

GST Update

Weekly Update
30.12.2017

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 23.12.2017. 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

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

GSTR-1 for small taxpayers – Extension of Time

- <http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-71-central-tax-english.pdf>
- **Notification No.71/2017-Central Tax dated 29.12.2017 issued**
- **GSTR 1 for Small taxpayers on quarterly basis – Extension of time for filing of GSTR-1 (Notfn No.57/2017-Central Tax dated 15.11.17 superceded)**
 - Registered persons having aggregate turnover of up to Rs.1.5 crore in the preceding financial year or the current financial year
 - To file GSTR-1 on quarterly basis
 - Return for period from July - September, 2017 : to be filed by 10th January, 2018
 - Return for period from October - December, 2017 : by 15th February, 2018
 - Return for period from January - March, 2018 : by 30th April, 2018

GSTR-1 for other taxpayers – Extension of Time

- <http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-72-central-tax-english.pdf>
- Notification No.72/2017-Central Tax dated 29.12.2017 issued
- Notification No.58/2017-Central Tax dated 15.11.17 superseded
 - Dates for filing GSTR-1s till March, 2018 announced (for suppliers having turnover > 1.5 Crore in preceding or current FY)
 - July - Nov, 2017 : 10th January, 2018
 - December, 2017 : 10th February, 2018
 - January, 2108 : 10th March, 2018
 - February, 2018 : 10th April, 2018
 - March, 2018 : 10th May 2018

Extension of Time Limit for filing/ Amendment of TRAN-1

- No extension of time limit of filing or amendment of TRAN-1 (Form for taking transition credits)
- Last Date ended on 27th December, 2017
- The functionality for filing TRAN-1 removed on the GST Portal

Reduction of Late Fees payable for Composition Dealers

- <http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-73-central-tax-english.pdf>
- Notification no.73/2017-Central Tax dated 29.12.2017 issued.
 - Late fee for filing GSTR-4 by due date restricted to Rs.25 per day. (As per Section 47, earlier it was Rs.100/day)
 - If tax required to be paid is Nil....then late fee for filing GSTR 4 by due date restricted to Rs.10 per day.

Date of coming into force the E-Way Bill Rules, notified

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-74-central-tax-english.pdf>

Notification No. 74/2017-Central Tax dated 29.12.2017 issued

- 1st of February, 2018, notified as the date of coming into force of E-Way Bill Rules.
- Vide Notfn No. 27/2017-Central Tax dated 30.08.2017, Rules 138 & 138A pertaining to E-Way Bills were notified. The said rules will now come into force with effect from 01.02.2018 pursuant to issue of Notification No.74/2017-Central Tax dated 29.12.2017

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- **Notification No. 75/2017-Central Tax dated 29.12.2017**
- Amends CGST Rules
- Inserts sub-rule 1A in rule 17
 - The Unique Identity Number granted to a person under Rule 17(1) r/w section 25 (1)(a)
 - shall be applicable to the territory of India.

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- Inserts sub-rule 1A in rule 19 on **Effective date of amendment of registration**
- “(1A). Notwithstanding anything contained in sub-rule (1), any particular of the application for registration shall not stand amended with effect from a date earlier than the date of submission of the application in FORM GST REG-14 on the common portal except with the order of the Commissioner for reasons to be recorded in writing and subject to such conditions as the Commissioner may, in the said order, specify.”

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- **Formula for refund of unutilised ITC: (Effective w.e.f 23.10.2017)**
- Sub-rule 4 of rule 89 substituted and new sub-rules 4A & 4B inserted
- Sub-rule 4 defines the formula by which refund of ITC will be granted which is Turnover of Zero rated supply of goods + services multiplied by Net ITC Divided by Adjusted Total Turnover.
- Net ITC, Turnover of Zero rated supply of goods & Adjusted Turnover re-defined to exclude supplies on which refund is claimed under sub rule 4A (deemed exports) & 4B (supplies to Merchant Exporters)

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- New sub-rules 4A inserted for wherein deemed Exports supplies received and supplier avails benefit of Notn. No. 48/2017
- Rule 89(4A): In the case of supplies received on which the supplier has availed the benefit of notification No. 48/2017-Central Tax dated 18th October, 2017, refund of input tax credit, availed in respect of other inputs or input services used in making zero-rated supply of goods or services or both, shall be granted.

