

Recent Changes in GST

***Coverage of Important Changes Only
Between 1st Jan 2019 till 16th Mar 2019***

At

Dwarka Study Circle

17th Mar, 2019

IGST (Amendment) Act 2018 -No. 32 of 2018,

29th Aug 2018

- **01/2019-Integrated Tax, dt. 29-01-2019**
- Seeks to bring into force the IGST (Amendment) Act, 2018

Export of Services to Nepal & Bhutan

Up to 31/01/2019 – Exempted

The Central Government vide Notification No. 42/2017-Integrated tax(Rate) dated 27th October, 2017 made the amendment in the Notification No.9/2017- Integrated Tax (Rate),dated the 28th June, 2017 whereby a new entry 10D have been inserted in the exemption notification, namely,

Supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees.

Eligibility of ITC in case of Export of Services to Nepal and Bhutan

Exports of services to Nepal and Bhutan have already been exempted from GST. GST Council has decided that such exporters will also be eligible for claiming Input Tax Credit in respect of goods or services used for affecting such exempt supply of services to Nepal and Bhutan.

[\[Press release on Policy issues dated 10th November 2017\]](#)

Rule 43 (2)

Export of Services to Nepal & Bhutan

w.e.f 1st Feb 2019 – Exemption withdrawn

02/2019-Integrated Tax (Rate) ,dt. 04-02-2019

Seeks to rescind Sl. No. 10D of Notification No. 09/2017-Integrated Tax (Rate) dated 28.06.2017 in relation to exemption of IGST on supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees.

Export of Services

Sec 2(6) “*export of services*” means the supply of any service when,—

- (i) *the supplier of service is located in India;*
- (ii) *the recipient of service is located outside India;*
- (iii) *the place of supply of service is outside India;*
- (iv) *the payment for such service has been received by the supplier of service in convertible foreign exchange **or in Indian rupees wherever permitted by the Reserve Bank of India**; and*
- (v) *the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8;*

- **01/2019-Integrated Tax (Rate) , dt. 29-01-2019**
- *Seeks to rescind notification No. 32/2017 - Integrated Tax (Rate) dated 13.10.2017 in view of bringing into effect the amendments (regarding RCM on supplies by unregistered persons) in the GST Acts*

32/2017-Integrated Tax (Rate) ,dt. 13-10-2017

Seeks to exempt payment of tax under section 5(4) of the IGST Act, 2017 till 31.03.2018.

- ***Amendment of section 5 of IGST***

Sec 5(4)

- *"The Government may, on the recommendations of the Council,*
- ***by notification***, *specify a class of registered persons who shall,*
- ***in respect of supply of specified categories of goods or services or both received from an unregistered supplier,***
- *pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both."*

Amendment of section 12(8) of IGST

The place of supply of services by way of transportation of goods, including by mail or courier to,—

- (a) a registered person, shall be the location of such person;*
 - (b) a person other than a registered person, shall be the location at which such goods are **handed over** for their transportation.*
- Provided that where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods.*

- **Amendment of section 13(3) of IGST**

- (3) The place of supply of the following services **shall be the location where the services are actually performed**, namely:—
- (a) services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services:
- Provided that
- Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are **temporarily imported into India** for repairs or **for any other treatment or process** and are exported after such repairs or **treatment or process** without being put to any use in India, other than that which is required for such repairs or **treatment or process**;

- **Goods sold while being in a Custom Bonded Warehouse**
- The Central Board of Excise & Customs vide [Circular No. 46/2017-Customs dated 24th November, 2017](#) clarified that goods imported and deposited in a custom bonded warehouse will be chargeable to (Custom duty + IGST) **at the time of filing of ex-bond bill of entry** at the value determined at the time of filing into-bond bill of entry to be collected at ex-bond stage.
- **Circular No. 3/1/2018-IGST** Dated the 25th May, 2018 clarified that integrated tax shall be levied and collected **at the time of final clearance** of the warehoused goods for home consumption i.e., at the time of filing the ex-bond bill of entry **and** the value addition accruing at each stage of supply shall form part of the value on which the integrated tax would be payable at the time of clearance of the warehoused goods for home consumption

