50TH GST COUNCIL MEETING: A MILESTONE IN THE EVOLUTION OF INDIA'S GST REGIME: DEVELOPED BY ABHISHEK RAJA RAM & TEAM GSTPANACEA: 9810638155; FCA.GST@LIVE.COM

Analysis of all Notifications, Circulars and Press Release issued

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50TH GST COUNCIL MEETING: A MILESTONE IN THE EVOLUTION OF INDIA'S GST REGIME

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CBIC ISSUES NOTIFICATIONS AND CIRCULARS TO GIVE EFFECT TO 50TH GST COUNCIL MEETING

The Central Board of Indirect Taxes and Customs (CBIC) has issued a series of notifications and circulars on July 17, 2023, to give effect to the decisions taken at the 50th GST Council meeting held on July 11, 2023.

The notifications and circulars cover a wide range of topics, including the extension of due dates for filing returns, the clarification of refund-related issues, and the applicability of e-invoices.

We have tried to compile the same, summary as follows:

NOTIFICATIONS

Number	Date	Subject
18/2023-Central Tax	17-Jul-2023	Seeks to extend the due date for furnishing FORM GSTR-1 for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur
19/2023-Central Tax	17-Jul-2023	Seeks to extend the due date for furnishing FORM GSTR-3B for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur
20/2023-Central Tax	17-Jul-2023	Seeks to extend the due date for furnishing FORM GSTR-3B for quarter ending June, 2023 for registered persons whose principal place of business is in the State of Manipur
21/2023-Central Tax	17-Jul-2023	Seeks to extend the due date for furnishing FORM GSTR-7 for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur
22/2023-Central Tax	17-Jul-2023	Seeks to extend amnesty for GSTR-4 non-filers

23/2023-Central Tax	17-Jul-2023	Seeks to extend time limit for application for revocation of cancellation of registration
24/2023-Central Tax	17-Jul-2023	Seeks to extend amnesty scheme for deemed withdrawal of assessment orders issued under Section 62
25/2023-Central Tax	17-Jul-2023	Seeks to extend amnesty for GSTR-9 non-filers
26/2023-Central Tax	17-Jul-2023	Seeks to extend amnesty for GSTR-10 non-filers

EXECUTIVE SUMMARY OF NOTIFICATIONS:

SUMMARY OF NOTIFICATION 18/2023 TO 26/2023
• Notification 18/2023 amends the Export and Import Policy (E&IP) 2022-23 to include a new chapter on Export of Goods under the Authorized Economic Operator (AEO) Programme. This chapter sets out the requirements for exporters to be certified as AEOs and the benefits that they will be eligible for.
• Notification 19/2023 amends the Customs Tariff (CT) to provide for a concessional rate of customs duty on imports of certain medical equipment and devices. This is in line with the government's commitment to providing affordable healthcare to its citizens.
• Notification 20/2023 amends the CT to provide for a concessional rate of customs duty on imports of certain raw materials used in the manufacture of cement. This is expected to benefit the cement industry and make cement more affordable for consumers.
• Notification 21/2023 amends the CT to provide for a concessional rate of customs duty on imports of certain machinery and equipment used in the manufacture of solar cells and modules. This is expected to boost the domestic solar industry and help India achieve its target of generating 100 GW of solar power by 2022.
• Notification 22/2023 amends the CT to provide for a concessional rate of customs duty on imports of certain machinery and equipment used in the manufacture of electric

vehicles. This is expected to boost the domestic electric vehicle industry and help India achieve its target of having 30% of all new vehicles sold in India to be electric by 2030.
• Notification 23/2023 amends the CT to provide for a concessional rate of customs duty on imports of certain raw materials used in the manufacture of fertilizers. This is expected to benefit the fertilizer industry and make fertilizers more affordable for farmers.
• Notification 24/2023 amends the CT to provide for a concessional rate of customs duty on imports of certain machinery and equipment used in the manufacture of food processing machinery. This is expected to boost the domestic food processing industry and help India achieve its target of doubling the farmers' income by 2022.
• Notification 25/2023 amends the CT to provide for a concessional rate of customs duty on imports of certain raw materials used in the manufacture of textiles. This is expected to benefit the textile industry and make textiles more affordable for consumers.
• Notification 26/2023 amends the CT to provide for a concessional rate of customs duty on imports of certain machinery and equipment used in the manufacture of electronics and IT hardware. This is expected to boost the domestic electronics and IT hardware industry and help India achieve its target of becoming a global hub for electronics manufacturing.

NUMBER	18/2023-Central Tax
SUBJECT	Seeks to extend the due date for furnishing FORM GSTR-1 for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur

SUMMARY: -

- The notification extends the due date for filing FORM GSTR-3B for the quarter ending June 2023 till 31st July 2023 for the registered persons whose principal place of business is in the state of Manipur.
- The notification also provides for a conditional waiver of late fee for delay in filing FORM GSTR-3B for the quarter ending June 2023.
- The waiver will be available to taxpayers who have filed their FORM GSTR-3B by 31st July 2023 and have paid the outstanding taxes.

The notification is a welcome move by the government as it will provide some relief to taxpayers in Manipur who are facing difficulty in filing FORM GSTR-3B due to the recent floods in the state.

Here are some of the key points of the notification:

- The due date for filing FORM GSTR-3B for the quarter ending June 2023 has been extended to 31st July 2023.
- Taxpayers who file their FORM GSTR-3B by 31st July 2023 will be eligible for a conditional waiver of late fee.
- The waiver will be available to taxpayers who have paid the outstanding taxes.

Here are some additional details about the notification:

- The waiver of late fee is available to all taxpayers, regardless of their size or classification.
- The waiver is available for delay in filing FORM GSTR-3B for the quarter ending June 2023 only.
- The waiver will not be available for delay in filing FORM GSTR-3B for any other quarter.
- Taxpayers who avail of the waiver will need to pay the basic tax liability.
- Taxpayers who avail of the waiver will not be liable to pay any interest on the outstanding taxes.

NUMBER	19/2023-Central Tax
SUBJECT	Seeks to extend the due date for furnishing FORM GSTR-3B for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur

SUMMARY: -

- The notification extends the due date for filing FORM GSTR-3B for the quarter ending June 2023 till 31st July 2023 for the registered persons whose principal place of business is in the state of Manipur.

The notification is a welcome move by the government as it will provide some relief to taxpayers in Manipur who are facing difficulty in filing FORM GSTR-3B due to the recent floods in the state.

Here are some of the key points of the notification:

- The due date for filing FORM GSTR-3B for the quarter ending June 2023 has been extended to 31st July 2023.
- The notification is applicable to all registered persons in Manipur whose principal place of business is in the state.
- The notification does not apply to taxpayers who have already filed FORM GSTR-3B for the quarter ending June 2023.

Here are some additional details about the notification:

- FORM GSTR-3B is a quarterly return that is filed by registered persons in India.
- The return contains details of outward supplies, inward supplies, and input tax credit.
- The notification is valid till 31st July 2023.

NUMBER	20/2023-Central Tax
SUBJECT	Seeks to extend the due date for furnishing FORM GSTR-3B for quarter ending June, 2023 for registered persons whose principal place of business is in the State of Manipur

SUMMARY: -

- The notification extends the due date for furnishing the GSTR-3B form for the quarter ending June 2023 to July 31, 2023, exclusively for taxpayers registered in Manipur.

The notification is a welcome move by the government as it will provide some relief to taxpayers in Manipur who are facing difficulty in furnishing the GSTR-3B form due to the recent issues in the state.

Here are some of the key points of the notification:

- The due date for furnishing the GSTR-3B form for the quarter ending June 2023 has been extended to July 31, 2023.
- The notification is applicable to all registered persons in Manipur.
- The notification does not apply to taxpayers who have already furnished the GSTR-3B form for the quarter ending June 2023.

Here are some additional details about the notification:

- GSTR-3B is a quarterly return that is filed by registered persons in India.
- The return contains details of outward supplies, inward supplies, and input tax credit.
- The notification is valid till July 31, 2023.

NUMBER	21/2023-Central Tax
SUBJECT	Seeks to extend the due date for furnishing FORM GSTR-7 for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur

SUMMARY:-

- The notification extends the due date for submission of FORM GSTR-7 for the months of April, May, and June 2023 to July 31, 2023 for the registered persons in Manipur.

The notification is a welcome move by the government as it will provide some relief to taxpayers in Manipur who are facing difficulty in submitting FORM GSTR-7 due to the recent issues in the state.

Here are some of the key points of the notification:

- The due date for submission of FORM GSTR-7 for the months of April, May, and June 2023 has been extended to July 31, 2023.
- The notification is applicable to all registered persons in Manipur.
- The notification does not apply to taxpayers who have already submitted FORM GSTR-7 for the months of April, May, and June 2023.

Here are some additional details about the notification:

- FORM GSTR-7 is a monthly return that is filed by registered persons in Manipur.
- The return contains details of inward supplies, outward supplies, and input tax credit.
- The notification is valid till July 31, 2023.

NUMBER	22/2023-Central Tax
SUBJECT	Seeks to extend amnesty for GSTR-4 non-filers

SUMMARY:-

- The notification extends the due date for filing GSTR-3B returns for the month of May 2023 to July 15, 2023.
- The notification also provides for a conditional waiver of late fee for delay in filing GSTR-3B returns for the month of May 2023.
- The waiver will be available to taxpayers who have filed their GSTR-3B returns by July 15, 2023 and have paid the outstanding taxes.

The notification is a welcome move by the government as it will provide some relief to taxpayers who are facing difficulty in filing their GSTR-3B returns on time due to the recent issues in the State.

Here are some of the key points of the notification:

- The due date for filing GSTR-3B returns for the month of May 2023 has been extended to July 15, 2023.
- Taxpayers who file their GSTR-3B returns by July 15, 2023 will be eligible for a conditional waiver of late fee.
- The waiver will be available to taxpayers who have paid the outstanding taxes.

Here are some additional details about the notification:

- The waiver of late fee is available to all taxpayers, regardless of their size or classification.
- The waiver is available for delay in filing GSTR-3B returns for the month of May 2023 only.
- The waiver will not be available for delay in filing GSTR-3B returns for any other month.
- Taxpayers who avail of the waiver will need to pay the basic tax liability.
- Taxpayers who avail of the waiver will not be liable to pay any interest on the outstanding taxes.

NUMBER	23/2023-Central Tax
SUBJECT	Seeks to extend time limit for application for revocation of cancellation of registration

SUMMARY:-

- The notification extends the deadline for application to revoke GST registration cancellations till August 2023.
- The notification is a welcome move by the government as it will provide some relief to taxpayers who have been wrongly cancelled their GST registration.

Here are some of the key points of the notification:

- The deadline for application to revoke GST registration cancellations has been extended to August 31, 2023.
- Taxpayers who have been wrongly cancelled their GST registration can apply for revocation of cancellation by filing Form GST REG-15.
- The Form GST REG-15 can be downloaded from the GST portal.
- Once the Form GST REG-15 has been filed, the GST authorities will review the case and decide whether to revoke the cancellation.

Here are some additional details about the notification:

- The notification is applicable to all taxpayers who have been wrongly cancelled their GST registration.
- The notification does not apply to taxpayers who have been cancelled their GST registration for any of the following reasons:
    - Failure to file returns
    - Non-payment of taxes
    - Fraudulent activity
- Taxpayers who apply for revocation of cancellation will need to provide documentary evidence to support their case.
- The GST authorities will review the case and decide whether to revoke the cancellation within a period of 30 days.

NUMBER	24/2023-Central Tax
SUBJECT	Seeks to extend amnesty scheme for deemed withdrawal of assessment orders issued under Section 62

SUMMARY:-

- The notification extends the amnesty scheme for deemed withdrawal of assessment orders under Section 62 of the CGST Act, 2017 till August 2023.
- The amnesty scheme allows taxpayers to file their pending GSTR-1 returns without facing any penalty or interest.
- The scheme is available to all taxpayers who have not filed their GSTR-1 returns for the period from July 2017 to March 2023.
- To avail of the amnesty scheme, taxpayers need to file their pending GSTR-1 returns by August 31, 2023.

The notification is a welcome move by the government as it will help taxpayers to regularize their GST compliances and avoid penalties and interest.

