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SUPPLEMENT EXECUTIVE PROGRAMME

For December, 2023 Examination

TAX LAWS & PRACTICE

PART II

Indirect Tax (GST & Customs)

GROUP 2

PAPER 7

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***Note:** Students are also required to update themselves on all the relevant Rules, Notifications, Circulars, Clarifications, etc. issued by the CBIC on or before 31st May, 2023 pertaining to GST and Customs Act, 1962.*

Lesson 15 - Basics of Goods and Service Tax “GST”

1. Notification regarding insertion and substitution in certain items in Schedule I, II & III (Notification no. 03/2023- Central Tax (Rate) New Delhi, dated the February 28, 2023)

The Central Government, on the recommendations of the Council, hereby makes the further amendments in the notification No.1/2017-Central Tax (Rate), regarding substitution of Jaggery of all types like certain items in Schedule I, and in Schedule II a new entries inserted namely Pencil sharpeners & in Schedule III the word “other than pencil sharpeners” is inserted. This notification shall come into force on the 1st day of March, 2023.

Brief Analysis

In this notification the Central Government, hereby makes the further amendments in the notification No.1/2017-Central Tax (Rate), regarding substitution of Jaggery of all types by: -“Jaggery of all types including Cane Jaggery(gur), Palmyra Jaggery, pre-packaged and labelled; Khandsari Sugar, pre-packaged and labelled; Rab, pre-packaged and labelled”; like certain items in Schedule I- 2.5%, against S. No. 91A, in column (3), and in Schedule II –6%, after S. No. 186 and entries relating Pencil sharpeners” and in Schedule III –9%, against S. No. 302A, in column (3), at the end, the brackets and words “[other than pencil sharpeners]” shall be inserted.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009644/ENG/Notifications>

2. Notification for further amendments in the notifications of the Government of India, Ministry of Finance (Department of Revenue), No. 2/2017-Central Tax (Rate) and No. 2/2017- Union Territory (Rate) and No. 2/2017- Integrated Tax (Rate).

[Notification No. 04/2023- Central Tax (Rate), Integrated Tax (Rate), and Union Territory (Rate), February 28, 2023]

The Central Government, being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), No.2/2017-Central Tax (Rate), No.2/2017-Integrated Tax (Rate) and No.2/2017-Union Territory (Rate), dated the June, 28th, 2017. In the said notifications, in the Schedule, against S. No.94, in Column (3), after the item (ii) and the entries relating thereto, the following item and entry shall be inserted, namely: -“(iii) Rab, other than pre-packaged and labelled”. The said Notifications came into force from March 01, 2023.

Brief Analysis

In this notification the Central Government, hereby makes the further amendments in the notification of the Government of India, by inserting item no (iii) i.e. “Rab, other than pre-packaged and labelled” in the Schedule, against S. No.94, in Column (3), after the item (ii) and the entries relating thereto.

For further details please visit:

<https://taxinformation.cbic.gov.in/view-pdf/1009645/ENG/Notifications>

<https://taxinformation.cbic.gov.in/view-pdf/1009649/ENG/Notifications>

<https://taxinformation.cbic.gov.in/view-pdf/1009653/ENG/Notifications>

3. Notification for Amendment in Compensation Cess

(N/No.1/ 2023-Compensation Cess (Rate), New Delhi, the February 28, 2023)

The Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), No. 1/2017-Compensation Cess (Rate), dated the 28th June, 2017 published in the Gazette of India. In the said notification, in the Schedule, against Sl. No. 41A, in column (3), for the entry, the following entry shall be substituted, namely: - “Coal rejects supplied to a coal washery or by a coal washery, arising out of coal on which compensation cess has been paid and input tax credit thereof has not been availed by any person”. The said Notifications came into force from March 01, 2023.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009654/ENG/Notification>

Lesson 17 - Time, Value & Place of Supply

1. Clarification regarding GST rates and classification of certain goods

(Circular No. 189/01/2023-GST-January 13, 2023)

CBIC makes clarifications, with reference to applicability of GST based on the recommendations of GST Council in its 48th meeting held on December 17, 2022, related to the various items like; Rab, by-products of milling of Dal/ Pulses, Carbonated Beverages of Fruit Drink, fryums, Sports Utility Vehicles (SUVs) etc.

Brief Analysis

As per this Circular, CBIC made Clarifications regarding GST rates & classification (goods) based on the recommendations of the GST Council which covers, the various items like; Rab which is appropriately classifiable under heading 1702 attracting GST rate of 18%, by-products of milling of Dal/ Pulses such as Chilka, Khanda and Churi/Chuni shall be exempt under GST, Carbonated Beverages of Fruit Drink or 'Carbonated Beverages with Fruit Juice attract GST at the rate of 28% and Compensation Cess at the rate of 12%, fryums covers goods with description 'Extruded or expanded products, savoury or salted', and thereby attract GST at the rate of 18%, Sports Utility Vehicles (SUVs) which attract compensation cess at the rate of 22% and IGST rate has been increased from 5% to 12% on goods specified under notification No. 3/2017-Integrated Tax (Rate).