Goods sold while being in a Custom Bonded Warehouse

Circular No. 46/2017-Customs dated 24th November, 2017

Circular No. 3/1/2018-IGST Dated the 25th May, 2018

New Circular No. 04/01/2019-IGST Dated the 1st Feb, 2019

- *The provisions of the CGST (Amendment) Act, 2018 and SGST Amendment Acts of the respective States have been brought into force w.e.f. 01.02.2019. **Schedule III of the CGST Act, 2017 has been amended** vide section 32 of the CGST (Amendment) Act, 2018 so as to provide that the “supply of warehoused goods to any person before clearance for home consumption” shall be neither a supply of goods nor a supply of services.*
- *Accordingly, Circular No. 03/01/2018-IGST dated 25th May, 2018 is hereby rescinded.*

CGST (AMENDMENT) ACT, 2018

(NO. 31 OF 2018) [29th August, 2018]

Total Sections =32

- **02/2019-Central Tax ,dt. 29-01-2019**
- *Seeks to bring into force the CGST (Amendment) Act, 2018 except*
 - *Sec 8(b)*
 - *Sec 17*
 - *Sec18*
 - *Sec 20(a)*
 - *Sec 28(b)(i)*
 - *Sec 28(c)(i)*

Amendment of Schedule I

Sec 30 of CGST Amendment Act 2018

- *In Schedule I of the principal Act, in paragraph 4, for the words ~~“taxable person”~~, the word “person” shall be substituted.*

Para 4.

*Import of services by a **taxable** person from a related person or from any of his other establishments outside India, in the course or furtherance of business.*

- *2(107) of CGST Act 2017 “taxable person” means a person who is registered or liable to be registered under section 22 or section 24;*

Amendment of Schedule II

Sec 31 of CGST Amendment Act 2018

- *In Schedule II of the principal Act, in the heading, after the word “**ACTIVITIES**”, the words “**OR TRANSACTIONS**” shall be inserted and shall always be deemed to have been inserted with effect from the 1st day of July, 2017.*

SCHEDULE II

- **ACTIVITIES *or* TRANSACTIONS TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES**

Amendment of Schedule III

Sec 32 of CGST Amendment Act 2018

- *(i) after paragraph 6, the following paragraphs shall be inserted, namely:–*

*“7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India. - **MTT***

8. (a) *Supply of **warehoused goods** to any person before clearance for home consumption;*

(b) *Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.”; - **HSS***

- ***Amendment of section 17 (3)***

- *As per Sec 9(a) of CGST Amendment Act 2018 in Sec 17(3) of Principal Act the following **Explanation shall be inserted**, namely:—*
- *‘Explanation.—For the purposes of this sub-section, the expression “value of exempt supply” **shall not include** the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.’*

Amendment of section 9(4)

Sec 4 of CGST Amendment Act 2018

*In section 9(4) of the principal Act, the following sub-section shall be **substituted**, namely:—*

*“ The Government may, on the recommendations of the Council, **by notification**, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.”.*

Amendment of Sec 10(1)(a) - Composition Scheme

Sec 5 (a) of CGST Amendment Act 2018

- *In first Proviso..... Limit is increased from one crore to one crore and fifty lakhs*

Date???

- *New Proviso is inserted.....Now supplier of goods in Composition Scheme may also supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II), subject to the following limit-*
 - *10% of the turnover in a State or Union territory in the preceding financial year or*
 - *five lakh rupees, whichever is higher.”;*

- **Amendment of Sec 10(2)(a) - Composition Scheme Cont.....**

Sec 5 (b) of CGST Amendment Act 2018

- *in sub-section (2) of Sec 10 of Principal Act for clause (a), the following clause shall be substituted, namely:—*
- *“(a) save as provided in sub-section (1), **he is not engaged in the supply of services;**”.*

Earlier it was as under:

- *(a) he is not engaged in the supply of services other than supplies referred to in clause (b) of paragraph 6 of Schedule II;*

Different Limits in Different Periods

- ***Notification No. 08/2017*** - Central Tax dated 27.06.2017
 - *From 50 Lakhs to 75 Lakhs*
 - *Rs 50 Lakhs in Special category states except JK and UK*
- ***Notification No. 46/2017***- Central Tax dated 13/10/2017 amended notification No. 08/2017 - Central Tax dated 27.06.2017
 - *From 75 Lakhs to 100 Lakhs*
 - *From Rs 50 Lakhs to 75 Lakhs in Special category states except JK and UK*

14/2019-Central Tax ,dt. 07-03-2019

This notification shall come into force on the 1/04/ 2019.

- *Seeks to **supersede notification No. 08/2017** - Central Tax dated 27.06.2017 in order to extend the limit of threshold of aggregate turnover for availing Composition Scheme u/s 10 of the CGST Act, 2017 to Rs. 1.5 crores.*

14/2019-Central Tax ,dt. 07-03-2019 Cont.....

