

Point of Taxation applicable for May/June 2016 Exams

GST

Goods and Service Tax

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Point of Taxation Rules, 2011

Rule	Coverage
Rule 2A	Date of Payment
Rule 2C	Continuous supply of Service
Rule 3	Determination of Point of Taxation
Rule 4	Determination of Point of Taxation in case of change in effective rate of Tax
Rule 5	Payment of Tax in case of New Service
Rule 6	Omitted
Rule 7	Determination of Point of Taxation in case of specified services or persons
Rule 8	Determination of Point of Taxation in case of copyrights, etc
Rule 8A	Determination of Point of Taxation in other cases
Rule 9	Transitional Provisions

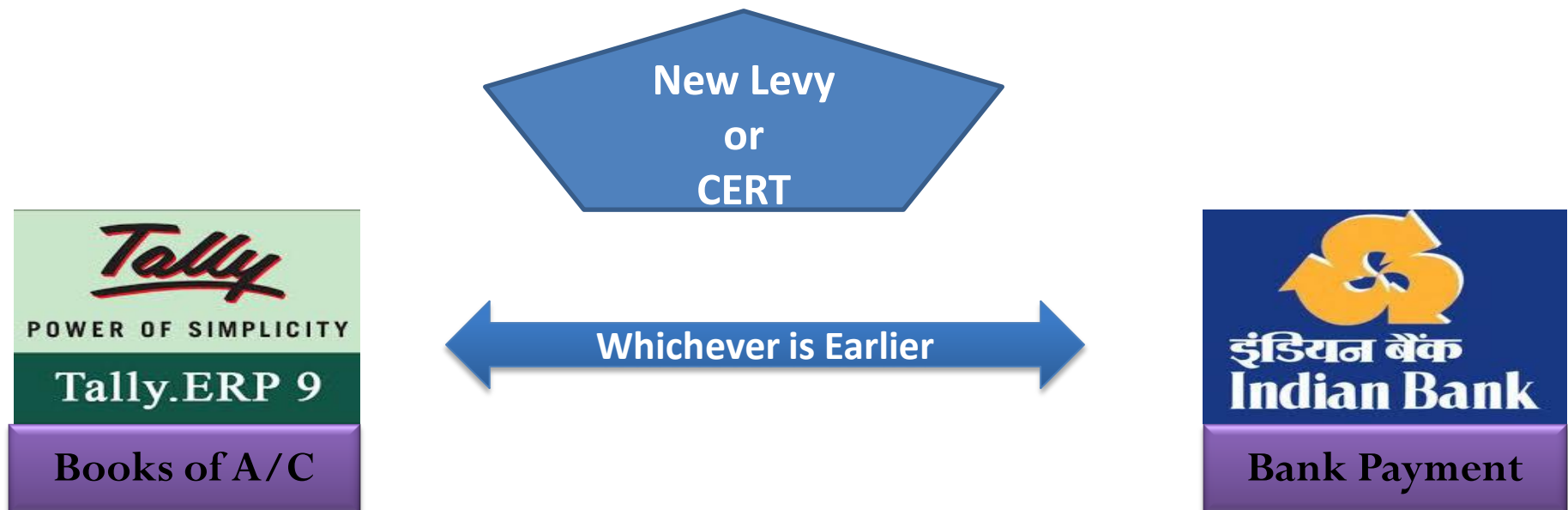
Point of Taxation Rules, 2011

RULE 2A Date of Payment

Scenario – when change in e.r.t or new levy between date of book entry and credited to bank (not cash)

Rule - Date of payment shall be the earlier of the dates on which the payment is entered in the books of accounts or is credited to the bank account of the person liable to pay tax

W.e.f 1-4-2012



Point of Taxation Rules, 2011

RULE 2C Continuous supply of Service

any service which is provided, or to be provided continuously or on recurrent basis, under a contract, for a period exceeding **three months** with the obligation for payment periodically or from time to time or where the Central Govt. by notification in the Official Gazette, prescribes provision of a particular service to be a continuous supply of service, whether or not subject to any condition.



