.2018 but on or before 31.03.2019.
- Taxpayers who have not filed the returns for two consecutive tax periods shall be restricted from generating e-way bills.
- Changes made by CGST (Amendment) Act, 2018, IGST (Amendment) Act, 2018, UTGST (Amendment) Act, 2018 and GST (Compensation to States) Amendment Act, 2018 and the corresponding changes in SGST Acts would be notified w.e.f. 01.02.2019.

The recommendations with respect to rate reduction have been summarized in the Press Information Bureau released by the Government on 22.12.2018 as follows:

<u>Rate reduction on goods which were attracting GST rate of 28%</u>

- **28% to 18%**
  - Pulleys, transmission shafts and cranks, gear boxes etc., falling under HS Code 8483
  - Monitors and TVs of upto screen size of 32 inches

EDITORIAL

- Re-treaded or used pneumatic tyres of rubber;
- Power banks of lithium ion batteries. Lithium ion batteries are already at 18%. This will bring parity in GST rate of power bank and lithium ion battery.
- Digital cameras and video camera recorders
- Video game consoles and other games and sports requisites falling under HS code 9504.

28% to 5%

- Parts and accessories for the carriages for disabled persons

Rate reduction on other goods

- **18% to 12%**
  - Cork roughly squared or debagged
  - Articles of natural cork
  - Agglomerated cork
- **18% to 5%**
  - Marble rubble
- **12% to 5%**
  - Natural cork
  - Walking Stick
  - Fly ash Blocks
- **12% to Nil**
  - Music Books
- **5% to Nil**
  - Vegetables, (uncooked or cooked by steaming or boiling in water), frozen, branded and put in a unit container
  - Vegetable provisionally preserved (for example by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.

GST on solar power generating plant and other renewable energy plants

- 5% GST has been prescribed on renewable energy devices & parts for their manufacture (bio gas plant/solar power based devices, solar power generating system (SGPS) etc) [falling under chapter 84, 85 or 94 of the Tariff].
- Other goods or services used in these plants attract applicable GST.
- Certain disputes have arisen regarding GST rates where specified goods attracting 5% GST are supplied along with services of construction etc and other goods for solar power plant.
- To resolve the dispute the Council has recommended that in all such cases, the 70% of the gross value shall be deemed as the value of supply of said goods attracting 5% rate and the remaining portion (30%) of the aggregate value of such EPC contract shall be deemed as the value of supply of taxable service attracting standard GST rate.

Reduction in GST rates/exemptions on services

- GST rate on cinema tickets above Rs. 100 shall be reduced from 28% to 18% and on cinema tickets upto Rs. 100 from 18% to 12%.
- GST rate on third party insurance premium of goods carrying vehicles shall be reduced from 18% to 12%
- Services supplied by banks to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY) shall be exempted.
- Air travel of pilgrims by non-scheduled/charter operations, for religious pilgrimage facilitated by the Government of India under bilateral arrangements shall attract the same rate of GST as applicable to similar flights in Economy class (i.e. 5% with ITC of input services).

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

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

Truly Yours

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TAX CALENDAR

Due date	Form	Description
30th December 2018	Form No.26QB	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of November, 2018
30th December 2018	Form 26QC	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of November, 2018

GUIDELINES FOR PROCESSING OF APPLICATIONS FOR FINANCIAL ASSISTANCE UNDER THE CENTRAL SECTOR SCHEME NAMED 'SEVA BHOJ YOJNA' OF THE MINISTRY OF CULTURE

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India vide **Circular No. 75/49/2018-GST dated 27.12.2018 has issued** Guidelines for processing of applications for financial assistance under the Central Sector Scheme named 'Seva Bhoj Yojna' of the Ministry of Culture.

The Ministry of Culture introduced a **Central Sector Scheme called the 'Seva Bhoj Yojna'** for the reimbursement of central tax and the Central Government's share of integrated tax paid on the purchase of certain raw food items namely, ghee, edible oil, sugar/ burra/ jaggery, rice, atta/ maida/rava/flour and pulses used for distributing free food to general public/devotees by charitable/religious institutions like Gurudwaras, temples, Dharmik Ashrams, Mosques, Dargahs, Churches, Math, Monasteries, etc.

The Scheme is operational from the 1st of August, 2018. Detailed guidelines were issued by the Ministry of Culture vide F. No. 131/2018-US (S&F) dated 01.08.2018 in this regard.

- The applications for reimbursement of the said taxes shall be processed by a designated nodal central tax officer of each State or Union territory.