- *Provided that the said aggregate turnover in the preceding financial year shall be **seventy-five lakh rupees** in the case of an eligible registered person, registered under section 25 of the said Act, in any of the following States, namely: –*
 - (i) Arunachal Pradesh,*
 - (ii) Manipur,*
 - (iii) Meghalaya,*
 - (iv) Mizoram,*
 - (v) Nagaland,*
 - (vi) Sikkim,*
 - (vii) Tripura,*
 - (viii) Uttarakhand 50-75-100-75***

Central Tax (Rate)- Notifications

01/2019-Central Tax (Rate) ,dt. 29-01-2019

- *Seeks to rescind notification No. 8/2017-Central Tax (Rate), dated the 28th June, 2017, in view of bringing into effect the amendments (**regarding RCM** on supplies by unregistered persons) in the GST Acts*
- *This notification shall come into force with effect from the 1st day of February, 2019.*

02/2019-Central Tax (Rate) ,dt. 07-03-2019

- *To give **composition scheme for supplier of services** with a tax rate of 6% having annual turnover in **preceding year upto Rs 50 lakhs.***
- *This notification shall come into force on the 1st day of April, 2019.*

Composition Scheme for supplier of services

1. Supplies are made by a registered person, -

- (i) whose aggregate turnover in the preceding financial year **was fifty lakh rupees or below**;*
- (ii) who is **not eligible** to pay tax u/s 10(1) of CGST*
- (iii) who is not engaged in making any supply which is not leviable to tax under the said Act;*
- (iv) who is not engaged in making any **inter-State** outward supply;*
- (v) who is neither a casual taxable person nor a non-resident taxable person;*
- (vi) who is not engaged in making any supply through an ECO who is required to collect tax at source under sec 52;*

Composition Scheme for supplier of services

(vii) who is not engaged in making supplies of the goods, the description of which is specified in column (3) of the Annexure below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said annexure.

S.N.	Tariff item, sub-heading, heading or Chapter	Description
(1)	(2)	(3)
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala
3	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

Composition Scheme for supplier of services Cont...

2. *Where **more than one** registered persons are having the same Permanent Account Number, issued under the Income Tax Act, 1961(43 of 1961), central tax on supplies by all such registered persons is paid at the rate specified in column (2) under this notification.*
3. *The registered person **shall not collect any tax** from the recipient on supplies made by him **nor shall he be entitled to any credit of input tax.***
4. *The registered person shall issue, instead of tax invoice, **a bill of supply** as referred to in clause (c) of sub-section (3) of section 31 of the said Act with particulars as prescribed in rule 49 of Central Goods and Services Tax Rules.*
5. *The registered person shall mention the following words at the top of the bill of supply, namely: - ‘taxable person paying tax in terms of notification No. 2/2019-Central Tax (Rate) dated 07.03.2019, not eligible to collect tax on supplies’.*

Composition Scheme for supplier of services Cont...

6. *The registered person opting to pay central tax at the rate of **three percent** under this notification shall be liable to pay central tax at the rate of three percent on all outward supplies specified in column (1) notwithstanding any other notification issued under sub-section (1) of section 9 or under section 11 of said Act.*
7. *The registered person opting to pay central tax at the rate of three percent under this notification shall be liable to pay central tax on inward supplies on which he is liable to pay tax under sub-section (3) or, as the case may be, under sub-section (4) of section 9 of said Act **at the applicable rates.***

Composition Scheme for supplier of services Cont...

Explanation.-

For the purposes of this notification, the expression

***“first supplies of goods or services or both”** shall, for the purposes of determining eligibility of a person to pay tax under this notification, include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the said Act but for the purpose of determination of tax payable under this notification shall not include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the Act.*

Amendment of section 12- Time Of Supply Of Goods

Sec 6 of CGST Amendment Act

In section 12 of the principal Act, in sub-section (2), in clause (a), the words, brackets and figure “sub-section (1) of ” shall be omitted.

Now Sec 12(2)(a) will be read as under:

12 (2) The time of supply of goods shall be the earlier of the following dates, namely:—

(a) date of issue of invoice by the supplier or the last date on which he is required under ~~sub-section (1) of~~ section 31 to issue the invoice with respect to the supply; or

Amendment of section 13- Time of Supply Of Services

Sec 7 of CGST Amendment Act

In section 13 of the principal Act, in sub- section (2), the words, brackets and figure “sub-section (2) of ” occurring at both the places, shall be omitted.