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- New sub-rules 4B for refund on account of supplies to Merchant Exporters inserted
- Rule 89 (4B): In the case of supplies received on which the supplier has availed the benefit of notification No. 40/2017-Central Tax (Rate) dated 23rd October, 2017 or notification No. 41/2017-Integrated Tax (Rate) dated 23rd October, 2017, or both, refund of input tax credit, availed in respect of inputs received under the said notifications for export of goods and the input tax credit availed in respect of other inputs or input services to the extent used in making such export of goods, shall be granted.”;

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- Sub-rule 1 in Rule 95 substituted
- “(1) Any person eligible to claim refund of tax paid by him on his inward supplies as per notification issued under section 55 shall apply for refund in FORM GST RFD-10 once in every quarter, electronically on the common portal or otherwise, either directly or through a Facilitation Centre notified by the Commissioner, along with a statement of the inward supplies of goods or services or both in FORM GSTR-11.”

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- Sub-rule 3(a) in Rule 95 amended by OMITTING THE FOLLOWING WORDS
- “and the price of the supply covered under a single tax invoice exceeds five thousand rupees, excluding tax paid, if any”
- Thus, Refund will now be available to the notified entities even if the invoice value is less than Rs.5000/-

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- Amendment in Rule 96 of CGST Rules
- **with effect from 23rd October, 2017**, in rule 96 –
- (a) in the heading, after the words “paid on goods”, the words “or services” shall be inserted;
- (b) after sub-rule (8), the following sub-rule shall be inserted, namely:-
- “(9) The persons claiming refund of integrated tax paid on export of goods or services should not have received supplies on which the supplier has availed the benefit of notification No. 48/2017-Central Tax dated 18th October, 2017 or notification No.40/2017-Central Tax (Rate) dated 23rd October, 2017 or notification No. 41/2017-Integrated Tax (Rate) dated 23rd October, 2017.”;

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>;

- Form GST-REG 10 (OIDAR suppliers making supplies to unregistered persons in India) substituted.
- New Form GSTR-11 substituted - Statement of inward supplies by persons having Unique Identification Number (UIN)
- New Form GST-RFD 10 substituted - Application for Refund by any specialized agency of UN or any Multilateral Financial Institution and Organization, Consulate or Embassy of foreign countries, etc.
- in FORM GST DRC-07, the Table at serial no. 5 shall be omitted

Consolidation of instructions on return filing and late fees

<http://www.cbec.gov.in/resources//htdocs-cbec/gst/circularno-26-cgst.pdf>

- **Circular no.26/26/2017-GST dated 29.12.2017 issued**
- Master Circular – issued in exercise of powers conferred under Section 168 of CGST Act, 2017 to clarify and consolidate instructions issued on returns and late fees.
- Circular also gives instructions to be followed for mistakes committed while filing GSTR-3B and GSTR-1

Returns Calendar

Return Filing Dates		January 2018		February 2018			March 2018		April 2018			May 2018
		10	20	10	15	20	10	20	10	20	30	10
Up to 1.5 Crore	GSTR - 3B		Dec 3B			Jan 3B		Feb 3B		Mar 3B		Apr 3B
	GSTR -1	Jul - Sep 2017			Oct - Dec 2017						Jan - Mar 2017	
Greater than 1.5 Crore	GSTR - 3B		Dec 3B			Jan 3B		Feb 3B		Mar 3B		Apr 3B
	GSTR -1	July to Nov 2017		Dec 2017			Jan 2018		Feb 2018			Mar 2018

Mistakes in GSTR-3B

- Four Stages identified (Submitted; Cash Ledger updated; Offset liability and Return filed)
 - First two stage, editing possible
 - Second two stage, editing not possible
- **Under-reporting of Liability (Returns filed)**
 - Liability may be added in the return of subsequent month(s) after payment of interest.
 - If such liability was not reported in FORM GSTR-1 of the month/quarter, then such liability may be declared in the subsequent month's/quarter's FORM GSTR-1 in which payment was made.

Mistakes in GSTR-3B (Contd)

- **Over-reporting of Liabilities**

- Liability may be adjusted in return of subsequent month(s) or refund may be claimed where adjustment is not feasible.
- Where the liability was over reported in the month's / quarter's FORM GSTR-1 also, then such liability may be amended through amendments under Table 9 of FORM GSTR-1

Mistakes in GSTR-3B (Contd)

- **Wrong-reporting of Liabilities**
 - Unreported liability may be added in the next month's return with interest, if applicable. Also, adjustment may be made in return of subsequent month(s) or refund may be claimed where adjustment is not feasible
 - Such taxpayers will have to file for amendments by filling Table 9 of the subsequent month's / quarter's FORM GSTR-1.