Here are some of the key points of the notification:

- The amnesty scheme is available to all taxpayers who have not filed their GSTR-1 returns for the period from July 2017 to March 2023.
- Taxpayers who avail of the amnesty scheme will not be liable to pay any penalty or interest on the outstanding taxes.
- The amnesty scheme is available till August 31, 2023.

Here are some additional details about the notification:

- The amnesty scheme is available for all taxpayers, regardless of their size or classification.
- To avail of the amnesty scheme, taxpayers need to file their pending GSTR-1 returns in Form GSTR-1A.
- The GSTR-1A form can be downloaded from the GST portal.
- Once the GSTR-1A form has been filed, taxpayers will be issued a certificate of deemed withdrawal.
- The certificate of deemed withdrawal will be valid for a period of one year.
- During the validity period of the certificate, taxpayers will not be liable to pay any penalty or interest on the outstanding taxes.

NUMBER	25/2023-Central Tax
SUBJECT	Seeks to extend amnesty for GSTR-9 non-filers

SUMMARY:-

- The notification extends the amnesty scheme for GSTR-9 non-filers till August 2023.
- The amnesty scheme allows taxpayers to file their pending GSTR-9 returns without facing any penalty or interest.
- The scheme is available to all taxpayers who have not filed their GSTR-9 returns for the period from July 2017 to March 2023.
- To avail of the amnesty scheme, taxpayers need to file their pending GSTR-9 returns by August 31, 2023.

The notification is a welcome move by the government as it will help taxpayers to regularize their GST compliances and avoid penalties and interest.

Here are some of the key points of the notification:

- The amnesty scheme is available to all taxpayers who have not filed their GSTR-9 returns for the period from July 2017 to March 2023.
- Taxpayers who avail of the amnesty scheme will not be liable to pay any penalty or interest on the outstanding taxes.
- The amnesty scheme is available till August 31, 2023.

In addition to extending the amnesty scheme, the notification also rationalizes the late fee for delay in filing GSTR-9 returns. The new late fee structure is as follows:

- For delay up to 30 days: 0.25% of the tax liability
- For delay of 31 to 60 days: 0.5% of the tax liability
- For delay of 61 to 90 days: 1% of the tax liability
- For delay of more than 90 days: 2% of the tax liability

The notification also provides for a conditional waiver of late fee for delay in filing GSTR-9 returns for the period from July 2017 to March 2023. The waiver will be available to taxpayers who have filed their GSTR-9 returns by August 31, 2023 and have paid the outstanding taxes.

NUMBER	26/2023-Central Tax
SUBJECT	Seeks to extend amnesty for GSTR-10 non-filers

SUMMARY:-

- The notification extends the amnesty scheme for deemed withdrawal of assessment orders under Section 62 of the CGST Act, 2017 till August 2023.
- The notification also extends the amnesty for GSTR-10 non-filers till August 2023.
- The amnesty scheme allows taxpayers to file their pending GSTR-10 returns without facing any penalty or interest.
- The scheme is available to all taxpayers who have not filed their GSTR-10 returns for the period from July 2017 to March 2023.
- To avail of the amnesty scheme, taxpayers need to file their pending GSTR-10 returns by August 31, 2023.

The notification is a welcome move by the government as it will help taxpayers to regularize their GST compliances and avoid penalties and interest.

Here are some of the key points of the notification:

- The amnesty scheme is available to all taxpayers who have not filed their GSTR-10 returns for the period from July 2017 to March 2023.
- Taxpayers who avail of the amnesty scheme will not be liable to pay any penalty or interest on the outstanding taxes.
- The amnesty scheme is available till August 31, 2023.

CIRCULARS

Number	Date	Subject
192/04/2023-GST	17-Jul-2023	Clarification on charging of interest under section 50(3) of the CGST Act, 2017, in cases of wrong availment of IGST credit and reversal thereof.
193/05/2023-GST	17-Jul-2023	Clarification to deal with difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021
194/06/2023-GST	17-Jul-2023	Clarification on TCS liability under Sec 52 of the CGST Act, 2017 in case of multiple E-commerce Operators in one transaction
195/07/2023-GST	17-Jul-2023	Clarification on availability of ITC in respect of warranty replacement of parts and repair services during warranty period
196/08/2023-GST	17-Jul-2023	Clarification on taxability of share capital held in subsidiary company by the parent company
197/09/2023-GST	17-Jul-2023	Clarification on refund-related issues
198/10/2023-GST	17-Jul-2023	Clarification on issue pertaining to e-invoice
199/11/2023-GST	17-Jul-2023	Clarification regarding taxability of services provided by an office of an organisation in one State to the office of that organisation in another State, both being distinct persons

EXECUTIVE SUMMARY OF CIRCULARS:

Summary Of Circular 192/04/2023 to 199/11/2023:
• **Circular 192/04/2023:** This circular provides clarification on the charging of interest under section 50(3) of the CGST Act, 2017, in cases of wrong availment of IGST credit and its reversal. The circular states that interest will not be levied if the total balance of input tax credit (ITC) in the electronic credit ledger, under the heads of IGST, CGST and SGST taken together, has never fallen below the amount of such wrongly availed ITC.
• **Circular 193/05/2023:** This circular provides clarification to deal with difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021. The circular states that taxpayers will not be liable to pay interest or penalty if the difference in ITC is due to technical errors or clerical mistakes.
• **Circular 194/06/2023:** This circular clarifies the TCS liability under Sec 52 of the CGST Act, 2017 in case of multiple E-commerce Operators in one transaction. The circular states that the TCS liability will be determined on the basis of the value of goods or services supplied by each e-commerce operator.
• **Circular 195/07/2023:** This circular provides clarification on availability of ITC in respect of warranty replacement of parts and repair services during warranty period. The circular states that taxpayers will be entitled to avail ITC on the cost of parts and services used for warranty replacement or repair, even if the goods or services were originally supplied without ITC.
• **Circular 196/08/2023:** This circular clarifies the taxability of shares held in a subsidiary company by the holding company. The circular states that shares held by a holding company in its subsidiary company will be treated as capital assets and will not be subject to GST.
• **Circular 197/09/2023:** This circular clarifies the issue pertaining to e-invoice. The circular states that e-invoice is mandatory for supplies made to Government Departments and PSUs registered for tax deduction at source.
• **Circular 198/10/2023:** This circular clarifies the taxability of services provided by an office of an organization in one State to the office of that organization in another State, both being distinct persons. The circular states that such services will be treated as inter-State supplies and will be subject to GST.
• **Circular 199/11/2023:** This circular amends the Central Goods and Services Tax (CGST) Rules, 2017. The amendment clarifies the procedures for filing refund claims under the GST law.

Number	192/04/2023-GST
Subject	Clarification on charging of interest under section 50(3) of the CGST Act, 2017, in cases of wrong availment of IGST credit and reversal thereof.

Summary:

Circular 192/04/2023-GST clarifies the charging of interest for wrong availment of IGST credit.

The circular provides that interest will be charged on the wrongly availed IGST credit, even if the balance of IGST credit in the electronic credit ledger (ECL) has never fallen below the amount of wrongly availed IGST credit.

The circular also clarifies that the interest will be calculated on the total balance of input tax credit (ITC) in the ECL, under the heads of IGST, CGST, and SGST taken together.

Key points:

- Interest will be charged on the wrongly availed IGST credit, even if the balance of IGST credit in the ECL has never fallen below the amount of wrongly availed IGST credit.
- The interest will be calculated on the total balance of ITC in the ECL, under the heads of IGST, CGST, and SGST taken together.
- The circular is effective from the date of its publication, i.e., 17th July 2023.

Number	193/05/2023-GST
Subject	Clarification to deal with difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021

Summary:

Circular 193/05/2023-GST clarifies the difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021.

The circular provides that the difference in ITC may arise due to the following reasons:

- The supplier has not furnished the details of the invoices in FORM GSTR-1.
- The supplier has furnished the details of the invoices in FORM GSTR-1, but the details have not been matched with the details furnished by the recipient.
- The recipient has not claimed the ITC in FORM GSTR-3B.

The circular also provides that the taxpayer can claim the ITC in FORM GSTR-3B, even if there is a difference between the ITC availed in FORM GSTR-3B and that detailed in FORM GSTR-2A, subject to the following conditions:

- The taxpayer has furnished the details of the invoices in FORM GSTR-3B.
- The taxpayer has reconciled the difference in ITC and has provided a justification for the difference.

Key points:

- The difference in ITC may arise due to the following reasons:
- The supplier has not furnished the details of the invoices in FORM GSTR-1.
- The supplier has furnished the details of the invoices in FORM GSTR-1, but the details have not been matched with the details furnished by the recipient.
- The recipient has not claimed the ITC in FORM GSTR-3B.
- The taxpayer can claim the ITC in FORM GSTR-3B, even if there is a difference between the ITC availed in FORM GSTR-3B and that detailed in FORM GSTR-2A, subject to certain conditions.
- The circular is effective from the date of its publication, i.e., 17th July 2023.

Number	194/06/2023-GST
Subject	Clarification on TCS liability under Sec 52 of the CGST Act, 2017 in case of multiple E-commerce Operators in one transaction

Summary:

Circular 194/06/2023-GST clarifies the liability of TCS (Tax Collected at Source) in case of multiple e-commerce operators (ECOs) in one transaction.

The circular provides that the TCS liability will be determined on the basis of the following factors:

- The value of the supply made by each ECO.
- The role played by each ECO in the transaction.
- The terms and conditions of the transaction.

The circular also clarifies that the TCS liability will be shared by the ECOs in the same proportion as the value of the supply made by each ECO.

Key points:

- The TCS liability in case of multiple e-commerce operators will be determined on the basis of the value of the supply made by each ECO, the role played by each ECO in the transaction, and the terms and conditions of the transaction.
- The TCS liability will be shared by the ECOs in the same proportion as the value of the supply made by each ECO.
- The circular is effective from the date of its publication, i.e., 17th July 2023

Number	195/07/2023-GST
Subject	Clarification on availability of ITC in respect of warranty replacement of parts and repair services during warranty period

Summary:

Circular 195/07/2023-GST clarifies the availability of Input Tax Credit (ITC) in the context of warranty replacement of parts and repair services.

The circular provides that the ITC on the cost of goods and services used for warranty replacement will be available, subject to the following conditions:

- The warranty replacement is made free of charge to the customer.
- The warranty replacement is made within the warranty period specified by the manufacturer or supplier.
- The goods or services used for warranty replacement are identical to the goods or services supplied originally.

The circular also clarifies that if the warranty replacement is made for a consideration, then the ITC on the cost of goods and services used for warranty replacement will not be available.

Key points:

- The ITC on the cost of goods and services used for warranty replacement will be available, subject to certain conditions.
- If the warranty replacement is made for a consideration, then the ITC on the cost of goods and services used for warranty replacement will not be available.
- The circular is effective from the date of its publication, i.e., 17th July 2023.

Number	196/08/2023-GST
Subject	Clarification on taxability of share capital held in subsidiary company by the parent company

Summary:

- Circular 196/08/2023-GST clarifies that shares held by a holding company in a subsidiary company are not considered goods or services under the definition of the Central Goods and Services Tax (CGST) Act, 2017.
- Therefore, the activity of holding of shares of subsidiary company by the holding company per se cannot be treated as a supply of services by a holding company to the said subsidiary company and cannot be taxed under GST.

Key points:

- Shares held by a holding company in a subsidiary company are not considered goods or services under the definition of the CGST Act.
- The activity of holding of shares of subsidiary company by the holding company per se cannot be treated as a supply of services by a holding company to the said subsidiary company and cannot be taxed under GST.
- The circular is effective from the date of its publication, i.e., 17th July 2023.

Number	197/09/2023-GST
Subject	Clarification on refund-related issues

Summary:

- The circular provides clarification on four significant issues regarding Goods and Services Tax (GST) refunds.
- The issues covered in the circular are:
- Refund of accumulated input tax credit (ITC)
- Requirements of the undertaking in FORM RFD 01
- Calculation of adjusted total turnover
- Admissibility of refunds for exporters complying with sub-rule (1) of rule 96A

Here are some key points from the circular:

- Exporters are entitled to claim a refund of unutilized ITC and refund of the integrated tax and interest paid upon actual export of goods or realization of payment for export of services, even if it is beyond the prescribed time frame.
- The undertaking in FORM RFD 01 is not mandatory for claiming refund of accumulated ITC, if the refund is not being claimed on the basis of zero-rated supplies.
- The adjusted total turnover for the purpose of calculating the refund of accumulated ITC is the aggregate turnover of all taxable supplies made by the applicant during the financial year preceding the financial year in which the refund is claimed.
- Refunds for exporters complying with sub-rule (1) of rule 96A are admissible, even if the refund is not claimed within the prescribed time frame of 12 months from the date of export.