Amendment of section 13- Time of Supply Of Services

13 (2) The time of supply of services shall be the earliest of the following dates, namely: —

(a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under ~~sub-section (2) of~~ section 31 or the date of receipt of payment, whichever is earlier;

(b) the date of provision of service, if the invoice is not issued within the period prescribed under ~~sub-section (2) of~~ section 31 or the date of receipt of payment, whichever is earlier;

Effect of the Amendment

The amendment seeks to correct a drafting error in the earlier law, as the issuance of invoice/other documents are also contained in other sub-sections of section 31.

Amendment of section 16 in sub-section (2),

Sec 8(a) of CGST Amendment Act

in clause (b), for the Explanation, the following Explanation shall be substituted, namely:—

“Explanation.—For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services—

- (i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;*
- (ii) where the services are provided by the supplier to any person on the direction of and on account of such registered person.”;*

Sec 8(b) of CGST Amendment Act

in clause (c), for the word and figures “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted.

Effect of the Amendment

- *1. To avail ITC the registered person must be in receipt of goods or services*
- *2. In Bill-to-ship-to model, it is deemed that goods are received when the supplier delivers the goods to any other person on direction of the recipient*
- *3. This deemed assumption shall now be applicable in case of services as well.*
- *4. So, ITC will be allowed to a person on whose direction and account, the third person receives the services.*

Amendment of section 17

Sec 9(a) of CGST Amendment Act

It amended Sec 17(3) of Principal Act.....already linked with amendment in Schedule III

Sec 9(b) of CGST Amendment Act

It amended clauses (a) and (b) of Sec 17(5) of Principal Act

*17(5) Notwithstanding anything contained in sub-section (1) of section 16 and subsection (1) of section 18, **input tax credit shall not be available in respect of the following, namely:—***

Up to 31/01/2019	w.e.f. 01/02/2019
<p><i>(a) motor vehicles and other conveyances except when they are used—</i></p> <p><i>(i) for making the following taxable supplies, namely:—</i></p> <p><i>(A) further supply of such vehicles or conveyances ; or</i></p> <p><i>(B) transportation of passengers; or</i></p> <p><i>(C) imparting training on driving, flying, navigating such vehicles or conveyances;</i></p> <p><i>(ii) for transportation of goods;</i></p>	<p><i>(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:—</i></p> <p><i>(A) further supply of such motor vehicles; or</i></p> <p><i>(B) transportation of passengers; or</i></p> <p><i>(C) imparting training on driving such motor vehicles;</i></p>

<i>Up to 31/01/2019</i>	<i>w.e.f. 01/02/2019</i>
	<p><i>(aa) vessels and aircraft except when they are used—</i></p> <p><i>(i) for making the following taxable supplies, namely:—</i></p> <p><i>(A) further supply of such vessels or aircraft; or</i></p> <p><i>(B) transportation of passengers; or</i></p> <p><i>(C) imparting training on navigating such vessels; or</i></p> <p><i>(D) imparting training on flying such aircraft;</i></p> <p><i>(ii) for transportation of goods;</i></p>

<i>Up to 31/01/2019</i>	<i>w.e.f. 01/02/2019</i>
	<p data-bbox="622 316 1998 515"><i>(ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):</i></p> <p data-bbox="622 600 1998 722"><i>Provided that the input tax credit in respect of such services shall be available—</i></p> <p data-bbox="622 743 1998 938"><i>(i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;</i></p> <p data-bbox="622 1023 1998 1361"><i>(ii) where received by a taxable person engaged—</i> <i>(I) in the manufacture of such motor vehicles, vessels or aircraft; or</i> <i>(II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;</i></p>

Up to 31/01/2019	w.e.f. 01/02/2019
<p><i>(b)(i) the following supply of goods or services or both—</i></p> <ul style="list-style-type: none"> ➤ <i>food and beverages,</i> ➤ <i>outdoor catering,</i> ➤ <i>beauty treatment,</i> ➤ <i>health services,</i> ➤ <i>cosmetic and plastic surgery</i> <p><i>except</i> where an inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the <i>same category</i> of goods or services or both <i>or as an element of a taxable composite or mixed supply;</i></p>	<p><i>(b)(i) the following supply of goods or services or both—</i></p> <ul style="list-style-type: none"> ➤ <i>food and beverages,</i> ➤ <i>outdoor catering,</i> ➤ <i>beauty treatment,</i> ➤ <i>health services,</i> ➤ <i>cosmetic and plastic surgery,</i> ➤ <i>leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein,</i> ➤ <i>life insurance and health insurance:</i> <p><i>Provided that.....</i></p>

