

GST Update

Weekly Update
06.01.2018

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 30.12.2017. 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

- One CGST Notifications, One Circular issued during the week.
- Similar Notifications issued under respective SGST/UTGST Act(s)

Reduction in rate of Composition Tax for Manufacturers

- http://www.cbec.gov.in/resources//htdocs-cbec/gst/Notification-1-2018-central_tax-English.pdf
- Notification 01/2018-Central Tax dated 01.01.2018 issued
- Amends notification 8/2017-Central Tax dated 27.06.2017.
- Rate of Composition Tax (Tax on turnover) payable by manufacturers who have opted for Composition Scheme reduced to 0.5% from 1%. Similar notification issued under SGST/UTGST Acts. Effective rate of Tax under composition scheme for manufacturers is now 1% (CGST+SGST). Earlier it was 2%.
- Thus, uniform rate of 1% for both manufacturers and traders

Composition Dealers (Contd)

- For other categories of composition dealers (other than manufacturers and restaurants), composition tax would be leviable @ 0.5% (1% CGST+SGST) of the turnover **of taxable supplies of goods**. Earlier it was 0.5% (1% CGST+SGST) of turnover.
- Thus, for traders, exempted supplies would not be added in the turnover for the purpose of levy of 1% Composition levy

Clarificatory Circular

- <http://www.cbec.gov.in/resources//htdocscbec/gst/circularno-27-gst.pdf>
- Circular No.27/1/2018-GST dated 04.01.2018 issued
- Circular provides clarifications regarding levy of GST on accommodation services, betting and gambling in casinos, horse racing, admission to cinema, homestays, printing, legal services etc.
- Clarifications already published as FAQ at <http://www.cbec.gov.in/resources//htdocs-cbec/gst/omclarification.pdf> reiterated



GST Portal Updates

This week following new functionality has been made available

Sl.No	Module	Form/Heading	Form Components/Details
1	Returns	Form GSTR 5	<ul style="list-style-type: none"> Creation and submission of Form GSTR 5 by Non-resident taxable person is now available on GST Portal, for giving details of ITC taken, amendments, supplies made etc by them.
2	Registration	Form GST REG 16	Form for application of cancellation of registration by (new) taxpayer, is now available on GST portal (see rule 20 of the CGST rules, 2017).

Taxpayers who are not able to file for ITC 04 in spite of downloading new version of Offline tool, are advised to:

1. Uninstall the old version of offline tool
2. Reboot the system and then download
3. Install new version of offline tool (Version 1.1)

GST Portal > Downloads > Offline Tools > ITC_04_offline_v1.1.zip



Amendments in Registration details – Advisory to Taxpayers

Taxpayers are advised to file for Core Amendment or Non-Core Amendment one at a time. Once the first amendment is reflected in your Registration Certificate on the GST Portal, only then you are advised to file the second amendment.



Form GST REG-16 – Cancellation of Registration – now available

FORM GST REG 16 is now available on GST Portal.

New taxpayers (registered after 1st July 2017) can now apply for cancellation of registration.



Functionality to File Form GSTR 5, return
by Non-Resident Taxable Person,
is now available on the GST Portal



Supplies to Merchant Exporters – Facility to upload details available



Taxpayers have been provided facility to give details of supplies made to merchant exporters at rate of 0.1 %, in all returns.



ADVANCE RULING

Q. Is the process of Advance Ruling to get a USER ID and make a payment, different for registered persons and unregistered persons?

A. No, currently the process is identical for both registered and unregistered persons.



Taxpayers can now declare transfer of ITC in case of sale, merger, demerger, amalgamation, lease or transfer of a business through Form ITC GST 02 on the GST Portal.

GST – Legal Updates

Levy of IGST on sale of goods lying in Customs Bonded Warehouse

Challenge to Circular No.46/2017-Customs dated 24.11.2017

2018-TIOL-03-HC-DEL-GST

Devashish Polymers Pvt Ltd Vs Uoi (Dated: December 22, 2017)

GST on supply of goods lying in bonded warehouse - Petitioner submits that there would be double payment of IGST - As per the illustration, IGST @ 12% amounting to Rs.13.2 would be payable @ 12% on the import value of the goods of Rs.100 plus basic customs duty - This amount would be payable when the goods are released by "C" from the warehouse – Further, the petitioner, i.e., C would be liable to pay IGST on the entire sale consideration between the seller (B) and the purchaser (C) on Rs.300/- - As per the petitioner, this Rs.300/- would include value of the goods of Rs.100/-, basic customs duty of Rs.10/- and duty deferred, i.e., IGST of Rs.23.20. Held: Respondents to obtain instructions on the said aspect and clarify the position in the counter affidavit – To be relisted on March 8, 2018

Tenders to be invited excluding GST - Case Decided in Revenue Favour

Challenge to Circular No.46/2017-Customs dated 24.11.2017

2018-TIOL-02-HC-MP-GST

Nirmal Constructions Vs State of MP (Dated: September 6, 2017)

GST – Challenge by the petitioner is to a communication by the State Government, informing its decision dated 05.08.2017 that for future contracts offers should be invited by excluding the amount of GST, and thereby cancelling the tender in which the petitioner participated.

Held: Letter of acceptance of the contract has not been communicated to the petitioner, therefore, it is not a case of concluded contract - In the absence of concluded contract, the petitioner cannot claim right to seek grant of contract only on the basis of the offer submitted by the petitioner at one stage – Consequent upon introduction of GST, tax regime has undergone change, therefore, State Government's decision not to act upon the tenders invited with effect from 1.7.2017 to 5.8.2017 cannot be said to be illegal or arbitrary – no merit in the petition, hence dismissed: High Court

Any ISSUES/ queries?



- <https://cbec-gst.gov.in/>
- [CBEC MITRA HELPDESK](#)
 - 1800 1200 232
 - cbecmitra.helpdesk@icegate.gov.in
- GSTN Help Desk
 - helpdesk@gst.gov.in
 - 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