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1003143/ENG/Circulars>

2. Clarifications regarding applicability of GST on certain services

(Circular No. 190/02/2023- GST, dated January 13, 2023)

CBIC makes clarifications, regarding accommodation services supplied by Air Force Mess to its personnel qualify to be considered as services supplied by Central Government, State Government, Union Territory or local authority hence are exempt from GST. Further, Govt. is clarified that incentives paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.

Brief Analysis

As per this Circular, CBIC made Clarifications regarding applicability of GST on certain services like accommodation services supplied by Air Force Mess to its personnel are exempt from GST vide Sl. No. 6 of notification No. 12/2017 –Central Tax (Rate) dated 28.06.2017 and Incentive paid by MeitY to acquiring banks under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transaction up to Rs.2000/-. The incentive is in the nature of a subsidy directly linked to the price of the service and the same does not form part of the taxable value of the transaction in view of the provisions of section 2(31) and section

15 of the CGST Act, 2017. It is hereby clarified that incentives paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1003144/ENG/Circulars>

CASE LAWS

1.	December 30, 2023	In Re : Doms Industries Pvt. Ltd. (2023)	AAR - GUJARAT
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Facts of the case:

Applicant is manufacturer and suppliers of stationery items - Applicant supplies different products in single box/pack for single price - One kit contains pencils, eraser and sharpner - Second one contains colouring books, pencils, colour pencil, oil pastels, wax crayons, eraser, scale and sharpner and third one contains pencil, eraser, scale and sharpner.

Held:

In order to qualify any supply under mixed supply following conditions are to be satisfied viz (i) there should be two or more individual supplies of goods or services or in any combination thereof, (ii) such supply should be made in conjunction with each other for a single price and (iii) such supply does not constitute a composite supply - In instant case, supply of different products in single box/pack and in single price made by applicant satisfies all three conditions of mixed supply; therefore, said supply is covered under category of mixed supply under section 2(74) and supply which attracts higher rate of tax among all taxable supplies containing in pack/box shall be applicable rate of tax for said mixed supply.

2.	April 20, 2023	In Re : Eden Real Estates Pvt. Ltd. (2023)	AAAR-WEST BENGAL
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Facts of the case:

Applicant-assessee is developing a residential housing project and supplying construction services to recipients for possession of dwelling units - In addition to construction services, applicant-assessee provides services towards right to use of car parking space to prospective buyers who opt for same for which they are additionally charged by applicant-assessee during sale of apartment- Applicant assessee seeks advance ruling on whether amounts charged by applicant-assessee for right to use of car/two wheeler vehicle.

Parking space along with sale of under constructed apartments to its prospective buyers is to be treated as a composite supply of construction of residential apartment services or same is a distinct supply under section 7 of CGST/WBGST Act, 2017 - Further, If same is not to be treated as a composite supply, then rate of tax applicable on such charges collected by applicant-assessee from its prospective customers.

Held: Aforesaid fact delineates that such supply is altogether a separate service and it cannot be treated as naturally bundled with construction services – Hence, supply of services for right to use of car parking space is a separate supply and not to be construed as a composite supply of construction of residential apartment services-Further, supply of services for right to use of car parking space would be taxable at 18 percent.

Lesson 19 - Procedural Compliance under GST

1. Central Board of Indirect Taxes & Customs (CBIC) reduces e-invoicing limit from 10 crore to 5 crore

(Notification No. 10/2023-Central Tax New Delhi dated May 10, 2023)

The Government, on the recommendations of the Council, reduced the limit of e-invoicing from existing limit of Rs. 10 crore to Rs. 5 crore. This amendment will come in to effect from the 1st day of August, 2023.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009732/ENG/Notifications>

2. CBIC rolls out Automated Return Scrutiny Module for GST returns in ACES-GST backend application for Central Tax Office

(Press Release dated May 11, 2023)

Central Board of Indirect Taxes & Customs (CBIC) has rolled out the Automated Return Scrutiny Module for GST returns in the ACES-GST backend application for Central Tax Officers. This module will enable the officers to carry out scrutiny of GST returns of Centre Administered Taxpayers selected on the basis of data analytics and risks identified by the System. In the module, discrepancies on account of risks associated with a return are displayed to the tax officers. Tax officers are provided with a workflow for interacting with the taxpayers through the GSTN Common Portal for communication of discrepancies noticed under FORM ASMT-10, receipt of taxpayer's reply in FORM ASMT-11 and subsequent action in form of either issuance of an order of acceptance of reply in FORM ASMT-12 or issuance of show cause notice or initiation of audit / investigation.