<i>Up to 31/01/2019</i>	<i>w.e.f. 01/02/2019</i>
	<p><i>Provided that.....</i> <i>Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;</i></p>
<p><i>17(5)(b)(ii) membership of a club, health and fitness centre;</i></p>	<p><i>17(5)(b)(ii) membership of a club, health and fitness centre;</i></p>

Up to 31/01/2019	w.e.f. 01/02/2019
<p>17(5)(b)(iii) <i>rent-a-cab, life insurance and health insurance except where—</i> <i>(A) the Government notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force; or</i> <i>(B) such inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as part of a taxable composite or mixed supply; and</i></p>	
<p>17(5)(b)(iv) <i>travel benefits extended to employees on vacation such as leave or home travel concession;</i></p>	
<p>17(5) (c) to (i) are same</p>	<p>17(5) (c) to (i) are same</p>

Amendment of section 22-Registration

In Sec 22(1) a new proviso is inserted

*“Provided further that the Government may, **at the request of a special category State** and on the recommendations of the Council, enhance the aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified.”;*

Amendment of section 22-Registration

in the Explanation, in clause (iii), after the words

“State of Jammu and Kashmir”,

the words “and States of

➤ *Arunachal Pradesh,*

➤ *Assam,*

➤ *Himachal Pradesh,*

➤ *Meghalaya,*

➤ *Sikkim and*

➤ *Uttarakhand”*

shall be inserted.”.

special category states as specified in sub-clause (g) of clause (4) of Article 279A of the Constitution i.e.

- *Jammu and Kashmir*
- *Arunachal Pradesh,*
- *Assam,*
- **Manipur,**
- *Meghalaya,*
- **Mizoram,**
- **Nagaland,**
- *Sikkim,*
- **Tripura,**
- *Himachal Pradesh and*
- *Uttarakhand.*

In Sec 22 Limit is still 20/10 Lakhs

What happened about 40 Lakhs Limit???

10/2019-Central Tax ,dt. 07-03-2019

In exercise of the powers conferred by Sec 23(2) of the CGST Act, 2017

*To give exemption from registration for any person engaged in **exclusive supply of goods** and whose aggregate turnover in the financial year does not exceed Rs 40 lakhs.*

Exceptions:

- (a) persons required to take compulsory registration under section 24 of the said Act;*
- (b) persons engaged in making supplies of the ice cream, pan masala, tobacco etc*
- (iii) persons engaged in **making intra-State supplies** in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand; and*
- (iv) persons exercising option under the provisions of Sec 25(3), or such registered persons who intend to continue with their registration under the said Act.*

Note: This notification shall come into force on the 1st day of April, 2019.

Amendment of section 24

Compulsory registration in certain cases.

In section 24 of the principal Act, in clause (x), after the words “commerce operator”, the words and figures “who is required to collect tax at source under section 52” shall be inserted

Amendment of section 25-Procedure for registration.

- *Separate registration requirement for SEZ unit or developer is incorporated in the Act*
- *Multiple registrations were allowed earlier **only in case of separate business verticals**. The law now allows a separate registration for each place of business in respect of persons having multiple places of business in a state.*

Amendment of section 29- Cancellation or Suspension of registration

- *New Proviso inserted*
- *The new proviso ensures that once the registration has been sought to be cancelled, the proper officer may suspend the registration till the procedural formalities have been completed*
- *The registration suspended will not be required to file returns till the suspension is in effect*
- *NN 03/2019-Central Tax ,dt. 29-01-2019 Seeks to amend the CGST Rules, 2017*
- *New Rule 21A for Suspension of registration is inserted.*

Amendment of section 34

Credit Note/Debit Note

- *The suppliers are now not required to link credit/debit notes with individual invoices.*
- *The supplier may now issue a consolidated credit/debit note in respect of multiple invoices issued in the financial year.*
- *But still Sec 15(3)(b)(i) link of relevant invoices for Discount*

Amendment of section 35(5)

Audit by CA/CMA

- *Any department of the government{CG, SG & LA} whose accounts are audited by CAG or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force need not get their accounts audited by a CA/CMA*

