

GST Update

Weekly Update
02.02.2019

Background



- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 26.01.2019. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications. Similar parallel provisions in State Laws may be referred to as required

- 6 Central Tax and One Central Tax(rate); 3 Integrated tax and one Integrated tax(rate); 1 UTGST and 1 UTGST(rate) Notifications issued
- One CBIC circular issued
- Consequent to the GST Amendment Acts coming into force w.e.f 1st February, 2019, corresponding changes in CGST Rules, 2017, earlier circulars and notifications made

Coming into force of the GST (Amendment) Act of 2018

- The provisions of the CGST (Amendment) Act, 2018, except section 8(b), section 17, section 18, section 20(a), section 28(b)(i) and 28(c)(i) shall come into force-
 - w.e.f 1st February, 2019
- Section 8(b), section 17, section 18, section 20(a) pertain to New Returns
- Section 28(b)(i) and 28(c)(i)... pertain to Transition Credit (Section 140 of the CGST Act, 2017)
- All provisions of IGST (Amendment) Act, 2018, UTGST (Amendment) Act, 2017 and GST (Compensation to State) Amendment Act, 2018 come into force -
 - W.e.f 1st February, 2019

Multiple Registrations

- Separate registration requirement for SEZ unit or developer incorporated in the Act itself in section 25
- Earlier reference to requirement of separates business verticals for separate registration removed; Definition of Business Vertical in section 2(18) has been omitted
- Corresponding Changes made in the CGST Rules
- Conditions for separate registration specified in Rule 11 of the CGST Rules, 2017

Multiple Registrations (Contd)

- **Rule 11 of the CGST Rules, 2017:** Any person having multiple places of business within a State or a Union territory, requiring a separate registration for any such place of business to be granted separate registration
 - such person shall not pay tax under section 10 for any of his places of business if he is paying tax under section 9 for any other place of business
 - Any place of business of a registered person that has been granted a separate registration becomes ineligible to pay tax under section 10, all other registered places of business of the said person shall become ineligible to pay tax under the said section

Multiple Registrations (Contd)

- **Rule 41A inserted in CGST Rules, 2017**
- A registered person who has obtained separate registration for multiple places of business in accordance with the provisions of rule 11 and who intends to transfer, either wholly or partly, the unutilised input tax credit lying in his electronic credit ledger to any or all of the newly registered place of business
- Input tax credit can be transferred to the newly registered entities in the ratio of the value of assets held by them at the time of registration
- Transferor needs to submit details in FORM GST ITC-02A within 30 days of obtaining registration and the transferee has to accept the same

Suspension of registration

- Section 29- During pendency of the proceedings relating to cancellation of registration, the registration may be suspended for such period and in such manner as may be prescribed.
- **Rule 21A inserted in CGST Rules, 2017**
 - Where a registered person applies for cancellation of registration under rule 20, the registration shall be **deemed to be suspended** from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration
 - In case of proceeding for cancellation initiated by dept, the proper officer, may, after giving hearing, suspend the registration w.e.f date to be determined by him
 - No supply can be made during suspension period; No returns required to be filed

- The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST Act during the pendency of the proceedings related to cancellation
- Accordingly, the field formations may not issue notices for non- filing of return for taxpayers who have already filed an application for cancellation of registration under section 29 of the CGST Act. Further, the requirement of filing a final return, as under section 45 of the CGST Act, remains unchanged.
- (<http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-88.pdf>)

- **Rule 83(8) of the CGST Rules, 2017 amended**
- Following additional activities which can be undertaken by GST Practitioners specified:
 - furnish information for generation of e-way bill;
 - furnish details of challan in FORM GST ITC-04;
 - file an application for amendment or cancellation of enrolment under rule 58; and
 - file an intimation to pay tax under the composition scheme or withdraw from the said scheme:

Last Date for TDS Returns

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-07-central-tax-english-2019.pdf;jsessionid=F6999BFA0F2D8B61C40FB80687A108F6>
- Due date for furnishing of FORM GSTR – 7- TDS Return for the months of October, 2018 to December, 2018
- Further extended till 28.02.2019.

Due date for TCS returns

- http://www.cbic.gov.in/resources//htdocs-cbec/gst/ROD2_2019_CT.pdf;jsessionid=336F581B900085337E97E05619A59A49
- CGST (Second Removal of Difficulties) Order, 2019
- Due date for the statement under section 52(4) October, November and December 2018 extended from 31st January, 2019 to 7th February, 2019

Applicability of section 9(4)- RCM on purchases from unregistered persons

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-1-2019-cgst-rate-english.pdf>
- Rescinds notification No. 8/2017-Central Tax (Rate) dated 28.06.2017 in view of bringing into effect the amendments (regarding RCM on supplies by unregistered persons) in the GST Acts
- W.e.f 01.02.2019, section 9(4) to be applicable only for specified class of registered persons; Original section omitted for trade facilitation and substituted with amended section
- The class of persons to whom section 9(4) applicable yet to be notified

Modes of recovery

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-88.pdf>
- Para 3 of the Circular No. 58/32/2018 dated 04.09.2018 amended
- **Recovery of arrears arising under the existing law shall be made as central tax liability**
- All such liabilities may be discharged by the taxpayers, either voluntarily in FORM GST DRC-03 or may be recovered vide order uploaded in FORM GST DRC-07, and payment against the said order shall be made in FORM GST DRC-03. It is further clarified that the alternative method of reversing the wrongly availed CENVAT credit under the existing law and inadmissible transitional credit through Table 4(B)(2) of FORM GSTR-3B would no longer be available to taxpayers. The applicable interest and penalty shall apply in respect of all such amounts, which shall also be paid in FORM GST DRC-03.