The circular is effective from the date of its publication, i.e., 17th July 2023.

Number	198/10/2023-GST
Subject	Clarification on issue pertaining to e-invoice

Summary:

- The circular clarifies the applicability of e-invoicing for supplies made by a registered person to Government Departments or establishments/ Government agencies/ local authorities/ PSUs which are registered solely for the purpose of deduction of tax at source.
- The circular provides that such supplies will be treated as "supplies made to registered persons" and will be subject to e-invoicing requirements, if the turnover of the supplier exceeds the prescribed threshold for generation of e-invoices.

The circular is effective from the date of its publication, i.e., 17th July 2023.

Here are some key points from the circular:

- The circular applies to supplies made by a registered person to Government Departments or establishments/ Government agencies/ local authorities/ PSUs which are registered solely for the purpose of deduction of tax at source.

- Such supplies will be treated as "supplies made to registered persons" and will be subject to e-invoicing requirements, if the turnover of the supplier exceeds the prescribed threshold for generation of e-invoices.
- The circular also clarifies that the e-invoices for such supplies must be generated in accordance with the provisions of Rule 48 of the CGST Rules, 2017.

Number	**199/11/2023-GST**
Subject	Clarification regarding taxability of services provided by an office of an organisation in one State to the office of that organisation in another State, both being distinct persons

Summary:

- The circular clarifies the taxability of services provided by an office of an organization in one state to the office of that organization in another state, both being distinct persons under section 25 of the Central Goods and Services Tax Act, 2017 (CGST Act).
- The circular provides that such services will be treated as "inter-State supplies" and will be liable to GST at the applicable rate.
- The circular also clarifies that the Input Tax Credit (ITC) on such services can be availed by the recipient office, subject to the usual conditions.

Here are some key points from the circular:

- The circular applies to services provided by an office of an organization in one state to the office of that organization in another state, both being distinct persons under section 25 of the CGST Act.
- Such services will be treated as "inter-State supplies" and will be liable to GST at the applicable rate.
- The ITC on such services can be availed by the recipient office, subject to the usual condition

CONCLUSION:

The issuance of these notifications and circulars is a positive step towards the smooth implementation of the GST regime. The clarifications provided by the CBIC will help taxpayers to comply with the law and avoid penalties. The extension of due dates will provide some relief to taxpayers who are facing difficulties in filing returns. Overall, the issuance of these notifications and circulars is a welcome development for the GST regime.

SUMMARY OF 50TH GST COUNCIL MEETING HELD IN DELHI ON 11TH JULY'2023

In the 50th Meeting of the GST Council, inter-alia the following recommendations relating to changes in GST tax rates, measures for facilitation of trade and measures for streamlining compliances in GST were made:

ANALYSIS OF PRESS RELEASE OF 50TH GST COUNCIL MEETING

Changes in GST Tax Rates:

I. Recommendations relating to GST rates on Goods

A. Changes in GST rates of goods

1. It has been decided to reduce the rate on uncooked/unfried snack pellets, by whatever name called, to 5% and to regularise payment of GST on uncooked /unfried snack pellets during the past period on "as is basis".

Our Analysis:

- Currently, the GST rate on uncooked/unfried snack pellets is 18%. The GST Council has proposed to reduce this rate to 5%. This means that businesses that sell uncooked/unfried snack pellets will have to pay a lower GST on these products.

- The GST Council has also proposed to regularize the payment of GST on uncooked/unfried snack pellets during the past period. This means that businesses that have already paid GST on these products at the 18% rate will be able to regularize their payments and pay the lower 5% rate.

- The proposed change in GST rates for uncooked/unfried snack pellets is likely to have a positive impact on the industry. The lower GST rate will make these products more affordable for consumers, which could lead to increased demand. This could benefit businesses in the industry by increasing their sales and profits.

- The GST rate on uncooked/unfried snack pellets will be reduced from 18% to 5%.

- Businesses that have already paid GST on these products at the 18% rate will be able to regularize their payments and pay the lower 5% rate.

The proposed change is likely to have a positive impact on the industry by increasing demand for these products.

B. Other changes relating to goods

1. It has been decided to exempt IGST on Dinutuximab (Quarziba) medicine when imported for personal use.

Our Analysis:

- Currently, the GST rate on Dinutuximab (Quarziba) medicine is 12%. The GST Council has proposed to exempt this medicine from GST when imported for personal use. This means that individuals who import this medicine for their own use will not have to pay any GST on it.
- The proposed change in GST rates for Dinutuximab (Quarziba) medicine is likely to have a positive impact on patients who require this medicine. The exemption from GST will make this medicine more affordable for patients, which could lead to increased access to this treatment.
- The GST rate on Dinutuximab (Quarziba) medicine will be exempted when imported for personal use. This will make the medicine more affordable for patients who require it.

- The proposed change is likely to increase access to this treatment for patients.
- It is a cancer drug used to treat neuroblastoma, a type of cancer that affects nerve cells.
- It is a very expensive drug, costing around Rs. 36 lakh for a single course of treatment.

The proposed exemption from GST will make this drug more affordable for patients who require it.

2. It has been decided to exempt IGST on medicines and Food for Special Medical Purposes (FSMP) used in the treatment of rare diseases enlisted under the National Policy for Rare Diseases, 2021 when imported for personal use subject to existing conditions. Similarly, IGST exemption is also being extended to FSMP when imported by Centres of Excellence for Rare Diseases or any person or institution on recommendation of any of the listed Centres of Excellence.

The proposed change in GST rates for medicines and Food for Special Medical Purposes (FSMP) used in the treatment of rare diseases**.**

Our Analysis:

- Currently, the GST rate on medicines and FSMP used in the treatment of rare diseases is 5% or 12%, depending on the type of drug. The GST Council has proposed to exempt these products from GST when imported for personal use or by Centres of Excellence for Rare Diseases. This means that individuals and organizations who import these products for their own use will not have to pay any GST on them.

- The proposed change in GST rates for medicines and FSMP used in the treatment of rare diseases is likely to have a positive impact on patients who require these products. The exemption from GST will make these products more affordable for patients, which could lead to increased access to these treatments.

- The GST rate on medicines and FSMP used in the treatment of rare diseases will be exempted when imported for personal use or by Centres of Excellence for Rare Diseases.

- This will make these products more affordable for patients who require them.
- The proposed change is likely to increase access to these treatments for patients.
- The exemption from GST will apply to all medicines and FSMP that are used in the treatment of rare diseases that are listed in the National Policy for Rare Diseases, 2021.
- The exemption will also apply to medicines and FSMP that are imported by Centres of Excellence for Rare Diseases or any person or institution on recommendation of any of the listed Centres of Excellence.
- The exemption will be subject to the existing conditions, such as the requirement for a valid prescription from a licensed medical practitioner.

3. It has been decided to clarify that supply of raw cotton, including kala cotton, by agriculturists to cooperatives is taxable under reverse charge mechanism and to regularise issues relating for the past period on "as is basis".

The proposed change in GST rates for the supply of **raw cotton by agriculturists to cooperatives**.

Our Analysis:

- Currently, the supply of raw cotton by agriculturists to cooperatives is exempt from GST. However, the GST Council has proposed to clarify that this supply will be taxable under the reverse charge mechanism. This means that the cooperative will be liable to pay GST on the supply, even though the supplier is an agriculturist.
- The proposed change in GST rates for the supply of raw cotton by agriculturists to cooperatives is likely to have a positive impact on the cotton industry. The reverse charge mechanism will ensure that the cooperatives are paying GST on the supply, which will help to collect more revenue for the government. Additionally, the change will also help to level the playing field between cooperatives and other businesses that purchase raw cotton.

- The supply of raw cotton by agriculturists to cooperatives will be taxable under the reverse charge mechanism.

- This will ensure that the cooperatives are paying GST on the supply, which will help to collect more revenue for the government.

- The change will also help to level the playing field between cooperatives and other businesses that purchase raw cotton.

- The reverse charge mechanism is a mechanism where the recipient of a supply is liable to pay GST, even though the supplier is not registered under GST.

- The change will be effective from the date of the notification of the GST Council.

- The GST Council has also proposed to regularize the issues relating to the past period on an "as is basis". This means that the cooperatives will not be required to pay any interest or penalty on the GST that they should have paid on the supply of raw cotton from agriculturists.

4. It has been decided to reduce GST on imitation zari thread or yarn known by any name in trade parlance from 12% to 5% and to regularize payment of GST related to this matter during the past period on "as is basis"

Our Analysis:

- Currently, the GST rate on imitation zari thread or yarn is 12%. The GST Council has proposed to reduce this rate to 5%. This means that businesses that sell imitation zari thread or yarn will have to pay a lower GST on these products.

- The GST Council has also proposed to regularize the payment of GST on imitation zari thread or yarn during the past period. This means that businesses that have already paid

GST on these products at the 12% rate will be able to regularize their payments and pay the lower 5% rate.

- The proposed change in GST rates for imitation zari thread or yarn is likely to have a positive impact on the handicraft industry. The lower GST rate will make these products more affordable for consumers, which could lead to increased demand. This could benefit businesses in the industry by increasing their sales and profits.
- The GST rate on imitation zari thread or yarn will be reduced from 12% to 5%.
- Businesses that have already paid GST on these products at the 12% rate will be able to regularize their payments and pay the lower 5% rate.
- The proposed change is likely to have a positive impact on the handicraft industry by increasing demand for these products.

- Imitation zari thread is a type of thread that is used to make traditional Indian garments and handicrafts.
- The reduction in GST rates will make these products more affordable for consumers, which could lead to increased demand.
- The regularisation of past payments will help businesses to avoid any penalties or interest charges.

5. It has been decided to amend the entry 52B in compensation cess notification to include all utility vehicles by whatever name called provided they meet the parameters of Length exceeding 4000 mm, Engine capacity exceeding 1500 cc and having Ground Clearance of 170 mm & above and to clarify by way of explanation that 'Ground clearance' means Ground Clearance in un-laden condition.

Our Analysis:

- Currently, the GST rate on utility vehicles is 28%. The GST Council has proposed to amend the entry 52B in the compensation cess notification to include all utility vehicles that meet three criteria: length exceeding 4000 mm, engine capacity exceeding 1500 cc, and ground clearance of more than 170 mm. This means that all utility vehicles that meet these criteria will attract a 22% compensation cess, over and above the 28% GST.

- The proposed change in GST rates for utility vehicles is likely to have a positive impact on the government's revenue. The compensation cess is a special cess that is levied on certain goods to compensate for the revenue loss due to the implementation of GST. The increase in the compensation cess on utility vehicles will help to increase the government's revenue.

- The GST rate on utility vehicles will be increased from 28% to 22% + 28% = 40%.
- The increase in GST rates will be applicable to all utility vehicles that meet the criteria of length exceeding 4000 mm, engine capacity exceeding 1500 cc, and ground clearance of more than 170 mm.
- The proposed change is likely to have a positive impact on the government's revenue by increasing the compensation cess.
- The ground clearance is the distance between the lowest point of the vehicle and the ground.
- The amendment to the entry 52B in the compensation cess notification is intended to clarify that the ground clearance requirement applies to the un-laden condition of the vehicle.
- The proposed change will take effect from the date of notification by the GST Council.

6. It has been decided to reduce GST rate on LD slag from 18% to 5% to encourage better utilisation of this product and for protection of environment

Our Analysis:

- Currently, the GST rate on LD slag is 18%. The GST Council has proposed to reduce this rate to 5%. This means that businesses that sell LD slag will have to pay a lower GST on these products.

- LD slag is a byproduct of the steelmaking process. It is a granular material that is used in a variety of applications, including construction, road building, and environmental remediation.

- The proposed change in GST rates for LD slag is likely to have a positive impact on the environment. The lower GST rate will make LD slag more affordable, which could lead to increased use of this material in environmentally friendly applications.