Brief Analysis

Under this press release the Union Minister for Finance and Corporate Affairs had given directions to roll out an Automated Return Scrutiny Module for GST return at the earliest. In order to implement this non-intrusive means of compliance verification, CBIC has rolled out the Automated Return Scrutiny Module for GST returns in the ACES-GST backend application for Central Tax Officers. This module will enable the officers to carry out scrutiny of GST returns of Centre Administered Taxpayers selected on the basis of data analytics and risks identified by the System.

For further details please visit: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1923445>

3. Rationalisation of late fee for GSTR-9 and Amnesty to GSTR-9 non-filers

(Notification no.07/2023–Central tax- March 31, 2023)

The Central Government, on the recommendations of the Council, hereby waives the amount of late fee referred to in section 47 of the said Act in respect of the return to be furnished under section 44 of the said Act for the financial year 2022-23 onwards.

Brief Analysis

In the said notification the Central Government, hereby waives the amount of late fee referred to in section 47 of the said Act, the registered persons who fails to furnish the return by the due date in respect of the return to be furnished under section 44 of the said Act for the financial year 2022-23 onwards, which is in excess of amount Twenty-five rupees per day, subject to a maximum of an amount calculated at 0.02 percent. of turnover in the State or Union territory for Registered persons having an aggregate turnover of up to five crore rupees in the relevant financial year and Fifty rupees per day, subject to a maximum of an amount calculated at 0.02 percent. Of turnover in the State or Union territory for registered persons having an aggregate turnover more than five crore rupees and up to twenty crores rupees in the relevant financial year.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009689/ENG/Notifications>

Lesson 20 - Overview of Customs Act

1. **Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023 (CAVR, 2023)** **(Notification No. 03/2023-Customs (N.T.) January 11, 2023)**

After information to and feedback from public and stakeholders, including Directorates involved in implementation CBIC has notified the Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023. The rules provide guidance to both, the person making the reference to the Board, as well as in the undertaking of detailed examination. The operation of the CAVR, 2023 dated 11th January 2023 shall come into effect on February 11, 2023.

Brief Analysis

Under this notification the Central Government, hereby makes new rules by the name of Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023 and the same shall come into force on 11th day of February, 2023.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009611/ENG/Notifications>

2. **Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver** **(Notification No. 11/2023-CUSTOMS (N.T.), New Delhi, February 28, 2023)**

By the said notification the Central Government, hereby brings changes in Tariff Value (US \$) of certain goods like Edible Oils, Brass Scrap, Areca Nut, Gold and Silver etc. in TABLE-1, TABLE-2, and TABLE-3. This change will be effective from March 01, 2023.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009656/ENG/Notifications>

3. **Exemption of COVID-19 vaccine** **(Notification No. 01 /2023 – Customs, dated January 13, 2023)**

The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (3) of the Table below, falling within the Chapter, heading, sub-heading or tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) specified in column (2) of the said Table, when imported into India by Central Government or State Governments, from the whole of the duty of customs leviable thereon under the said First Schedule.

Brief Analysis

As per this notification, the Central Government hereby exempts the COVID-19 vaccine from the whole of the duty of customs leviable thereon under the said First Schedule.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009613/ENG/Notifications>

**4. Faceless Assessment – Standard Examination Orders (SEOs) through RMS - Phased implementation of Standardized Examination Orders through RMS
(Circular No. 02/2023-Customs-January 11, 2023)**

Considering the on track implementation and feedback from the National Customs Targeting Centre (NCTC) in Assessment Groups 4, the Board has decided to implement Standard Examination Orders (SEOs) through the Risk Management System across other assessment groups, National Assessment Centre (NAC) wise as per specified schedule.

Brief Analysis

In this Notification, CBIC (board) has decided to implement Standard Examination Orders (SEOs) for goods covered under Assessment Groups through the Risk Management System across assessment groups, National Assessment Centre (NAC) wise as per the given schedule and getting feedback from the National Customs Targeting Centre (NCTC) in such assessment groups.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1003142/ENG/Circulars>

5. Amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017

(Notification No. 02/2023-Customs New Delhi, dated February 01, 2023)

In the said notification, It is inserted as; If, at the time of import, the importer produces to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, a certificate from an Officer not below the rank of Joint Secretary to the Government of India in the Ministry of Heavy Industries certifying that the imported goods (having regard to their description, quantity and technical specification) are intended for use by testing agencies specified in List 37 for testing and/or certification purposes only; This notification came into force from February 02, 2023.