Amendment of section 39-Furnishing of Returns

in sub-section (1),—

- (i) for the words “in such form and manner as may be prescribed”, the words “in such form, manner and within such time as may be prescribed” shall be substituted;*
- (ii) the words “on or before the twentieth day of the month succeeding such calendar month or part thereof ” shall be omitted;*
- (iii) the following proviso shall be inserted, namely:—*
“Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall furnish return for every quarter or part thereof, subject to such conditions and safeguards as may be specified therein.”;

Amendment of section 39-Furnishing of Returns

in sub-section (7), the following proviso shall be inserted, namely:—

“Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall pay to the Government the tax due or part thereof as per the return on or before the last date on which he is required to furnish such return, subject to such conditions and safeguards as may be specified therein.”;

New Sec 43 A :

A new section is being introduced in order to enable the new return filing procedure as proposed by the Returns Committee and approved by GST Council.

Insertion of new section 49A

Utilisation of input tax credit subject to certain conditions.

“ Notwithstanding anything contained in section 49, the input tax credit on account of central tax, State tax or Union territory tax shall be utilised towards payment of integrated tax, central tax, State tax or Union territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilised fully towards such payment.”

- *The new process of utilization requires the utilization of IGST first against payment of any output tax liability in the form of CGST/SGST/UTGST/IGST*

- *The balance of CGST/SGST/UTGST can be used only when the balance of IGST is exhausted*

- Example For Old Provisions Sec 49(5)**

	IGST Liab =10000	CGST Liab =7000	SGST Liab =7000	ITC BALANCE
INPUT IGST =15000	10000	2000	2000	1000
INPUT CGST = 5000		5000	NA	0
INPUT SGST = 5000		NA	5000	0
BAL TAX PAYABLE IN CASH	0	0	0	

- Example For New Provisions- Sec 49A**

	IGST Liab =10000	CGST Liab =7000	SGST Liab =7000	ITC BALANCE
INPUT IGST =15000	10000	5000	0	0
INPUT CGST = 5000		2000	NA	3000
INPUT SGST = 5000		NA	5000	
BAL TAX PAYABLE IN CASH	0	0	2000	

Insertion of new section 49B

Order of utilisation of input tax credit.

Notwithstanding anything contained in this Chapter and subject to the provisions of clause (e) and clause (f) of subsection (5) of section 49, the Government may, on the recommendations of the Council, prescribe the order and manner of utilisation of the input tax credit on account of integrated tax, central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.”.

Amendment of Sec 49(5)

The amount of input tax credit available in the electronic credit ledger of the registered person on account of—

- (a) integrated tax shall first be utilised towards payment of integrated tax and the amount remaining, if any, may be utilised towards the payment of central tax and State tax, or as the case may be, Union territory tax, in that order;
- (b) the central tax shall first be utilised towards payment of central tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;
- (c) the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards payment of integrated tax;
 - **“Provided that the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;”**;
- (d) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax;
 - **“Provided that the input tax credit on account of Union territory tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;”**.
- (e) the central tax shall not be utilised towards payment of State tax or Union territory tax; and
- (f) the State tax or Union territory tax shall not be utilised towards payment of central tax.

- **Amendment of section 79 - Recovery of Tax.**

In section 79 of the principal Act, after sub-section (4), the following Explanation shall be inserted, namely:—

‘Explanation.—*For the purposes of **this section**, the word person shall include “distinct persons” as referred to in sub-section (4) or, as the case may be, sub-section (5) of section 25.’*

- *It is proposed to provide that **recovery may be made from distinct persons present in different States / UTs** in order to ensure speedy recovery from other establishments of the registered person.*
- *79/2018-Central Tax ,dt. 31-12-2018 seeks to extend the **Jurisdiction of Tax Officers***

Amendment of section 107(6)(b) - Appeals to Appellate Authority

A ceiling limit of Rs 25 crore for pre deposit for filing an appeal before the Appellate Authority has been specified.

Amendment of section 112(8)(b) - Appeals to Appellate Tribunal.

A ceiling limit of Rs 50 crore for pre deposit for filing an appeal before the Appellate Tribunal has been specified.

Amendment of section 129(6)

Detention, seizure and release of goods and conveyances in transit.

- *(6) Where the person transporting any goods or the owner of the goods fails to pay the amount of tax and penalty as provided in sub-section (1) within ~~seven days~~ **fourteen days** of such detention or seizure, further proceedings shall be initiated in accordance with the provisions of section 130.*
- *Provided that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of ~~seven days~~ **fourteen days** may be reduced by the proper officer.*

CA Mukesh Sharma

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***Thank
You!***