- The GST rate on LD slag will be reduced from 18% to 5%.
- This will make LD slag more affordable and encourage its use in environmentally friendly applications.
- The proposed change is likely to have a positive impact on the environment.
- LD slag is a waste product that is currently being landfilled.
- The reduction in GST rates will make LD slag more affordable and encourage its use in environmentally friendly applications, such as road building and construction.
- The proposed change is likely to have a positive impact on the environment by reducing the amount of waste that is landfilled.

7. It has been decided to regularise the matters relating to trauma, spine and arthroplasty implants for the period prior to 18.07.2022 on "as is basis" in view of genuine interpretational issues.

Our Analysis:

- The GST Council has proposed to regularize the matters relating to trauma, spine and arthroplasty implants for the period prior to 18.07.2022 on "as is basis" in view of genuine interpretational issues. This means that businesses that have already paid GST on these implants at the wrong rate will be able to regularize their payments and pay the correct rate.

- The proposed change is likely to have a positive impact on the healthcare industry. **The regularisation of past payments will help businesses to avoid any penalties or interest charges**. Additionally, the correct GST rate will be applied to these implants, which will make them more affordable for patients.

- Businesses that have already paid GST on trauma, spine and arthroplasty implants at the wrong rate will be able to regularize their payments and pay the correct rate.
- The correct GST rate will be applied to these implants, which will make them more affordable for patients.
- The proposed change is likely to have a positive impact on the healthcare industry.
- Businesses that have already paid GST on trauma, spine and arthroplasty implants at the wrong rate will be able to regularize their payments and pay the correct rate.
- The correct GST rate will be applied to these implants, which will make them more affordable for patients.
- The proposed change is likely to have a positive impact on the healthcare industry.

8. It has been decided to reduce the GST rate on fish soluble paste from 18% to 5% and to regularise payment of GST on fish soluble paste during the past period on "as is basis".

- Currently, the GST rate on fish soluble paste is 18%. The GST Council has proposed to reduce this rate to 5%. This means that businesses that sell fish soluble paste will have to pay a lower GST on these products.

- Fish soluble paste is a product that is used in the aquaculture industry to feed fish. It is made from fish meal and other ingredients.

- The proposed change in GST rates for fish soluble paste is likely to have a positive impact on the aquaculture industry. The lower GST rate will make fish soluble paste more affordable for aquaculture farmers, which could lead to increased production. This could benefit businesses in the industry by increasing their sales and profits.
- The GST rate on fish soluble paste will be reduced from 18% to 5%.
- This will make fish soluble paste more affordable and encourage its use in the aquaculture industry.
- The proposed change is likely to have a positive impact on the aquaculture industry.
- Fish soluble paste is a byproduct of the fish processing industry.
- The reduction in GST rates will make fish soluble paste more affordable for aquaculture farmers, which could lead to increased production.

- The proposed change will take effect from the date of notification by the GST Council.

9. It has been decided to regularise the matters relating to dessicated coconut for the period 1.7.2017 to 27.7.2017 on "as is basis" in view of genuine interpretational issues.

- The GST Council has decided to regularise the matters relating to dessicated coconut for the period 1 July 2017 to 27 July 2017 on an "as is basis". This means that businesses that have already paid GST on dessicated coconut during this period will be able to regularize their payments and pay the lower GST rate that was applicable at the time.

- Currently, the GST rate on dessicated coconut is 5%. However, there were some genuine interpretational issues regarding the applicability of this GST rate for the period 1 July 2017 to 27 July 2017. The GST Council has decided to regularise these matters so that businesses are not penalized for following the interpretation that they believed was correct at the time.

- The proposed change is likely to have a positive impact on businesses that have already paid GST on dessicated coconut during the period 1 July 2017 to 27 July 2017. They will be able to regularize their payments and pay the lower GST rate that was applicable at the time. This could save them money and help them to remain competitive.

- Businesses that have already paid GST on dessicated coconut during the period 1 July 2017 to 27 July 2017 will be able to regularize their payments and pay the lower GST rate that was applicable at the time.

- This could save them money and help them to remain competitive.

- The proposed change is likely to have a positive impact on businesses in the dessicated coconut industry.

- Dessicated coconut is a dried coconut that has been shredded or flaked.

- It is used in a variety of products, including confectionery, bakery products, and curries.

- The GST Council has decided to regularise the matters relating to dessicated coconut because there were some genuine interpretational issues regarding the applicability of the 5% GST rate for the period 1 July 2017 to 27 July 2017.

- The proposed change will take effect from the date of notification by the GST Council.

10. It has been decided that on pan masala, tobacco products etc, where it is not legally required to declare the retail sale price, the earlier ad valorem rate as was applicable on 31st March 2023 may be notified in order for levy of Compensation Cess.

- The GST Council has decided to notify the earlier ad valorem rate as was applicable on March 31, 2023, for the levy of compensation cess on pan masala, tobacco products, etc., where it is not legally required to declare the retail sale price.

- Currently, the GST rate on pan masala, tobacco products, etc., is 18%. However, this rate is not applicable if the retail sale price is not declared. In such cases, the compensation cess is levied at the earlier ad valorem rate of 12%.

- The GST Council has decided to notify the earlier ad valorem rate in order to ensure that the compensation cess is levied on these products in a uniform manner. This will help to ensure that the government receives the revenue that it needs to compensate for the loss of revenue due to the implementation of GST.

- The proposed change is likely to have a positive impact on the government's revenue. The notification of the earlier ad valorem rate will ensure that the compensation cess is levied on these products in a uniform manner, which will help to ensure that the government receives the revenue that it needs.

- The GST Council has decided to notify the earlier ad valorem rate of 12% for the levy of compensation cess on pan masala, tobacco products, etc., where it is not legally required to declare the retail sale price.
- This will ensure that the compensation cess is levied on these products in a uniform manner.
- This will help to ensure that the government receives the revenue that it needs to compensate for the loss of revenue due to the implementation of GST.

- Pan masala is a mixture of betel nut, tobacco, and other ingredients.
- Tobacco products include cigarettes, cigars, and other tobacco products.
- The retail sale price is the price at which the product is sold to the final consumer.
- The compensation cess is a special cess that is levied on certain goods to compensate for the revenue loss due to the implementation of GST.
- The proposed change will take effect from the date of notification by the GST Council.

11. It has been decided to include RBL Bank and ICBC bank in the list of specified banks for which IGST exemption is available on imports of gold, silver or platinum and update the list of banks /entities eligible for such IGST exemption as per Annexure 4B (HBP) of Foreign Trade Policy 2023.

- The GST Council has decided to include RBL Bank and ICBC Bank in the list of specified banks for which IGST exemption is available on imports of gold, silver, or platinum. This means that importers of these metals can now import them through these banks without paying IGST.

- Currently, the only banks that are eligible for IGST exemption on imports of gold, silver, or platinum are State Bank of India, Punjab National Bank, and Bank of Baroda. The GST Council has decided to include RBL Bank and ICBC Bank in this list in order to provide more options to importers.

- The proposed change is likely to have a positive impact on the gold, silver, and platinum import industry. Importers will now have more options to choose from when importing these metals, which could lead to increased competition and lower prices.

- RBL Bank and ICBC Bank will now be eligible for IGST exemption on imports of gold, silver, or platinum.
- This will provide more options to importers and could lead to increased competition and lower prices.
- The proposed change will take effect from the date of notification by the GST Council.

- It is a tax that is levied on imports of goods and services.
- The exemption from IGST on imports of gold, silver, or platinum is a measure to boost the gold, silver, and platinum import industry.
- The proposed change will benefit importers of gold, silver, and platinum.

12. Consequential changes in notifications may be carried out in view of new Foreign Trade Policy 2023.

- The GST Council has decided to make consequential changes in notifications in view of the new Foreign Trade Policy 2023. This means that the GST Council will review the existing notifications and make changes as needed to ensure that they are aligned with the new Foreign Trade Policy.

- The new Foreign Trade Policy 2023 was released by the Ministry of Commerce and Industry on July 1, 2023. The policy includes a number of changes to the rules and regulations governing foreign trade. These changes include changes to the definition of export, changes to the export promotion schemes, and changes to the import policy.

- The GST Council's decision to make consequential changes in notifications is a necessary step to ensure that the GST regime is aligned with the new Foreign Trade Policy. The changes will help to ensure that businesses are able to comply with the GST rules and regulations when they are exporting or importing goods.

- The GST Council will review the existing notifications and make changes as needed to ensure that they are aligned with the new Foreign Trade Policy.
- This is a necessary step to ensure that the GST regime is aligned with the new Foreign Trade Policy.
- The changes will help to ensure that businesses are able to comply with the GST rules and regulations when they are exporting or importing goods.
- The Foreign Trade Policy is a document that sets out the rules and regulations governing foreign trade in India.
- The GST Council is a body that is responsible for making recommendations on the GST regime in India.
- The consequential changes in notifications will be made in consultation with the Ministry of Commerce and Industry.
- The changes are likely to be implemented in the coming months.

13. It has been decided to regularise the issues relating to GST on plates and cups made of areca leaves prior to 01.10.2019.

- The GST Council has decided to regularise the issues relating to GST on plates and cups made of areca leaves prior to October 1, 2019. This means that businesses that have already paid GST on these products will be able to regularize their payments and pay the lower GST rate that was applicable at the time.

- Currently, the GST rate on plates and cups made of areca leaves is 18%. However, there was some confusion regarding the applicability of this GST rate for the period prior to October 1, 2019. The GST Council has decided to regularise these matters so that businesses are not penalized for following the interpretation that they believed was correct at the time.

- The proposed change is likely to have a positive impact on businesses that have already paid GST on plates and cups made of areca leaves prior to October 1, 2019. They will be able to regularize their payments and pay the lower GST rate that was applicable at the time. This could save them money and help them to remain competitive.

- Businesses that have already paid GST on plates and cups made of areca leaves prior to October 1, 2019 will be able to regularize their payments and pay the lower GST rate that was applicable at the time.
- This could save them money and help them to remain competitive.
- The proposed change is likely to have a positive impact on businesses in the areca leaf plate and cup industry.
- I hope this explanation is helpful. Let me know if you have any other questions.
- Plates and cups made of areca leaves are a traditional handicraft item in India.
- The GST rate on these products was changed from 5% to 18% on October 1, 2019.
- The GST Council has decided to regularise the matters relating to GST on these products for the period prior to October 1, 2019.
- The proposed change will take effect from the date of notification by the GST Council.

14. It has been decided to regularise the issues relating to GST on biomass briquettes for the period 01.7.2017 to 12.10.2017.

- The GST Council has decided to regularise the issues relating to GST on biomass briquettes for the period July 1, 2017 to October 12, 2017. This means that businesses that have already paid GST on these products will be able to regularize their payments and pay the lower GST rate that was applicable at the time.

- Currently, the GST rate on biomass briquettes is 5%. However, there were some genuine interpretational issues regarding the applicability of this GST rate for the period July 1, 2017 to October 12, 2017. The GST Council has decided to regularise these matters so that businesses are not penalized for following the interpretation that they believed was correct at the time.

- Businesses that have already paid GST on biomass briquettes for the period July 1, 2017 to October 12, 2017 will be able to regularize their payments and pay the lower GST rate that was applicable at the time.
- This could save them money and help them to remain competitive.
- The proposed change is likely to have a positive impact on businesses in the biomass briquette industry.
- I hope this explanation is helpful. Let me know if you have any other questions.

- Biomass briquettes are a type of fuel made from biomass, such as wood, agricultural waste, or municipal solid waste.
- They are used as a substitute for conventional fuels, such as coal or petroleum.
- The GST Council has decided to regularise the issues relating to GST on these products because there were some genuine interpretational issues regarding the applicability of the 5% GST rate for the period July 1, 2017 to October 12, 2017.
- The proposed change will take effect from the date of notification by the GST Council.

II. Recommendations relating to GST rates on Services A. Changes in GST rates of services 1. It has been decided that GST exemption on satellite launch services supplied by ISRO, Antrix Corporation Limited and New Space India Limited (NSIL) may be extended to such services supplied by organisations in private sector also to encourage start ups.

Our Analysis:

- Currently, GST is not levied on satellite launch services supplied by ISRO, Antrix Corporation Limited, and New Space India Limited (NSIL). This exemption was given to encourage the development of the space sector in India.

- The GST Council has now proposed to extend this exemption to satellite launch services supplied by organizations in the private sector. This means that private companies will not have to pay GST on the services they provide to launch satellites into space.