Brief Analysis

In the said notification, the Central Government, hereby makes the further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017 by inserting few entries in the said Table regarding Pecan nuts, Fish lipid oil, Crude glycerin, Algal Prime (flour), Acid grade fluorspar and in the in the Annexure, - Condition No. 113 inserted, and List 36 and List 37 and the entries relating thereto in the matter of Petrol/ Diesel Vehicles, Automotive Research Association, International Centre for Automotive Technology etc.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009620/ENG/Notifications>

**6. Amendment in Circular No. 29/2020-Customs dated 22.06.2020 for allowing transshipment of Bangladesh export cargo to third countries through Delhi Air Cargo - reg.
(Circular No. 03/2023-Customs, New Delhi dated February 07, 2023)**

The Circular allows inter alia transshipment of Bangladesh export cargo through Kolkata Air Cargo. The goods loaded on containers/ closed bodied trucks enter India from LCS Petrapole, move by road to Kolkata Air Cargo,

from where they are airlifted and transported to third countries. It has been represented to allow this movement through Delhi Air Cargo also, for better cargo evacuation and improved logistics efficiency.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1003145/ENG/Circulars>

7. Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver

(Notification No. 09/2023-CUSTOMS (N.T.), New Delhi, February 15, 2023)

The Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes amendments in TABLE-1, TABLE-2, and TABLE-3 for fixation of Tariff Value of Edible Oils like Crude Palm Oil, RBD Palm Oil & Others – Palm Oil, Brass Scrap, Areca Nut, Gold and Silver. This notification came into force with effect from February 16, 2023.

Brief Analysis

By the said notification the Central Government, hereby brings changes in Tariff Value (US \$) of certain goods like Edible Oils, Brass Scrap, Areca Nut, Gold and Silver etc. in TABLE-1, TABLE-2, and TABLE-3. This change will be effective from February 16, 2023.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009637/ENG/Notifications>

8. Notification regarding change in Tariff value of Crude oil, Crude Palmolein, Brass Scrap, Gold, Silver, and Areca nuts etc.

(Notification No. 11/2023-Customs (N.T.) New Delhi, February 28, 2023)

The Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes the amendments in the notification No. 36/2001-Customs (N.T.), dated the August, 3rd, 2001, regarding change in Tariff value of Crude oil, Crude Palmolein, Brass Scrap, Gold, Silver, Medallions and silver coins, Gold bars, and Areca nuts. This notification came into force with effect from March 01, 2023.

Brief Analysis

By the said notification the Central Government, hereby brings changes in Tariff Value (US \$) of certain goods like Edible Oils, Brass Scrap, Areca Nut, Gold and Silver etc. in TABLE-1, TABLE-2, and TABLE-3. This change will be effective from March 1, 2023.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009656/ENG/Notifications>

9. Custom exemption notification regarding tag, tracking device or data logger

(Notification No. 14/2023-Customs, New Delhi, the February 28, 2023)

The Central Government, makes the further amendments in the notification No. 104/94-Customs. As In the said notification, after the Second proviso, an Explanation shall be inserted, regarding a device such as tag, tracking device or data logger already affixed on the container at the time of import shall also be eligible for exemption from the duty of customs and the integrated tax.

Brief Analysis

As per this notification of the Central Government, a device such as tag, tracking device or data logger already affixed on the container at the time of import shall also be eligible for exemption from the duty of customs and the integrated tax.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009655/ENG/Notifications>

10. Customs Notification for Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver

(Notification No. 34/2023-New Delhi, dated May 15, 2023)

The Central Government, on being satisfied that it is necessary and expedient to do so, make the amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the August 03, 2001, published in the Gazette of India, with respect of Crude Palm Oil, RBD Palm Oil, Brass Scrap (all grades), Gold and Silver & Areca nuts etc. for fixation of Tariff value. This notification shall come into force from the 16th of May, 2023.

Brief Analysis

By the said notification the Central Government, hereby brings changes in Tariff Value (US \$) of certain goods like Edible Oils, Brass Scrap, Areca Nut, Gold and Silver etc. in TABLE-1, TABLE-2, and TABLE-3. This change will be effective from May 16, 2023.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009734/ENG/Notifications>

11. Customs Notification for Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver

(Notification No. 38/2023, dated May 31, 2023)

The Central Government, on being satisfied that it is necessary and expedient to do so, hereby make the amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary with respect of Crude Palm Oil, RBD Palm Oil, Brass Scrap (all grades), Gold and Silver & Areca nuts etc. for fixation of Tariff value. This notification shall come into force from the 1st of June, 2023

Brief Analysis

By the said notification the Central Government, hereby brings changes in Tariff Value (US \$) of certain goods like Edible Oils, Brass Scrap, Areca Nut, Gold and Silver etc. in TABLE-1, TABLE-2, and TABLE-3. This change will be effective from June 1, 2023.

For further details please visit: <https://taxinformation.cbic.gov.in/view-pdf/1009743/ENG/Notifications>