



# GST Update

Weekly Update  
03.03.2018

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 24.02.2018. 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

## Notifications and Circulars



- One CGST Circular issued during the week giving clarifications regarding GST on a few services.

## Clarifications regarding GST in respect of certain services



- <http://www.cbec.gov.in/resources//htdocs-cbec/gst/circularno-34-cgst.pdf>
- **Whether activity of bus body building, is a supply of goods or services?**
- *In the case of bus body building there is supply of goods and services. Thus, classification of this composite supply, as goods or service would depend on which supply is the principal supply which may be determined on the basis of facts and circumstances of each case.*

## Clarifications regarding GST in respect of certain services(Contd.)



- **Whether retreading of tyres is a supply of goods or services?**
- *The pre-dominant element is the process of retreading which is a supply of service. Rubber used for retreading is an ancillary supply.*
- *The primary question that should be asked is what is the essential nature of the composite supply and which element of the supply imparts that essential nature to the composite supply.*
- *Supply of retreaded tyres, where the old tyres belong to the supplier of retreaded tyres, is a supply of goods (retreaded tyres under heading 4012 of the Customs Tariff attracting GST @ 28%)*

## Clarifications regarding GST in respect of certain services(Contd.)



- **Whether Priority Sector Lending Certificates (PSLCs) are outside the purview of GST and therefore not taxable?**
- PSLCs are tradable certificates issued against priority sector loans of banks so as to enable banks to achieve their specified target and sub-targets for priority sector lending through purchase of these instruments in the event of a shortfall and at the same time incentivizing the surplus banks to lend more to these sectors.
- GOI has specified “Dealing in PSLCs in accordance with the Guidelines issued by RBI” as a form of business under Section 6 (1)(o) of the Banking Regulation Act, 1949 for banks to engage in.

## Clarifications regarding GST in respect of certain services(Contd.)



- *In RBI FAQ on PSLC, it has been mentioned that PSLC may be construed to be in the nature of goods, dealing in which has been notified as a permissible activity under section 6(1) of the Banking Regulation Act, 1949 vide GOI notification dated 4th February, 2016. PSLC are not securities. PSLC are akin to freely tradeable duty scrips, Renewable Energy Certificates, REP license or replenishment license, which attracted VAT.*
- *In GST there is no exemption to trading in PSLCs. Thus, PSLCs are taxable as goods at standard rate of 18% under the residuary S. No. 453 of Schedule III of notification No. 1/2017-Central Tax(Rate). GST payable on the certificates would be available as ITC to the bank buying the certificates.*

## Clarifications regarding GST in respect of certain services(Contd.)



- **Whether the activities carried by DISCOMS against recovery of charges from consumers under State Electricity Act are exempt from GST?**
- *Service by way of transmission or distribution of electricity by an electricity transmission or distribution utility is exempt from GST under notification No. 12/2017- CT (R), Sl. No. 25. However.....*



## Clarifications regarding GST in respect of certain services(Contd.)



- *The other services such as, -*
  - Application fee for releasing connection of electricity;*
  - Rental Charges against metering equipment;*
  - Testing fee for meters/ transformers, capacitors etc.;*
  - Labour charges from customers for shifting of meters or shifting of service lines;*
  - charges for duplicate bill;*
- *provided by DISCOMS to consumer are taxable.*

## Clarifications regarding GST in respect of certain services(Contd.)



- **Whether the guarantee provided by State Government to state owned companies against guarantee commission, is taxable under GST?**
- *The service provided by Central Government/State Government to any business entity including PSUs by way of guaranteeing the loans taken by them from financial institutions against consideration in any form including Guarantee Commission is taxable*



# GST Portal Updates

National Academy of Customs, Indirect Taxes and Narcotics (NACIN)



# Filing of online LUT for export of goods and services



- Online submission of Letter of Undertaking by the taxable person who makes zero-rated supply of goods or services or both without payment of Integrated Tax under IGST Act
- GSTN portal has made the facility available for online submission of the LUT
- The registered person who desires to make zero rated supply of goods or services or both without payment of the Integrated Tax (IGST) shall submit online LUT at GSTN portal i.e. [www.gst.gov.in](http://www.gst.gov.in) in FORM GST RFD11 (as notified under rule 96A of CGST Act, 2017)



# Filing of online LUT for export of goods and services



- Previous LUT, irrespective of whether it is submitted manually to the jurisdictional officer of the State or the Centre, may also be uploaded at the GSTN portal.
- The fresh LUT, if any, that is required to be submitted may also be prepared online and submitted to the GSTN portal.
- Details of two independent witnesses name of witness, occupation, and address etc, the mandatory fields are to be filled
- LUT once submitted shall be valid for the whole financial year



## Refund by Specialised UN Agency



- Form GST RFD 10
- Facility to apply for Refund by any specialized agency of UN or any Multilateral Financial Institution and Organizations, Consulate or Embassy of Foreign Countries etc. has been enabled on GST Portal ( Refer refer Rule 95(1) of the CGST Rules, 2017). This form will now enable the International Organization / Embassies and Other Notified user to claim refunds.

## Issues in GSTR 3B resolved



- Various issues faced while filing Form GSTR-3B like System Error (while off-setting the liability in GSTR-3B), Error (ITC provided is not equal to ITC available- ITC reversed), Error while saving form for taxpayers (who have carry forwarded late fees) and Error at the time of offset, has been fixed. Thus resolution to these errors has been provided/ fixed in the GST Portal and now taxpayers will not face these errors while filing Form GSTR 3B.



Any ISSUES/ queries?



- <https://cbec-gst.gov.in/>
- [CBEC MITRA HELPDESK](#)
  - 1800 1200 232
  - [cbecmitra.helpdesk@icegate.gov.in](mailto: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](https://twitter.com/askGST_GoI)
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- [https://twitter.com/NACIN\\_OFFICIAL](https://twitter.com/NACIN_OFFICIAL)



**THANK YOU**