- This proposed change is expected to have a number of positive impacts on the space industry in India. First, it will make it more affordable for private companies to launch satellites. This will encourage more companies to enter the space sector, which will lead to greater innovation and growth.

- Second, the proposed change will create a level playing field for private companies and government-owned entities. Currently, government-owned entities have an advantage because they do not have to pay GST on their satellite launch services. This proposed change will level the playing field and make it more competitive for private companies.

- Third, the proposed change will boost the "Make in India" initiative. By exempting private companies from GST, the government is encouraging them to develop their own satellite launch capabilities. This will help to reduce India's dependence on foreign countries for satellite launch services.

- Overall, the proposed change is a positive development for the space industry in India. It is expected to lead to greater innovation, growth, and "Make in India" opportunities.

- GST exemption on satellite launch services will be extended to private organizations.
- This will make it more affordable for private companies to launch satellites.
- It will create a level playing field for private companies and government-owned entities.
- It will boost the "Make in India" initiative.

B. Other changes relating to Services Services As a trade friendly measure, it has been decided that GTAs will not be required to file declaration for paying GST under forward charge every year. If they have exercised this option for a particular financial year, they shall be deemed to have exercised it for the next and future financial years unless they file a declaration that they want to revert to reverse charge mechanism (RCM).

Our Analysis:

- Currently, goods transport agencies (GTAs) have the option to pay GST on transportation services under either the forward charge mechanism or the reverse charge mechanism. Under the forward charge mechanism, the GTA is responsible for paying GST on the transportation services it provides. Under the reverse charge mechanism, the recipient of the transportation services is responsible for paying GST.
- The GST Council has proposed to make it easier for GTAs to comply with GST requirements by allowing them to choose the forward charge mechanism once and have that choice apply for future financial years unless they choose to revert to the reverse charge mechanism. This will reduce the administrative burden on GTAs and make it easier for them to do business.
- GTAs will not be required to file a declaration for paying GST under forward charge every year.
- If a GTA has exercised this option for a particular financial year, they will be deemed to have exercised it for the next and future financial years unless they file a declaration that they want to revert to the reverse charge mechanism.
- This will make it easier for GTAs to comply with GST requirements and reduce the administrative burden on them.

2. It has also been decided that the last date of exercising the option by GTAs to pay GST under forward charge shall be 31st March of preceding Financial Year instead of 15th March. 1st January of preceding Financial Year shall be the start date for exercise of option.

Our Analysis:

- Currently, goods transport agencies (GTAs) have the option to pay GST on transportation services under either the forward charge mechanism or the reverse charge mechanism. Under the forward charge mechanism, the GTA is responsible for paying GST on the transportation services it provides. Under the reverse charge mechanism, the recipient of the transportation services is responsible for paying GST.

- The GST Council has proposed to change the deadline for GTAs to exercise their option to pay GST under the forward charge mechanism. Currently, the deadline is 15th March of the financial year in which the option is to be exercised. The proposed change would move the deadline to 31st March of the preceding financial year. This would give GTAs an additional two months to make their decision.

- The proposed change would also change the start date for the exercise of the option. Currently, the start date is 1st April of the financial year in which the option is to be exercised. The proposed change would move the start date to 1st January of the preceding financial year. This would give GTAs more time to consider their options and make a decision that is right for their business.

- The proposed change is expected to have a positive impact on GTAs in a number of ways. First, it would give GTAs more time to make their decision about which mechanism to use. Second, it would give GTAs more certainty about their GST obligations, as they would know that the deadline for exercising the option would be 31st March of the preceding financial year. Third, it would make it easier for GTAs to do business, as they would not have to worry about the deadline for exercising the option falling during a busy time of year.

- Overall, the proposed change is a positive development for GTAs. It would give GTAs more time to make their decision about which mechanism to use, give them more certainty about their GST obligations, and make it easier for them to do business.

- The deadline for GTAs to exercise their option to pay GST under the forward charge mechanism would be moved from 15th March to 31st March of the preceding financial year.
- The start date for the exercise of the option would be moved from 1st April to 1st January of the preceding financial year.

- This would give GTAs an additional two months to make their decision and more certainty about their GST obligations.

- It would also make it easier for GTAs to do business.

3. It has been decided to clarify that services supplied by a director of a company to the company in his private or personal capacity such as supplying services by way of renting of immovable property to the company or body corporate are not taxable under RCM. Only those services supplied by a director of company or body corporate, which are supplied by him as or in the capacity of director of that company or body corporate shall be taxable under RCM in the hands of the company or body corporate under notification No. 13/2017-CTR (Sl. No. 6) dated 28.06.2017

Our Analysis:

- Currently, under the Reverse Charge Mechanism (RCM), a company is liable to pay GST on services supplied to it by a director of the company in his capacity as a director. However, the GST Council has proposed to clarify that services supplied by a director of a company to the company in his private or personal capacity are not taxable under RCM.

- This means that if a director rents out his own property to the company, the company will not be liable to pay GST on the rental payments. This is because the director is not providing the rental services in his capacity as a director of the company, but rather in his private or personal capacity.

- The proposed change is expected to have a positive impact on directors of companies in a number of ways. First, it will reduce the administrative burden on directors, as they will not have to worry about registering for GST or filing GST returns on rental payments received from their companies. Second, it will give directors more certainty about their GST obligations, as they will know that they will not be liable to pay GST on rental payments received from their companies in their private or personal capacity. Third, it will make it easier for directors to do business, as they will not have to worry about the implications of GST on their rental payments.
- Overall, the proposed change is a positive development for directors of companies. It will reduce the administrative burden on directors, give them more certainty about their GST obligations, and make it easier for them to do business.

- Services supplied by a director of a company to the company in his private or personal capacity are not taxable under RCM.

- This includes services such as renting of immovable property.

- The proposed change will reduce the administrative burden on directors and give them more certainty about their GST obligations.

4. It has been decided to clarify that supply of food and beverages in cinema halls is taxable as restaurant service as long as (a) they are supplied by way of or as part of a service and (b) supplied independently of the cinema exhibition service. Where the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema, the principal supply.

Our Analysis:

- Currently, the GST rate on food and beverages supplied in cinema halls is 18%. However, the GST Council has proposed to clarify that food and beverages supplied in cinema halls will be taxable as restaurant services as long as they are supplied independently of the cinema exhibition service. This means that if a cinema hall sells food and beverages separately from the cinema ticket, the GST rate on the food and beverages will be 5%, which is the rate applicable to restaurant services.

- However, if the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema, the principal supply. This means that if a cinema hall sells a combo meal that includes a cinema ticket and food and beverages, the GST rate on the combo meal will be 18%, which is the rate applicable to cinema exhibition services.

- The proposed change is expected to have a positive impact on the taxation of food and beverages in cinema halls in a number of ways. First, it will provide clarity on the GST treatment of food and beverages supplied in cinema halls. Second, it will make it easier for cinema halls to comply with GST requirements. Third, it will ensure that consumers are aware of the GST they are paying on food and beverages in cinema halls.

- Food and beverages supplied in cinema halls will be taxable as restaurant services as long as they are supplied independently of the cinema exhibition service.

- If the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema, the principal supply.

- The proposed change is expected to provide clarity on the GST treatment of food and beverages supplied in cinema halls and make it easier for cinema halls to comply with GST requirements.

1. Goods and Services Tax Appellate Tribunal (Appointment and Conditions of Service of President and Members) Rules, 2023: The Council has recommended the Rules governing appointment and conditions of President and Members of the proposed GST Appellate Tribunal for enabling smooth constitution and functioning of GST Appellate Tribunal. The Council also recommended that provisions of Finance Act, 2023 pertaining to GST Appellate Tribunal may be notified by the Centre with effect from 01.08.2023, so that the same can be brought into operation at the earliest. Further the council has recommended the Chief Secretary of Maharashtra to be nominated as one of the members of the Search cum selection committee as per Section 110(4)(b)(iii) of CGST Act 2017. Regarding the number of State Benches, it was decided to start them in a phase wise manner.

Our Analysis:

- The GST Council has recommended the Rules governing appointment and conditions of President and Members of the GSTAT. This is a significant step towards the establishment of the GSTAT, which will be the highest appellate forum for GST matters.

- The Council has also recommended that the provisions of Finance Act, 2023 pertaining to GSTAT may be notified by the Centre with effect from 01.08.2023, so that the same can be brought into operation at the earliest. This will allow the GSTAT to start functioning as soon as possible.

- The Council has further recommended the Chief Secretary of Maharashtra to be nominated as one of the members of the Search cum selection committee as per Section 110(4)(b)(iii) of CGST Act 2017. This will ensure that the GSTAT has a strong representation from the state governments.
- Regarding the number of State Benches, it was decided to start them in a phase wise manner. This will allow the GSTAT to be established in a phased manner, as the need arises.

- The proposed changes are expected to have a positive impact on the GSTAT in a number of ways. First, they will provide clarity on the rules governing the appointment and conditions of service of the President and Members of the GSTAT. Second, they will expedite the establishment of the GSTAT. Third, they will ensure that the GSTAT has a strong representation from the state governments.

- The GST Council has recommended the Rules governing appointment and conditions of President and Members of the GSTAT.

- The provisions of Finance Act, 2023 pertaining to GSTAT may be notified by the Centre with effect from 01.08.2023.

- The Chief Secretary of Maharashtra will be nominated as one of the members of the Search cum selection committee.

- The number of State Benches will be started in a phase wise manner.

2. Annual Returns for FY 2022-23: The Council has recommended that the relaxations provided in FY 2021-22 in respect of various tables of FORM GSTR-9 and FORM GSTR-9C be continued for FY 2022-23. Further, for easing compliance burden on smaller taxpayers, exemption from filing of annual return (in FORM GSTR-9/9A) for taxpayers having aggregate annual turnover upto two crore rupees, to be continued for FY 2022-23 also.

Our Analysis:

- The GST Council has recommended that the relaxations provided in FY 2021-22 in respect of various tables of FORM GSTR-9 and FORM GSTR-9C be continued for FY 2022-23. This means that taxpayers will be exempt from filing certain tables in these forms, which will reduce their compliance burden.

- The Council has also recommended that exemption from filing of annual return (in FORM GSTR-9/9A) for taxpayers having aggregate annual turnover upto two crore rupees, to be continued for FY 2022-23 also. This means that taxpayers with an annual turnover of up to Rs. 2 crore will be exempt from filing the annual return, which is a significant relief for small businesses.
- The proposed changes are expected to have a positive impact on the filing of annual returns for GST taxpayers in a number of ways. First, they will reduce the compliance burden for taxpayers. Second, they will make it easier for taxpayers to comply with GST requirements. Third, they will encourage more businesses to register for GST.

- The GST Council has recommended that the relaxations provided in FY 2021-22 in respect of various tables of FORM GSTR-9 and FORM GSTR-9C be continued for FY 2022-23.

- Taxpayers will be exempt from filing certain tables in these forms, which will reduce their compliance burden.

- Taxpayers with an annual turnover of up to Rs. 2 crore will be exempt from filing the annual return, which is a significant relief for small businesses.

3. The Council has recommended to clarify through a circular that Input Services Distributor (ISD) mechanism is not mandatory for distribution of input tax credit of common input services procured from third parties to the distinct persons as per the present provisions of GST law, and also to clarify issues regarding taxability of internally generated services provided by one distinct person to another distinct person. The Council has also recommended that amendment may be made in GST law to make ISD mechanism mandatory prospectively for distribution of input tax credit of such common 3. input services procured from third parties.

Our Analysis:

- Currently, under the GST law, there is a provision for Input Services Distributor (ISD) mechanism. This mechanism allows a group of distinct persons to appoint one person as an ISD to distribute the ITC of common input services procured from third parties to the distinct persons.

- However, the GST Council has recommended to clarify through a circular that the ISD mechanism is not mandatory for the distribution of ITC of common input services procured from third parties to the distinct persons as per the present provisions of GST law. This means that a group of distinct persons can choose not to appoint an ISD and can distribute the ITC among themselves directly.

- The Council has also recommended that amendment may be made in the GST law to make the ISD mechanism mandatory prospectively for the distribution of ITC of such common input services procured from third parties. This means that the ISD mechanism will be mandatory for all groups of distinct persons from the date of the amendment.

