



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

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Goods & Services Tax

Educational Series

PD & PP : GST : 115/2017

November 14, 2017

Decisions relating to Services in 23rd GST Council meeting

In the 23rd meeting of GST Council held at Guwahati, Assam on 10.11.2017, the following decisions relating to exemptions / changes in GST rates / ITC eligibility criteria, rationalization of rates / exemptions and clarification on levy of GST on services were taken.

CLARIFICATIONS

- ❖ It is proposed to clarify that credit of GST paid on aircraft engines, parts & accessories will be available for discharging GST on inter-State supply of such aircraft engines, parts & accessories by way of inter-state stock transfers between distinct persons as specified in section 25 of the CGST Act, notwithstanding that credit of input tax charged on consumption of such goods is not allowed for supply of service of transport of passengers by air in economy class at GST rate of 5%.
- ❖ A suitable clarification will be issued by way of a Circular that processed products such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder, pulses (de-husked or split), jiggery, processed spices, processed dry fruits, processed cashew nuts etc. fall outside the definition of agricultural produce given in notification No. 11/2017-CT(R) and 12/2017-CT(R) and therefore the exemption from GST is not available to their loading, packing, warehousing etc.
- ❖ A suitable clarification is being issued that (i) services provided to the Central Government, State Government, Union territory under any insurance scheme for which total premium is paid by the Central Government, State Government, Union territory are exempt from GST under Sl. No. 40 of notification No. 12/2017-Central Tax (Rate); (ii) services provided by State Government by way of general insurance (managed by government) to employees of the State government/ Police personnel, employees of Electricity Department or students are exempt vide entry 6 of notification No. 12/2017-CT(R) which exempts Services by Central Government, State Government, Union territory or local authority to individuals.

These changes will come into force with effect from 14/15th November, 2017, to be effective from 00:00 hrs on 15th November, 2017.

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