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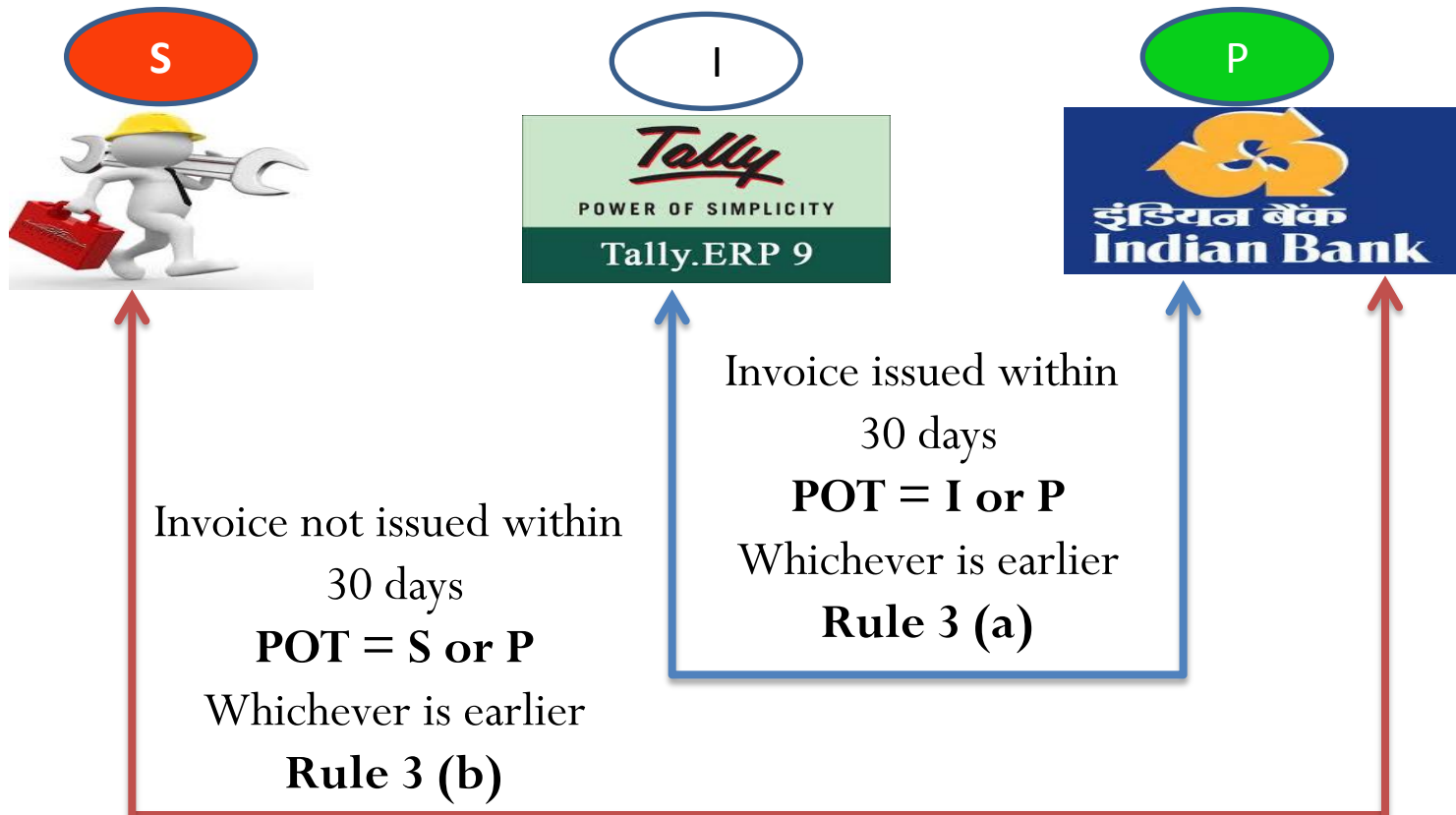
Continuous flow of
services more than
THREE MONTHS



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Rule 3 Determination of Point of Taxation