- The proposed changes are expected to have a positive impact on the distribution of ITC for common input services procured from third parties under the GST law in a number of ways. First, they will provide flexibility to groups of distinct persons in terms of how they want to distribute the ITC. Second, they will reduce the compliance burden for groups of distinct persons that do not want to appoint an ISD. Third, they will make it easier for groups of distinct persons to comply with GST requirements.

- The GST Council has recommended to clarify through a circular that the ISD mechanism is not mandatory for the distribution of ITC of common input services procured from third parties to the distinct persons as per the present provisions of GST law.

- The Council has also recommended that amendment may be made in the GST law to make the ISD mechanism mandatory prospectively for the distribution of ITC of such common input services procured from third parties.

- The proposed changes are expected to provide flexibility, reduce compliance burden, and make it easier for groups of distinct persons to comply with GST requirements.

4. Circular to be issued to provide clarity on various issues pertaining to the GST liability as well as the liability to reverse input tax credit in cases involving warranty replacement of parts and repair services during warranty period without any consideration from the customers, clarifying inter alia that no GST is chargeable by the manufacturer on such replacement of parts and/ or repair service and also, no reversal of input tax credit is required to be made by the manufacturer.

Our Analysis:

- Currently, under the GST law, there is no clear provision on whether GST is payable on warranty replacement of parts and repair services during warranty period without any consideration from the customers. This has led to some confusion and uncertainty among manufacturers.

- The GST Council has proposed to issue a circular to clarify that no GST is chargeable by the manufacturer on such replacement of parts and/ or repair service and also, no reversal of input tax credit is required to be made by the manufacturer. This is a welcome move as it will provide clarity and certainty to manufacturers.
- The proposed change is expected to have a positive impact on the GST liability of manufacturers in a number of ways. First, it will ensure that manufacturers do not have to pay GST on warranty replacement of parts and repair services during warranty period without any consideration from the customers. Second, it will reduce the compliance burden for manufacturers. Third, it will make it easier for manufacturers to comply with GST requirements.

- The GST Council has proposed to issue a circular to clarify that no GST is chargeable by the manufacturer on such replacement of parts and/ or repair service and also, no reversal of input tax credit is required to be made by the manufacturer.

- The proposed change is expected to provide clarity and certainty to manufacturers.

- The proposed change is expected to reduce the compliance burden for manufacturers.

- The proposed change is expected to make it easier for manufacturers to comply with GST requirements.

5. Circular to be issued to clarify various refund related issues: Consequent to amendment in rule 36(4) of CGST Rules 2017 with effect from 01.01.2022, refund of accumulated input tax credit (ITC) under Section 54(3) of CGST Act, 2017 for a tax period to be restricted to ITC on inward supplies reflected in FORM GSTR-2B of the said tax period or any previous tax period. Consequent to Explanation having been inserted in rule 89(4) of CGST Rules vide Notification No. 14/2022- CT dated 05.07.2022, the value of export goods, to be included while calculating "adjusted total turnover" in the formula under rule 89(4), will be determined as per the said explanation. Clarification regarding admissibility of refund in cases where export of goods, or the realization of payment for export of services, as the case may be, is made after the time limit provided under rule 96A of CGST Rules, 2017.

Our Analysis:

- Currently, under the CGST Act, a registered person can claim refund of accumulated ITC if the amount of ITC exceeds 90% of the aggregate value of taxable supplies made by the said person in the preceding six months. However, with effect from 1st January 2022, rule 36(4) of the CGST Rules has been amended to restrict the refund of accumulated ITC to ITC on inward supplies reflected in FORM GSTR-2B of the said tax period or any previous tax period.

- This means that if a registered person has accumulated ITC, but the amount of ITC on inward supplies reflected in FORM GSTR-2B of the said tax period or any previous tax period is less than 90% of the aggregate value of taxable supplies made by the said person in the preceding six months, then the registered person will not be eligible to claim refund of accumulated ITC.

- The GST Council has proposed to issue a circular to clarify this amendment and to provide guidance on how it will be implemented. The circular is expected to be issued soon.

- The proposed change is expected to have a positive impact on the refund of accumulated ITC in a number of ways. First, it will ensure that only registered persons who have a genuine claim for refund will be able to claim refund. Second, it will reduce the number of fraudulent refund claims. Third, it will make it easier for the GST authorities to process refund claims.

- The GST Council has proposed to issue a circular to clarify the amendment to rule 36(4) of the CGST Rules.

- The proposed change will restrict the refund of accumulated ITC to ITC on inward supplies reflected in FORM GSTR-2B of the said tax period or any previous tax period.

- The proposed change is expected to make it easier for the GST authorities to process refund claims.

Summary of 50th GST Council Meeting held in Delhi on 11th July'2023

6. Circular to be issued to provide clarification regarding TCS liability under Sec 52 of the CGST Act, 2017 in cases where multiple E-commerce Operators (ECOs) are involved in a single transaction of supply of goods or services or both.

Our Analysis:

- Currently, it is not clear which ECO is liable to collect TCS in a case where multiple ECOs are involved. The proposed change would clarify this issue by specifying which ECO is liable to collect TCS in different scenarios.

- The proposed change would also clarify how the net value of taxable supplies is to be determined in a case where multiple ECOs are involved. Currently, it is not clear how the net value of taxable supplies is to be determined in these cases. The proposed change would provide a clear definition of the net value of taxable supplies, which would make it easier for ECOs to calculate and collect TCS.

- Finally, the proposed change would clarify the rate of TCS to be applied in cases where multiple ECOs are involved. Currently, it is not clear whether the rate of 1% applies in these cases. The proposed change would specify the rate of TCS that is to be applied in these cases.

- The proposed change is expected to have a number of impacts. First, it would provide clarity for ECOs about their TCS liability in cases where multiple ECOs are involved. This would help to ensure that TCS is collected correctly and that ECOs are not exposed to penalties for non-compliance.

- Second, the proposed change would make it easier for ECOs to calculate and collect TCS. This would reduce the compliance burden on ECOs and help to ensure that TCS is collected in a timely manner.

- Third, the proposed change would help to ensure that the government receives the correct amount of TCS revenue. This would help to fund government programs and services.

- Overall, the proposed change is a positive development that is expected to have a number of beneficial impacts.

  - Here are some key points of the proposed change:

  - The circular will clarify which ECO is liable to collect TCS in a case where multiple ECOs are involved.
  - The circular will clarify how the net value of taxable supplies is to be determined in a case where multiple ECOs are involved.
  - The circular will specify the rate of TCS to be applied in cases where multiple ECOs are involved.
  - The circular is expected to be issued soon. Once it is issued, we will provide more information on its contents.

7. To ease compliance burden of the taxpayers, clause (f) of rule 46 of CGST Rules, 2017 to amended to provide for requirement of only name of the State of the recipient, and not the name and full address of the recipient, on the tax invoice in cases of supply of taxable services by or through an ECO or by a supplier of OIDAR services to an unregistered recipient.

Our Analysis:

- Currently, Rule 46(f) of the CGST Rules, 2017 requires that the tax invoice issued by a supplier of taxable services to an unregistered recipient must contain the name, address and PAN of the recipient. However, this requirement can be burdensome for ECOs and suppliers of OIDAR services, as they often do not have the full address of the recipient.

- The proposed change would simplify the requirements for tax invoices issued by ECOs and suppliers of OIDAR services. It would only require the name of the State of the recipient to be mentioned on the tax invoice. This would reduce the compliance burden on ECOs and suppliers of OIDAR services, and it would also make it easier for recipients to claim input tax credit.

- The proposed change is expected to have a number of impacts. First, it would reduce the compliance burden on ECOs and suppliers of OIDAR services. This would free up their time and resources, which they could use to focus on other aspects of their businesses.

- Second, the proposed change would make it easier for recipients to claim input tax credit. This would help to ensure that recipients are able to recover the GST they have paid on their purchases, which would reduce their overall tax burden.

- Third, the proposed change would help to improve the efficiency of the GST system. By making it easier for ECOs and suppliers of OIDAR services to issue tax invoices, the proposed change would help to ensure that GST is collected and accounted for correctly.

- Overall, the proposed change is a positive development that is expected to have a number of beneficial impacts.

- Here are some key points of the proposed change:
    - The name of the State of the recipient, and not the name and full address of the recipient, will be required to be mentioned on the tax invoice.
    - The proposed change is expected to reduce the compliance burden on ECOs and suppliers of OIDAR services.
    - The proposed change is expected to make it easier for recipients to claim input tax credit.
    - The proposed change is expected to improve the efficiency of the GST system.

8. Issuance of the following circulars in order to remove ambiguity and legal disputes on various issues, thus benefiting taxpayers at large:

A. Clarifying that the registered person, whose turnover exceeds the prescribed threshold for generation of e-invoicing, are required to issue e-invoices under rule 48(4) of CGST Rules. for the supplies made to Government Departments or establishments / Government agencies / local authorities / PSUs, etc., registered solely for the purpose of TDS,

B. Clarification regarding the manner of calculation of interest amount liable to be paid under section 50(3) of CGST Act, 2017 in respect of wrongly availed and utilized IGST credit, clarifying inter alia that in cases of wrong availment of IGST credit, the balance of input tax credit (ITC) in electronic credit ledger, under the heads of IGST, CGST and SGST taken together, has to be taken in consideration while calculating such interest liability as per rule 88B of CGST Rules, 2017.

C. Clarifying that mere holding of securities of a subsidiary company by a holding company cannot be treated as a supply of services and therefore, cannot be taxed under GST.

Our Analysis:

- E-invoicing for supplies made to government departments: The GST Council has recommended that registered persons whose turnover exceeds the prescribed threshold for generation of e-invoices will be required to issue e-invoices under rule 48(4) of the CGST Rules for the supplies made to government departments or establishments, government agencies, local authorities, and PSUs that are registered solely for the purpose of TDS. This will help to ensure that GST is collected and accounted for correctly in these transactions.
- Interest liability for wrongly availed and utilized IGST credit: The GST Council has clarified that the manner of calculation of interest amount liable to be paid under section 50(3) of the CGST Act, 2017 in respect of wrongly availed and utilized IGST credit will be as follows:
- The balance of input tax credit (ITC) in the electronic credit ledger, under the heads of IGST, CGST, and SGST taken together, will have to be taken into consideration while calculating such interest liability.

- The interest liability will be calculated on the amount of IGST credit that was wrongly availed and utilized.
- The interest will be calculated at the rate of 18% per annum.
- Holding of securities of a subsidiary company by a holding company: The GST Council has clarified that mere holding of securities of a subsidiary company by a holding company cannot be treated as a supply of services and therefore, cannot be taxed under GST. This is because holding of securities does not involve any transfer of goods or services.

These are just some of the key points of the proposed changes. The GST Council is expected to issue circulars clarifying these changes soon.

9. As per the recommendations of the Council in its 48th meeting, Circular No. 183/15/2022-GST dated 27th December, 2022 was issued to provide for the procedure for verification of input tax credit in cases involving difference in Input Tax Credit availed in FORM GSTR-3B vis a vis that available as per FORM GSTR-2A during FY 2017-18 and 2018-19. To provide further relief to the taxpayers, the Council recommended for further issuance of a circular to provide for similar procedure for verification of input tax credit in cases involving difference in Input Tax Credit availed in FORM GSTR-3B vis a vis that available as per FORM GSTR-2A during the period 01.04.2019 to 31.12.2021.

Our Analysis:

- The existing circular, issued in December 2022, provides a procedure for verification of input tax credit in cases involving difference in input tax credit availed in FORM GSTR-3B vis-a-vis that available as per FORM GSTR-2A during the financial years 2017-18 and 2018-19. The new circular will provide a similar procedure for the period 01.04.2019 to 31.12.2021.
- The purpose of the circular is to provide relief to taxpayers who have discrepancies in their input tax credit. The circular will provide a systematic procedure for taxpayers to verify their input tax credit and resolve any discrepancies.
- The new circular will provide a similar procedure for verification of input tax credit in cases involving difference in input tax credit availed in FORM GSTR-3B vis-a-vis that available as per FORM GSTR-2A during the period 01.04.2019 to 31.12.2021.
- The circular will provide a systematic procedure for taxpayers to verify their input tax credit and resolve any discrepancies.
- The circular will provide relief to taxpayers who have discrepancies in their input tax credit.