- The designated nodal officers for the purpose of facilitating the processing of refund applications for UIN entities as per Circular No. 36/10/2018-GST, dated 13th March, 2018 issued vide F. No. 349/48/2017-GST shall act as nodal officers for this Scheme as well.

- The Directorate General of Goods and Services Tax (DGGST), 5thFloor, MTNL (Telephone Exchange) Building, 8, Bhikaji Kama Place, New Delhi-110066 shall be the central nodal agency for reporting and monitoring the reimbursement of the said taxes by the nodal officers under the Scheme.

- Further detailed guidelines have been discussed under the following heads in the circular:
  - Application for obtaining Seva Bhoj Yojana - Unique Identity Number (SBY-UIN)
  - Application for claiming reimbursement of the said taxes in FORM SBY-03
  - Processing of the application filed in FORM SBY-03
  - Reporting of the reimbursement claims filed and processed

Please refer the circular for details.

INCOME TAX

NOTIFICATIONS/CIRCULARS

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF HONG KONG SPECIAL ADMINISTRATIVE REGION OF PEOPLE'S REPUBLIC OF CHINA FOR AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India vide **Notification 89/2018 dated 21.12.2018** has notified that Agreement between the Government of the Republic of India and the Government of the Republic of the Hong Kong Special Administrative Region of People's Republic of China for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income which was signed at Hong Kong on the 19th March, 2018 shall be given effect to in the Union of India.

Please refer the notification for details.

EXPLANATORY NOTES TO THE PROVISIONS OF THE FINANCE ACT, 2018

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **CIRCULAR No. 8/2018 dated 26.12.2018** has issued Explanatory Notes to the Provisions of the Finance Act, 2018. Please refer the circular for details.

EXTENSION OF THE DUE DATE FOR FURNISHING OF REPORT U/S 286 (4) OF THE INCOME-TAX ACT

OUR COMMENTS: **Notification in GSR 1217 (E) dated December 18, 2018** provided that the said period shall be twelve months from the end of the reporting accounting year.

It was further provided that in case the parent entity of the constituent entity is resident of a country or territory, where, there has been a systemic failure of the country or territory and the said failure has been intimated to such constituent entity, the period shall be six months from the end of the month in which said systemic failure has been intimated.

Representations have been received by the Department with respect to constituent entity of an international group, which is resident in India, having parent entity resident in jurisdictions with which India does not have an agreement providing for exchange of the report of the nature referred to in sub-section (2) of the Act and where the reporting accounting year is calendar year based, i.e., ending on December 31 of the year, would need to furnish the report u/s (4) of section 286(4) of the Act in India by December 31, 2018.

In order to remove this hardship, the Dept. of Revenue, Ministry of Finance, Government of India vide **CIRCULAR No. 9/2018 dated 26.12.2018** has extended the period for furnishing of report u/s 286(4) by the constituent entities referred to under clause (a) or (aa) of said sub-section, in respect of reporting accounting years ending upto February 28, 2018, to March 31 , 2019.

CUSTOMS

NOTIFICATIONS/CIRCULARS

AMENDMENT IN VARIOUS NOTIFICATIONS

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 100/2018-Customs (N.T.) dated 20.12.2018** has amended the following notifications:

Notification No.82/2017-Customs(NT), dated the 24th August, 2017 - Appointment of Commissioners, Additional or Joint Commissioners and Deputy or Assistant Commissioners of Customs

Notification No.85/2017-Customs(NT), dated the 7th September, 2017 - Defining jurisdiction of customs officers for the purpose of audit

Notification No.92/2017-Customs(NT), dated the 28th September, 2017, - Defining jurisdiction of customs officers for the purpose of appeals

For details, please refer the notification.

EXEMPTION OF BCD AND IGST FOR IMPORTS BY NTRO (NATIONAL TECHNICAL RESEARCH ORGANISATION) TILL 2021

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 81/2018-Customs dated 17.12.2018** has partially amended **notification No. 37/2017-Customs dated 30.06.2017 (Exemption to imports relating to Defence and internal security forces)** in order to exempt BCD and IGST for imports by NTRO (National Technical Research Organisation) till 2021.