Supply of services by composition dealers

- http://www.cbic.gov.in/resources//htdocs-cbec/gst/ROD1_2019_CT.pdf;jsessionid=0BD4AB4AC08D10C9A051B1F22006C162
- **CGST (Removal of Difficulties) Order No. 01/2019 dated 01.02.2019**
- Section 10(1) of CGST Act, 2017 provides that a registered person engaged in the supply of services, other than supply of service referred to in clause (b) of paragraph 6 of Schedule II to the said Act, may opt for the composition scheme
- A person who opts for the said scheme may supply services, of value not exceeding ten per cent of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher

Supply of services by composition dealers (Contd)

- **CGST (Removal of Difficulties) Order No. 01/2019 dated 01.02.2019**
- Value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, shall not be taken into account –
- (i) for determining the eligibility for composition scheme under second proviso to section 10(1)
- (ii) in computing aggregate turnover in order to determine eligibility for composition scheme.



GST Portal Updates

List of Preferred Banks while making payment



List of Preferred Banks list while making Payment

- Every time a taxpayer makes GST Payment using a bank, it will be updated in the Preferred Banks list for that taxpayer.
- Up to 6 Preferred Banks will be shown to a taxpayer while making e-Payment on GST Portal.

Monthly Refund Applications by Quarterly GSTR-1 filers



Monthly Refund applications by Quarterly GSTR-1 filers

- The restriction for applying refund on quarterly basis for quarterly GSTR 1 filers is removed.
- These tax payer can now file refund application on monthly basis, if Form GSTR 1 for the quarter is filed.

FAQ and User Manual for Refund Module can be accessed at link <https://www.gst.gov.in/help/refund> at GST portal.

Auto approval of Appeals filed by Taxpayer or Tax Department

Application for appeal has to be submitted by the Appellant (Taxpayer or Tax Department) to the First Appellate Authority. The Appellant also needs to submit certified copies within 7 days from the date of application or within the time limit allowed. The Appellate Authority may either admit the appeal by issuing the final acknowledgement or reject the application.

In case Appellate Authority fails to issue final acknowledgement to the appellant within the stipulated time, then a system generated final acknowledgement will now be issued to the appellant with a remark “subject to validation of certified copies”

Release of API related to Assessment and adjudication

Following API released

- Assessment of non filers of Returns
- Summary Assessment
- Rectification of mistakes

Removal of validation of 2% in Form GSTR-7

At the time of filing of Form GSTR-7, as of now, system checks if total amount deducted is 2% of the taxable value or not.

- This check in table 3 and 4 in Form GSTR-7 is removed now. TDS Deductor will be free to report any value under CGST, SGST or IGST columns. System will not check if the amount reported is 2% of the amount paid to the deductee or not and if the CGST and SGST are deducted equally or not. Same is implemented in offline utility also.

Population of data from EWB system into Form GSTR-1

At the time of generating E-way bill for outward supply, taxpayers enter the details of outward supplies such as invoice number, date, quantity, value, Tax, HSN code and Consignee GSTIN etc.

- Taxpayers can now easily import these details of outward supply invoices, as indicated in the e-way bill, at the time of preparation of Form GSTR-1, by clicking the “import EWB Data” button, on the GST portal.

On the GST portal, the “Import EWB Data” button has been added in the following titles of the Form GSTR-1 page

- 4A, 4B, 4C, 6B, 6C – B2B invoices
- 5A, 5B – B2C (Large) invoices
- 12 – HSN wise summary of outward supplies



GST Legal Updates

HUL Ordered to deposit Rs.90 Crores in the Consumer Welfare Fund by Delhi HC

- Hindustan Unilever Ltd Vs Union of India reported in 2019-TIOL-23-HC-Del-GST.
- The issue pertains to Anti Profiteering order passed against HUL whereunder it was directed to deposit Rs.233 Crores. In the Writ Petition filed against the said order, the Delhi HC passed the following interim orders
- ***“In view of the submissions and contentions raised, we direct that the petitioner shall deposit Rs. 90 crores with the Central Consumer Welfare Fund in two instalments of Rs. 50 crores and Rs. 40 crores which would be paid on or before 15th March, 2019 and 15th May, 2019 respectively. We have passed the said direction after we have been informed that the petitioner has already deposited Rs. 160 crores. While computing the said figure, we have also taken into account the amounts mentioned in the afore-quoted chart.”***

Any ISSUES/ queries?

- <https://cbec-gst.gov.in/>
- [CBEC MITRA HELPDESK](#)
 - 1800 1200 232
 - cbecmitra.helpdesk@icegate.gov.in
- GSTN Help Desk
 - <https://selfservice.gstsystem.in/> - Grievance redressal portal
 - Help Desk Number: 0120-4888999

Any ISSUES/ queries?

- Twitter Handles
- For General Questions
- https://twitter.com/askGST_GoI
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- https://twitter.com/NACIN_OFFICIAL



THANK YOU