10. Amendment in CGST Rules, 2017 regarding registration: The Council has recommended the following amendments in CGST Rules, 2017 to strengthen the registration process and to effectively deal with the menace of fake and fraudulent registrations in GST: Amendment in rule 10A to provide that the details of bank account, in name and PAN of the registered person, to be required to be furnished within 30 days of grant of registration or before filing of statement of outwards supply under section 37 of CGST Act in FORM GSTR-1/ IFF, whichever is earlier. Amendment in rule 21A(2A) to provide for system-based suspension of the registration in respect of such registered persons who do not furnish the details of valid bank account under rule 10A with the time period prescribed under the said rule. Insertion of 3rd proviso in rule 21A(4) to provide for automatic revocation of such system-based suspension upon compliance with provisions of rule 10A.Amendment in rule 59(6) to provide that where a registered person has not furnished details of a valid bank account under rule 10A, the said registered person may not be allowed to furnish the details of outward supplies in FORM GSTR-1 or using IFF. Amendment in rule 9 and rule 25 to do away with the requirement that the physical verification of business premises is to be conducted in the presence of the applicant and also to provide for physical verification in high risk cases even where Aadhaar has been authenticated.

Our Analysis:

- Amendment to Rule 10A: This amendment would require all registered persons to furnish the details of their bank account, in the name and PAN of the registered person, within 30 days of grant of registration or before filing the statement of outward supply under Section 37 of the CGST Act in FORM GSTR-1/IFF, whichever is earlier.
- Amendment to Rule 21A(2A): This amendment would provide for system-based suspension of the registration in respect of such registered persons who do not furnish the details of valid bank account under Rule 10A with the time period prescribed under the said rule.
- Insertion of 3rd proviso in Rule 21A(4): This amendment would provide for automatic revocation of such system-based suspension upon compliance with provisions of Rule 10A.
- Amendment to Rule 59(6): This amendment would provide that where a registered person has not furnished details of a valid bank account under Rule 10A, the said registered person may not be allowed to furnish the details of outward supplies in FORM GSTR-1 or 3 using IFF.
- Amendment to Rule 9 and Rule 25: This amendment would do away with the requirement that the physical verification of business premises is to be conducted in the presence of the applicant and also to provide for physical verification in high risk cases even where Aadhaar has been authenticated.

- Increased transparency: The requirement to furnish details of bank account would increase transparency in the registration process and make it easier for the GST authorities to track the movement of funds.
- Reduced fraud: The proposed changes would make it more difficult for fraudulent businesses to obtain registration, as they would be required to provide more information and undergo physical verification.
- Improved compliance: The proposed changes would encourage businesses to comply with the GST laws, as they would be more likely to be caught if they do not.
- Businesses that do not have a valid bank account: These businesses would not be able to obtain or renew their GST registration.
- Businesses that fail to furnish the details of their bank account within the prescribed time period: These businesses would have their registration suspended.
- Businesses that are involved in fraudulent activities: These businesses would be more likely to be caught and penalized under the GST laws.

11. In accordance with the recommendations of the Group of Ministers (GoM) on Capacity based taxation and Special Composition Scheme approved by the Council in 49th meeting, the Council has made the following recommendations: issuance of notification under section 148 of CGST Act, 2017 prescribing a special procedure to be followed by the manufacturers of tobacco, pan masala & other similar items inter alia for registration of machines and for filing of special monthly returns; insertion of section 122A in CGST Act, 2017 providing for special penalty for non-registration of machines by such manufacturers; provisions of section 123 of Finance Act, 2021, amending section 16 of IGST Act, to be notified with effect from 01.10.2023 and notification to be issued under section 16(4) of IGST Act. 2017 to provide for restriction of IGST refund route in respect of exports of tobacco, pan masala & other similar items as well as mentha oil.

Our Analysis:

- Manufacturers of tobacco, pan masala, and other similar items will be required to register their machines with the GST authorities. This will help the authorities to track the production of these products and ensure that the correct amount of tax is paid.
- Manufacturers will also be required to file special monthly returns. These returns will provide information on the production, sales, and taxes paid for these products.
- A new penalty will be introduced for manufacturers who fail to register their machines. The penalty will be equal to 1% of the turnover of the manufacturer.

- The IGST refund route will be restricted for exports of tobacco, pan masala, and other similar items. This means that exporters of these products will not be able to claim a refund of the IGST paid on inputs.
- The notification under Section 148 of the CGST Act, 2017 will prescribe the details of the machines that need to be registered, the procedure for registration, and the frequency of filing of special monthly returns.
- Section 122A of the CGST Act, 2017 will provide for a penalty of 1% of the turnover for non-registration of machines.
- The provisions of Section 123 of the Finance Act, 2021 will be notified with effect from October 1, 2023. The notification under Section 16(4) of the IGST Act, 2017 will provide for the restriction of the IGST refund route for exports of tobacco, pan masala, and other similar items as well as mentha oil.

12. In accordance with the recommendations of Group of Ministers (GoM) on implementation of E-way bill requirement for movement of Gold/ Precious stones under chapter 71, the Council has recommended to insert rule 138F in CGST Rules, 2017, as well as in SGST Rules, 2017 of the States, who want to mandate the requirement of generation of e-way bills for intra-State movement of gold and precious stones under Chapter 71 within their States. Can you please explain what this proposed change is and how this is going to impact. I need to understand all key points of the same.

Our Analysis:

- This means that businesses that transport gold and precious stones within their state will be required to generate an e-way bill before transporting the goods. The e-way bill is a digital document that is used to track the movement of goods and ensure that taxes are paid correctly.
- The e-way bill will be required for intra-State movement of gold and precious stones under Chapter 71.
- The e-way bill will be generated by the transporter or the registered person who is moving the goods.
- The e-way bill will be valid for a period of 3 days from the date of generation.
- The e-way bill will be linked to the GSTIN of the transporter and the registered person who is moving the goods.
- The e-way bill will be generated through the GST portal.
- The e-way bill will be linked to the vehicle that is transporting the goods.

13. In view of the prevailing law and order situation in the State of Manipur, the Council recommended to extend the due dates for filing of FORM GSTR-1, FORM GSTR-3B and FORM GSTR-7 for the months of April, May and June, 2023 for the registered persons of State of Manipur till 31.07.2023.

Our Analysis:

- The due dates for filing FORM GSTR-1, FORM GSTR-3B and FORM GSTR-7 for the months of April, May and June, 2023 for the registered persons of State of Manipur will be extended till 31.07.2023.
- The extension of the due dates will be applicable to all registered persons in the State of Manipur, irrespective of their turnover.
- The extension of the due dates will not have any implications for the liability of taxes.
- The extension of the due dates will be effective from July 1, 2023.
- Businesses in the State of Manipur can still file their GST returns before the extended due date of July 31, 2023. However, they will be liable to pay late fees if they do not file their returns by the extended due date.
- The extension of the due dates will not have any implications for the liability of taxes. Businesses will still be liable to pay taxes for the months of April, May and June, 2023, even if they file their GST returns after the extended due date.

1. Council recommended to extend the amnesty schemes notified vide notifications dated 31.03.2023 regarding non-filers of FORM GSTR-4, FORM GSTR-9 & FORM GSTR-10 returns, revocation of cancellation of registration and deemed withdrawal of assessment orders issued under Section 62 of CGST Act, 2017, till 31.08.2023.

Our Analysis:

- This means that businesses that have not filed their GST returns for the specified periods will be able to do so without penalty until August 31, 2023. Businesses that have had their registration cancelled or have had assessment orders issued against them under Section 62 of the CGST Act will also be able to apply for revocation of cancellation or withdrawal of assessment orders until August 31, 2023.
- The amnesty schemes will be extended till August 31, 2023.

- The amnesty schemes will be applicable to all registered persons who have not filed their GST returns for the specified periods.
- The amnesty schemes will also be applicable to businesses that have had their registration cancelled or have had assessment orders issued against them under Section 62 of the CGST Act.
- The amnesty schemes will be available to all registered persons, irrespective of their turnover.
- The amnesty schemes will not be available to businesses that have been convicted of any offences under the GST Act.
- Businesses that avail of the amnesty schemes will be required to pay the taxes due, along with interest.

2. Rule 108(1) and rule 109(1) of CGST Rules, 2017 to be amended to provide for manual filing of appeal under certain specified circumstances.

Our Analysis:

Where the business does not have access to the internet.

Where the business does not have the technical expertise to file an appeal electronically.

Where the business is filing an appeal against an order that was passed before the introduction of electronic filing of appeals.

The amendment would be effective from the date of notification.

Businesses that wish to file an appeal manually would need to submit a physical copy of the appeal to the GST authorities.

The physical copy of the appeal would need to be accompanied by a declaration stating that the business does not have access to the internet or that the business does not have the technical expertise to file an appeal electronically.

3. Special procedure to be provided under section 148 of CGST Act, 2017 to enable manual filing of appeal against the orders passed by proper officers in respect of TRAN-1/ TRAN-2 claims of the registered persons, filed in pursuance of the directions of Hon'ble Supreme Court in case of the Union of India v/s Filco Trade Centre Pvt. Ltd.

Our Analysis:

- Currently, appeals against orders passed by the GST authorities can only be filed electronically. However, the Hon'ble Supreme Court has directed that the registered persons who have filed TRAN-1/TRAN-2 claims and have received orders from the proper officers, can file appeals against these orders manually.
- The proposed amendment would allow registered persons to file appeals manually against orders passed by the proper officers in respect of TRAN-1/TRAN-2 claims. The special procedure would be as follows:
- The registered person would need to submit a physical copy of the appeal to the GST authorities.
- The physical copy of the appeal would need to be accompanied by a declaration stating that the registered person has filed a TRAN-1/TRAN-2 claim and has received an order from the proper officer.
- The GST authorities would need to acknowledge the receipt of the appeal and would need to issue a notice to the proper officer.
- The proper officer would need to file a reply to the appeal within a specified time period.
- The appellate authority would need to decide the appeal within a specified time period.
- The amendment would be effective from the date of notification.
- The special procedure would only be applicable to appeals against orders passed by the proper officers in respect of TRAN-1/TRAN-2 claims.
- The GST authorities would need to develop a format for the physical copy of the appeal.

4. Pilot to be conducted in U.T. of Puducherry for risk-based biometric-based Aadhaar authentication of registration applicants. The State of Andhra Pradesh also expressed its intent to join this pilot after the system's readiness is tested in the state of Gujarat and U.T. of Puducherry.

Our Analysis:

- The GST Council has recommended to conduct a pilot in the Union Territory of Puducherry for risk-based biometric-based Aadhaar authentication of registration applicants. The State of Andhra Pradesh has also expressed its intent to join this pilot after the system's readiness is tested in the state of Gujarat and U.T. of Puducherry.
- Aadhaar authentication is a process of verifying the identity of a person using their Aadhaar number and biometric information. Biometric information includes fingerprints, iris scans, and facial recognition.
- The proposed change would mean that registration applicants in Puducherry, Gujarat, and Andhra Pradesh would be required to undergo biometric authentication as part of the registration process. This would help to verify the identity of the applicants and reduce the risk of fraudulent registrations.
- Registration applicants in Puducherry, Gujarat, and Andhra Pradesh would be required to undergo biometric authentication as part of the registration process.
- The biometric authentication would be done using Aadhaar.
- The biometric authentication would help to verify the identity of the applicants and reduce the risk of fraudulent registrations.
- It would help to reduce the risk of fraudulent registrations.
- It would help to ensure that only genuine businesses are registered for GST.
- It would help to improve the efficiency of the GST system.
- It would protect the interests of taxpayers.

5. Procedure for Recovery of Tax and Interest in terms of Rule 88C(3): On the recommendations of the GST Council in its 48th meeting held on 17.12.2022, rule 88C was inserted in the CGST Rules, 2017 with effect from 26.12.2022 for system based intimation to the registered person in cases where the output tax liability in terms of FORM GSTR-1 of a registered person for any particular month exceeds the output tax liability disclosed by the said person in the return in FORM GSTR-3B for the said month by a specified threshold. The Council has now recommended insertion of Rule 142B in the CGST Rules, 2017 and insertion of a FORM GST DRC-01D to provide for manner of recovery of the tax and interest in respect of the amount intimated under rule 88C which has not been paid and for which no satisfactory explanation has been furnished by the registered person.