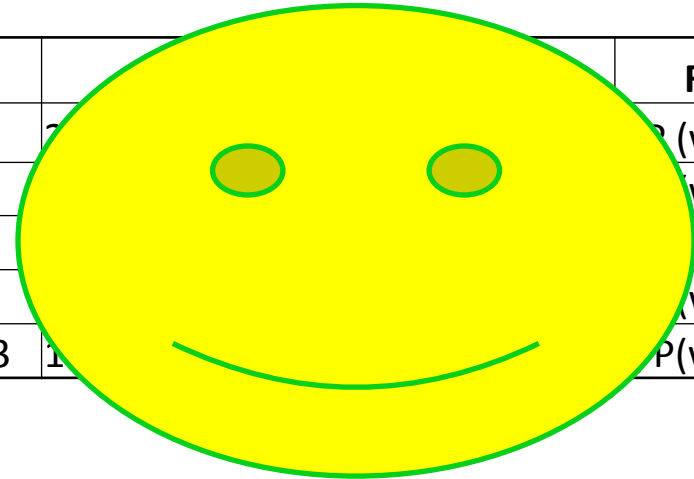


Point of Taxation Rules, 2011

Rule 3 Determination of Point of Taxation

Test yourself by answering the below without turning to next slide 😊

S. No	Service (S)	Invoice (I)	Payment (P)	Rule
1	10th Apr, 2013	20th Apr, 2013	30th Apr, 2013	2 (w.e)
2	10th Apr, 2013	6th May, 2013	30th May, 2013	3 (w.e)
3	10th Apr, 2013	6th May, 2013	30th Apr, 2013	4 (w.e)
4	25th Apr, 2013	20th Apr, 2013	2nd Apr, 2013	5 (w.e)
5	10th April, 2013	16th May, 2013	30th May, 2013	1 P(w.e)



Point of Taxation Rules, 2011

Rule 3 Determination of Point of Taxation

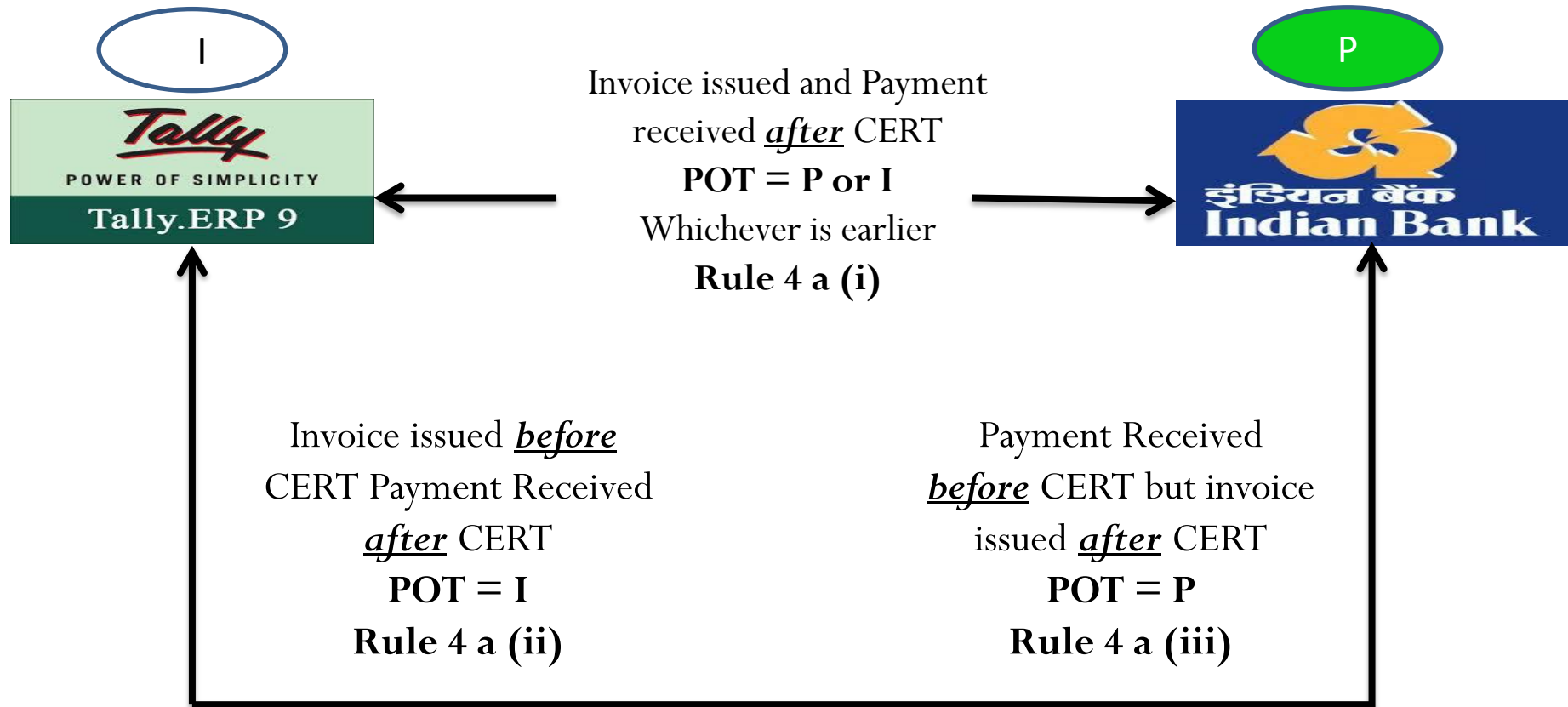
(a) Date of invoice or payment, whichever is earlier, if the invoice is issued within the prescribed period of **30 days** from the date of completion of the provision of service (W.e.f. 1-4-2012).