Mistakes in GSTR-3B (Contd)

- **Under-reporting of ITC**
 - Input tax credit which was not reported may be availed while filing return for subsequent month(s).
 - No action required in GSTR-1.
- **Over-reporting of ITC**
 - Pay (through cash) / Reverse such over reported input tax credit with interest in return of subsequent month (s).
 - No action required in GSTR-1.

Mistakes in GSTR-3B (Contd)

- **Wrong-reporting of ITC**
 - Pay(through cash) / Reverse any wrongly reported input tax credit in return of subsequent month(s).
 - For under reported input tax credit, the same may be availed in return of subsequent month(s).
 - No action required in GSTR-1.
- **Cash Ledger wrongly reported (Only Stage 2 effected)**
 - Add cash under the right tax head and seek cash refund of the cash added under the wrong tax head.
 - No action required in GSTR-1



GST Portal Updates

Disabling of GST-TRAN-01 & Table 6A of GSTR-1

Links related to following forms, have been **disabled on GST Portal**:

1. Form GST TRAN-01 (*as last date to file the form was 27th Dec, 2017*)
2. Table 6A of Form GSTR-1 (*This was a workaround and has been disabled, since Form GSTR-1 is now open for all months. Taxpayers may now enter the details of exports in table 6A of GSTR-1, while filing Form GSTR-1 of the respective tax periods. For previous filed table 6A of Form GSTR-1, taxpayer shall be able to view/read through ARN search only*)

This week following new functionality has been made available

Sl.No	Module	Form/Heading	Form Components/Details
1	Returns	GSTR 1 & GSTR 4 Return filing for Opt-in and Opt-out of Composition scheme	<ul style="list-style-type: none"> Composition tax payers have to file quarterly return and Normal tax payers have to file monthly returns in GST Regime. For the taxpayers who have opted in to composition scheme and taxpayers who have opted out from the composition scheme as normal tax payer, provision to file both monthly/quarterly returns (in the interim period), has been enabled on the GST Portal.

GST Portal Updates

This week following new functionality has been made available on GST Portal

Sl. No	Module	Form/Heading	Form Components/Details
2	Returns	Track Status of Returns	<p>Track Return Status is now available post login to taxpayers on the GST Portal, to track the status of submitted/filed return.</p> <p>(Login—Services—Returns—Track Return Status)</p>

This week following new functionality has been made available on GST Portal

Sl. No	Module	Form/Heading	Form Components/Details
3	Transition Forms	Offline utility for Table 7A of Form GST TRAN 1	<ul style="list-style-type: none"> • Taxpayer can add bulk records in Table 7A of Form GST TRAN 1, by using new CSV offline tool and generate data as JSON file. • Generated JSON can be uploaded in GST portal to save bulk records in the table. • In one upload 10, 000 records (approx.) can be saved on the GST Portal and this upload can be done many times.

This week following new functionality has been made available on GST Portal

Sl. No	Module	Form/Heading	Form Components/Details
4	Refund	Refund workarounds	<p>Taxpayers has been provided with the functionality to claim refund of</p> <ul style="list-style-type: none"> Exports of services with payment of Tax (Alternate Flow 02) ITC accumulated due to inverted tax structure [under clause (ii) of first provision to section 54(3)] (AF 05) On account of supplies made to SEZ unit/ SEZ Developer (with payment of tax) (AF 06) On account of supplies made to SEZ unit/ SEZ developer (without payment of tax) (AF 07) Recipient of deemed exports (AF 08) Pre-login tracking of refund status with ARN(https://refund.gst.gov.in/refunds/pre/track/status)

New Functionality

- Functionality to allow difference of Rs. 100 while validating the data from GSTR 3B and Table 6A for sending the data to ICEGATE
- Extra Rate addition (0.1%) in all return form
- ITC-02: Declaration for transfer of ITC in case of sale, merger, demerger, amalgamation, lease or transfer of a business under sub-section (3) of section 18
- TRAN-02 Offline Tool

GST – Legal Updates

ITC of goods purchased more than 12 months prior to 1st July, 2017

Validity of union legislation questioned in the following cases

Challenge to the Vires of Section 140(3)(iv) of CGST Act, 2017

2017-TIOL-45-HC-DEL-GST

Lupin Ltd Vs Uoi (Dated: December 22, 2017)

CGST - Input Tax Credit (ITC) on pre-GST stock - stipulation in Section 140(3)(iv) of CGST Act restricting transitional credit up to 1 year - Petitioner challenging the same.

Held: It is open to the petitioner to claim whatever it wish to and in the event the credit sought is denied, the respective entitlement of the parties shall be subject to the final decision - Notice issued - List on 25.01.2018: 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