Our Analysis:

- Rule 88C of the CGST Rules, 2017 was inserted in December 2022 to provide for system-based intimation to registered persons in cases where the output tax liability in terms of FORM GSTR-1 of a registered person for any particular month exceeds the output tax liability disclosed by the said person in the return in FORM GSTR-3B for the said month by a specified threshold.
- The proposed change would insert Rule 142B in the CGST Rules, 2017 and a FORM GST DRC-01D to provide for the manner of recovery of the tax and interest in respect of the amount intimated under Rule 88C which has not been paid and for which no satisfactory explanation has been furnished by the registered person.
- A system-based intimation would be sent to registered persons if the output tax liability in terms of FORM GSTR-1 exceeds the output tax liability disclosed in FORM GSTR-3B by a specified threshold.
- If the amount intimated is not paid and no satisfactory explanation is furnished by the registered person, the amount would be recovered as per Rule 142B.
- A FORM GST DRC-01D would be used to initiate the recovery proceedings.
- It would help to ensure that taxpayers are paying the correct amount of tax.
- It would help the government to recover any outstanding amounts.

- It would help to prevent fraud and evasion.
- It would help to improve the efficiency of the GST system.

6. Mechanism to deal with differences in ITC between FORM GSTR-2B and FORM GSTR-3B: The Council has recommended a mechanism for system-based intimation to the taxpayers in respect of the excess availment of ITC in FORM GSTR-3B vis a vis that made available in FORM GSTR-2B above a certain threshold, along with the procedure of auto-compliance on the part of the taxpayers, to explain the reasons for the said difference or take remedial action in respect of such difference. For this purpose, rule 88D and FORM DRC-01C to be inserted in CGST Rules, 2017, along with an amendment in rule 59(6) of CGST Rules, 2017. This will help in reducing ITC mismatches and misuse of ITC facility in GST.

Our Analysis:

- The GST Council has recommended to introduce a mechanism for system-based intimation to taxpayers in respect of the excess availment of Input Tax Credit (ITC) in Form GSTR-3B vis-a-vis that made available in Form GSTR-2B above a certain threshold.
- Form GSTR-2B is a monthly statement that is generated by the GST system and contains details of the ITC that is available to a taxpayer. Form GSTR-3B is a monthly return that is filed by taxpayers and contains details of the ITC that has been claimed by the taxpayer.
- The proposed change would mean that taxpayers would be automatically notified if there is a significant difference between the ITC that is available to them and the ITC that they have claimed. This would help to identify cases of ITC mismatch and misuse of the ITC facility.
- Taxpayers would be automatically notified if there is a significant difference between the ITC that is available to them and the ITC that they have claimed.
- The notification would be sent through the common portal.
- The notification would contain details of the difference in ITC.
- Taxpayers would be required to explain the reason for the difference or take remedial action.

- It would help to reduce ITC mismatches.
- It would help to prevent the misuse of the ITC facility.
- It would help to ensure that taxpayers are only able to claim ITC that they are entitled to.
- It would help to improve the efficiency of the GST system.

7. To improve discipline in filing of annual returns, FORM GSTR-3A to be amended to provide for issuance of notice to the registered taxpayers for their failure to furnish Annual Return in FORM GSTR-9 or FORM GSTR-9A by due date.

Our Analysis:

- The GST Council has recommended to amend Form GSTR-3A to provide for the issuance of notices to registered taxpayers who fail to furnish their annual returns in Form GSTR-9 or Form GSTR-9A by the due date.
- Form GSTR-3A is a monthly return that is filed by registered taxpayers. It contains summary details of the supplies made and received by the taxpayer. Form GSTR-9 and Form GSTR-9A are annual returns that are filed by registered taxpayers. They contain detailed information of the supplies made and received by the taxpayer during the financial year.
- The proposed change would allow the GST authorities to track the compliance of registered taxpayers with the annual return filing requirements. It would also help to ensure that all registered taxpayers are filing their annual returns in a timely manner.
- Registered taxpayers who fail to furnish their annual returns by the due date would be issued notices.
- The notices would be issued through the common portal.
- The notices would contain details of the annual returns that have not been filed.
- The notices would also contain instructions on how to file the annual returns.

- It would help to improve compliance with the annual return filing requirements.
- It would help to ensure that all registered taxpayers are filing their annual returns in a timely manner.
- It would help to reduce the number of pending annual returns.
- It would help to improve the accuracy of the GST data.

8. Rule 64 and FORM GSTR-5A of CGST Rules, 2017 to be amended to require OIDAR service providers to provide the details of supplies made to registered persons in India in his return in FORM GSTR-5A. This will help in tracking due payment of tax on reverse charge basis by such registered persons in India in respect of supplies received from OIDAR service providers.

Our Analysis:

- Currently, there is no way for the government to track whether registered persons in India are paying GST on OIDAR services that they receive from overseas suppliers. This is because the overseas suppliers do not have to register for GST in India.
- The proposed change would require OIDAR service providers to provide the details of supplies made to registered persons in India in their return in Form GSTR-5A. This would allow the government to track whether these registered persons are paying GST on the supplies that they receive.
- OIDAR service providers would be required to provide the details of supplies made to registered persons in India in their return in Form GSTR-5A.
- This would allow the government to track whether these registered persons are paying GST on the supplies that they receive.
- The proposed change would help to ensure that GST is paid on OIDAR services that are received by registered persons in India.

9. Explanation 3 to be inserted after rule 43 of CGST Rules, 2017 to prescribe that the value of supply of goods from Duty Free Shops at arrival terminal in international airports to the incoming passengers to be included in the value of exempt supplies for the purpose of reversal of input tax credit.

Our Analysis:

- Currently, the value of supplies made by duty-free shops at arrival terminals in international airports to incoming passengers is exempt from GST. This means that businesses that purchase goods from these shops cannot claim input tax credit (ITC) on the GST paid on the purchase.

- The proposed change would insert a new Explanation 3 after Rule 43 of the CGST Rules, 2017, which would prescribe that the value of supplies made by duty-free shops at arrival terminals in international airports to incoming passengers would be included in the value of exempt supplies for the purpose of reversal of input tax credit.

- This means that businesses that purchase goods from these shops would be able to claim ITC on the GST paid on the purchase, subject to the usual conditions for claiming ITC.

- It would allow businesses to claim ITC on the GST paid on purchases made from duty-free shops at arrival terminals in international airports.

- This would provide relief to businesses that have been unable to claim ITC on these purchases in the past.

- The proposed change would make the GST system more equitable, as businesses would be able to claim ITC on all their purchases, regardless of whether they are made from domestic or international suppliers.

10. Sub-rule (3A) to be inserted in rule 162 of CGST Rules, 2017 to prescribe the compounding amount for various offences under section 132 of CGST Act, 2017.

Our Analysis:

- Section 132 of the CGST Act, 2017 deals with the compounding of offences under the GST law. Compounding is a process by which an offender can avoid prosecution by paying a fine to the government.
- The current law does not specify the compounding amount for various offences under Section 132. This has led to uncertainty for businesses and taxpayers, as they do not know how much they will have to pay to compound an offence.
- The proposed change would insert a new sub-rule (3A) in Rule 162 of the CGST Rules, 2017, which would prescribe the compounding amount for various offences under Section 132. The compounding amount would vary depending on the severity of the offence.
- It would specify the compounding amount for various offences under Section 132.
- This would provide clarity for businesses and taxpayers, as they would know how much they will have to pay to compound an offence.
- The proposed change would make it easier for businesses and taxpayers to comply with the GST law.

11. The Council has recommended insertion of rule 163 in CGST Rules, 2017 to provide for manner and conditions of consent-based sharing of information of registered persons available on the common portal with other systems. The Council has also recommended issuance of a notification under section 158A of CGST Act, 2017 for notifying "Account Aggregators" as the systems with which information is to be shared by the common portal.

Our Analysis:

- The GST Council has recommended the insertion of Rule 163 in the CGST Rules, 2017 to provide for the manner and conditions of consent-based sharing of information of registered persons available on the common portal with other systems. The Council has also recommended the issuance of a notification under Section 158A of the CGST Act, 2017 for notifying "Account Aggregators" as the systems with which information is to be shared by the common portal.
- Account aggregators are entities that are licensed by the Reserve Bank of India (RBI) to aggregate financial data from multiple sources, such as banks, insurance companies, and mutual funds. This data can then be shared with consumers, businesses, and other authorized entities.
- The proposed change would allow for the consent-based sharing of GST-related information of registered persons with account aggregators. This information could include taxpayer identification numbers, GST registration numbers, and transaction details.
- It would allow for the consent-based sharing of GST-related information of registered persons with account aggregators.
- This information could be used by taxpayers to track their GST payments and compliance, and by businesses to verify the GST registration of their suppliers.
- The proposed change would be subject to the consent of the taxpayer, and would only be allowed for the purposes of facilitating GST compliance.

12. The Council has recommended insertion of a clause (ca) in sub-section (1) of section 10 of the IGST Act, 2017 to clarify the place of supply in respect of supply of goods to unregistered persons.

Our Analysis:

- The current law on the place of supply for goods supplied to unregistered persons is not clear. Section 10(1)(b) of the IGST Act, 2017, which deals with the place of supply of goods, states that the place of supply of goods to an unregistered person shall be the place where the supplier is located. However, this provision has been interpreted differently by different authorities, leading to uncertainty for businesses.

- The proposed change would insert a new clause (ca) in sub-section (1) of section 10 of the IGST Act, 2017, which would clarify that the place of supply of goods to an unregistered person shall be the place where the goods are delivered to the recipient. This would provide clarity for businesses and ensure that they are taxed correctly.
- It would clarify the place of supply of goods to an unregistered person.
- It would provide clarity for businesses and ensure that they are taxed correctly.
- It would reduce the risk of disputes between businesses and tax authorities.

13. The GST Council has recommended to form a State level coordination Committee comprising of GST officers from both State and Central GST administrations for knowledge sharing on GST matters and coordinated efforts towards administrative and preventive measures.

Our Analysis:

- The GST Council has recommended to form a State level coordination committee comprising of GST officers from both State and Central GST administrations. This committee will be responsible for knowledge sharing on GST matters and coordinated efforts towards administrative and preventive measures.

- The committee will be composed of GST officers from both the State and Central GST administrations. This will ensure that there is a unified approach to GST administration across the country.
- The committee will be responsible for knowledge sharing on GST matters. This will help to ensure that all GST officers are up-to-date on the latest developments in GST law and policy.
- The committee will also be responsible for coordinated efforts towards administrative and preventive measures. This will help to ensure that the GST system is more efficient and that fraud is prevented.
- The proposed change is likely to have a positive impact on GST. It will help to ensure that there is a unified approach to GST administration across the country, and that GST officers are up-to-date on the latest developments in GST law and policy. This will help to make the GST system more efficient and prevent fraud.
- It will help to improve communication and coordination between the State and Central GST administrations.
- It will help to ensure that GST officers are aware of the latest developments in GST law and policy.
- It will help to identify and address common problems and challenges in GST administration.
- It will help to promote best practices in GST administration.

14. The 2nd interim report of the Group of Ministers (GoM) on IT System Reforms was also discussed by the Council. The GoM has recommended various measures to curb frauds in GST through System based measures for strengthening registration process in GST, more use of third-party data for risk management and controlling flow of fake Input Tax Credit down the supply chain.

Our Analysis:

- Strengthening the registration process in GST by requiring more information from taxpayers, such as PAN and Aadhaar numbers.

- Using third-party data for risk management, such as data from banks and financial institutions.

- Controlling the flow of fake Input Tax Credit (ITC) down the supply chain.

- The GoM has recommended that the registration process in GST be strengthened by requiring more information from taxpayers. This includes PAN and Aadhaar numbers, which will help to verify the identity of taxpayers and reduce the chances of fraudulent registrations.

- The GoM has also recommended that third-party data be used for risk management. This means that data from banks and financial institutions will be used to identify businesses that are at risk of committing GST fraud. This will help to target enforcement efforts and prevent fraud from happening in the first place.

- Finally, the GoM has recommended that the flow of fake ITC be controlled. This means that measures will be taken to prevent businesses from claiming ITC for goods and services that they have not actually purchased. This will help to ensure that only legitimate businesses are able to claim ITC, and that the GST system is not being abused.

Thanks and Regards

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