(b) Date of completion of the provision of service or payment, whichever is earlier if the invoice is **not issued** within the prescribed period.

S. No	Service (S)	Invoice (I)	Payment (P)	POT	Invoicing	Rule
1	10th Apr, 2013	20th Apr, 2013	30th Apr, 2013	20th Apr, 2013	Within 30 days	I/P (w.e)
2	10th Apr, 2013	6th May, 2013	30th May, 2013	6th May, 2013	Within 30 days	I/P (w.e)
3	10th Apr, 2013	6th May, 2013	30th Apr, 2013	30th Apr, 2013	Within 30 days	I/P (w.e)
4	25th Apr, 2013	20th Apr, 2013	2nd Apr, 2013	2nd Apr, 2013	Within 30 days	I/P (w.e)
5	10th April, 2013	16th May, 2013	30th May, 2013	10th Apr, 2013	Beyond 30 days	S/P (w.e)

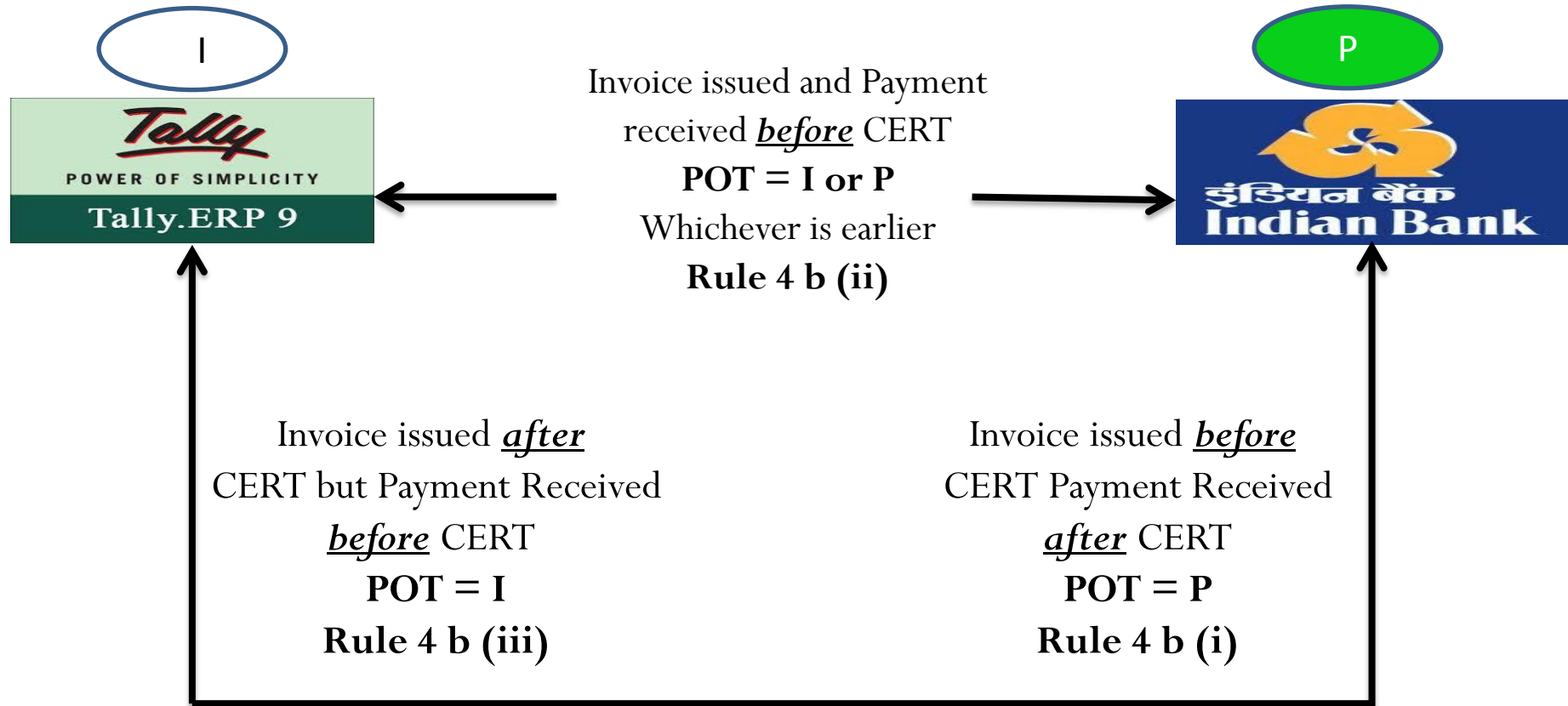
Point of Taxation Rules, 2011

Rule 4 (a) Determination of Point of Taxation in case of change in effective rate of Tax – services provided before CERT



Point of Taxation Rules, 2011

Rule 4 (b) Determination of Point of Taxation in case of change in effective rate of Tax – services provided after CERT



Point of Taxation Rules, 2011

Rule 5 Payment of Tax in case of New Service

No tax shall be payable (5a)

to the extent the Invoice has been issued and the payment received against such invoice before such service became taxable.

No tax shall be payable (5b)