AMENDMENT TO NOTIFICATION NO. 62/94-CUSTOMS (N.T.) DATED 21.11.1994 IN RESPECT OF DAHANU PORT, MAHARASHTRA

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 101/2018-Customs (N.T.) dated 28.12.2018** has amended **Notification No. 62/94-Customs (N.T.) dated 21.11.1994 in respect of Dahanu Port, Maharashtra.**

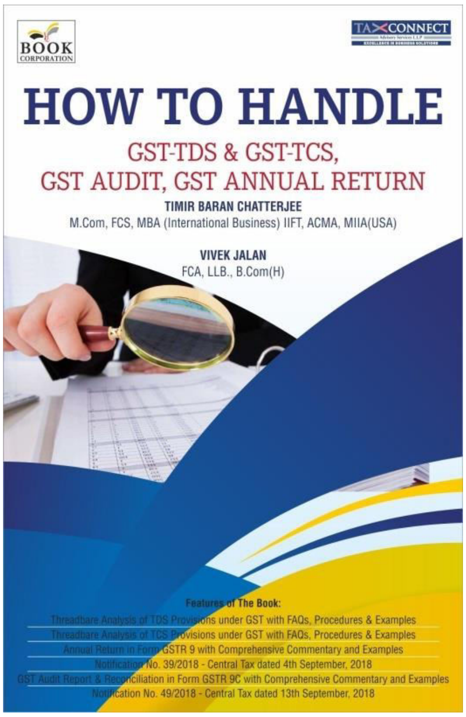
Please refer the notification for details.

PUBLIC NOTICE WITH RESPECT TO "F" CATE-GORY WRITTEN EXAMINATION UNDER REGULATION-6 OF CBLR'2018

OUR COMMENTS: The Dept. Office Of The Commissioner Of Customs (Airport & Administration), Government of India vide **Public Notice No. 122/2018 dated 21.12.2018** with respect to CBIC instruction No. 21/2018-Customs dtd. 14.12.2018 regarding "Forwarding of received applications under Regulation 6 of Customs Broker License Regulation, 2018 to National Academy of Customs, Indirect Taxes and Narcotics, NACIN" and informed to submit the specified documents at Sevottam Airport 15/1, Strand Road Customs House, Kolkata700001 before 26.12.2018.

STOP PRESS

HOW TO HANDLE GST-TDS & GST-TCS, GST AUDIT, GST ANNUAL RETURN



ABOUT THE BOOK: **This book provides an insight into the following:**

1. **Threadbare Analysis of TDS Provisions under GST with FAQs, Procedures & Examples**
2. **Threadbare Analysis of TCS Provisions under GST with FAQs, Procedures & Examples**
3. **Annual Return in Form GSTR 9 with Comprehensive Commentary and Examples**
4. **Notification No. 39/2018 – Central Tax dated 4th September, 2018**
5. **GST Audit Report & reconciliation in Form GSTR 9C with Comprehensive Commentary and Examples**
6. **Notification No. 49/2018 – Central Tax dated 13th September, 2018**

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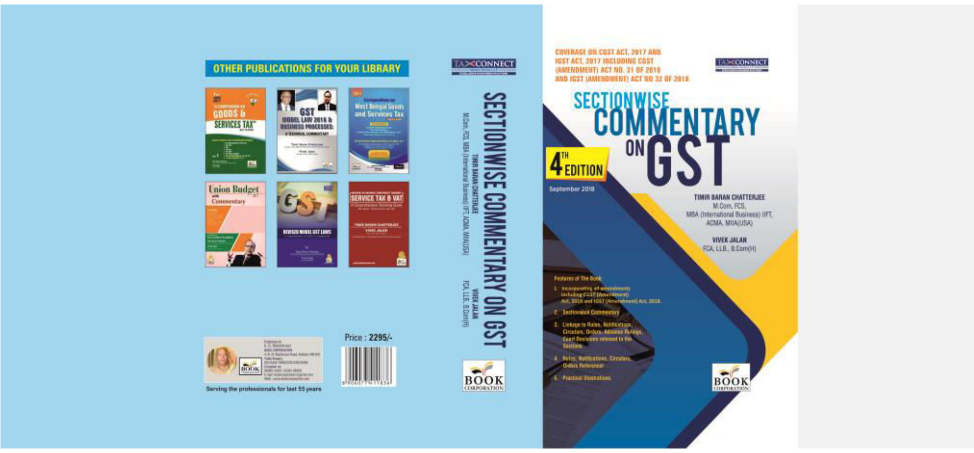
IN STANDS

SECTION WISE COMMENTARY ON GST UPDATED TILL DATE



ABOUT THE BOOK: **This book provides an insight into the following:**

1. **Incorporating all amendments**
2. **Section wise commentary**
3. **Linkages to Rules, Notifications, Circulars, Orders, Advance Rulings, Court Decisions relevant to the Sections**
4. **Rules, Notifications, Circulars, Orders Referencer**
5. **Practical Illustrations**

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