if the payment has been received before the service becomes taxable **And** invoice has been issued within 14 days of the date when the service is taxed for the first time.

Point of Taxation Rules, 2011

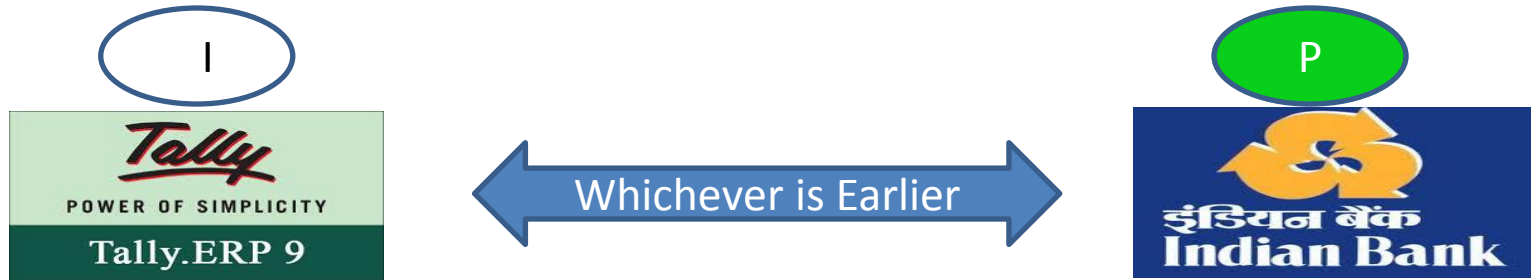
Rule 7 Determination of Point of Taxation in case of specified services or persons (Reverse Charge)

Shall be the date on which *payment is made* within 3 months from the date of invoice

Provided that, where payment is not received within a period of 3 months from the date of Invoice, the POT shall be determined as if this rule does not exist (Rule 3)

Point of Taxation Rules, 2011

Rule 8 Determination of Point of Taxation in other cases (copyrights, etc)



Rule 8 – In case of royalties or payments relating to copy rights, trade marks, designs, where the whole amount of consideration is not ascertainable, then POT as per the above.

Rule 8 (a) Where the POT cannot be determined (Best Judgement Method)

- ❖ as the date of Invoice or date of Payment or both are not available
- ❖ the Central Excise Officer may require the concerned person to produce such accounts, documents or other evidence as he may deem necessary
- ❖ shall by an order in writing, after giving an opportunity of being heard
- ❖ determine the POT to the best of his judgments.