# Goods & Services Tax

## Educational Series

## Contents

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Topic</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Anti Profiteering under GST</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Scrutiny of Returns under Goods &amp; Services Tax</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Standing Committee for Consumer Welfare Fund</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Place of supply of services where location of supplier or location of recipient is outside India - IGST Act, 2017</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Online Information And Database Access Or Retrieval Services</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Definitions under Integrated Goods &amp; Services Tax Act, 2017</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Definitions under Integrated Goods &amp; Services Tax Act, 2017</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Zero Rated Supply under IGST Act, 2017</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Place of Supply</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>Apportionment of Tax Under IGST Act, 2017</td>
<td>10</td>
</tr>
<tr>
<td>11</td>
<td>Levy and Collection under IGST Act, 2017</td>
<td>11</td>
</tr>
<tr>
<td>12</td>
<td>Power to Grant Exemption Under IGST Act, 2017</td>
<td>12</td>
</tr>
<tr>
<td>13</td>
<td>Apportionment of Tax Under IGST Act, 2017</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Decisions relating to Services in 23rd GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Recommendations made by the GST Council in the 23rd meeting</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Recommendations made by the GST Council in the 23rd Meeting</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Recommendations made by the GST Council in the 23rd Meeting</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Intra State Supplies under IGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Establishment under IGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Special Provision for Payment of Tax by a Supplier of Online Information and Database Access or Retrieval Services</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Place of Supply – Online Information and Database Access or Retrieval Services</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>The Union Territory Goods &amp; Services Tax Act, 2017</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Supply of Goods under IGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Apportionment of Tax and Settlement of Funds under IGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Apportionment of Tax and Settlement of Funds under IGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Tax Wrongly Collected and Credited</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Transfer of Input Tax Credit</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Application of Provisions of Central Goods &amp; Services Act, 2017</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Import of Services made on or after the Appointed Day</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Power to make Rules and Regulations</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Laying of Rules, Regulations and Notifications</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Removal of Difficulties</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Powers of Officers under Union Territory Goods &amp; Services Tax, 2017</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Authorisation of Officers of Central Tax as Proper Officer in UTGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Administration under UTGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Levy &amp; Collection of Tax</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Levy &amp; Collection of Tax</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Power to Grant Exemption from Tax</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Payment of Tax</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Section 10, 11 of Union Territory Goods &amp; Services Tax Act, 2017</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Demands &amp; Recovery under UTGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Recovery of Tax under Union Territory Goods &amp; Services Act, 2017</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>Advance Ruling</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>Constitution of Authority for Advance Ruling under UTGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>Constitution of Appellate Authority for Advance Ruling</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Transitional Provisions</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Power to Make Rules</td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>Notification No. 8/2017 – Integrated Tax</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Notification No. 9/2017 – Integrated Tax</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>Notification No. 47/2017 – Central Tax (Rate)</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>Notification No. 43/2017 – Central Tax (Rate)</td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>Notification No.44/2017- Central Tax (Rate)</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>Circular No. 27/01/2018-GST</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Circular No. 27/01/2018-GST</td>
<td></td>
</tr>
<tr>
<td>55</td>
<td>Circular No. 27/01/2018-GST</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>Circular No. 27/01/2018-GST</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>Chapter IX – Miscellaneous, UTGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>58</td>
<td>Chapter IX – Miscellaneous, UTGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>Powers under UTGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>Recommendations made on GST Rate changes on services by the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Recommendations made on GST Rate changes on services by the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>Recommendations made on GST Rate changes on services by the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>63</td>
<td>Recommendations made on GST Rate changes on services by the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>Power to Issue Directions &amp; Removal of Difficulties under UTGST Act, 2017</td>
<td></td>
</tr>
<tr>
<td>65</td>
<td>Recommendations made on GST Rate changes on services by the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>66</td>
<td>Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>67</td>
<td>Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods -As per discussions held in the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>68</td>
<td>Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>69</td>
<td>Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods -As per discussions held in the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>70</td>
<td>Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods -As per discussions held in the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>71</td>
<td>Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting</td>
<td></td>
</tr>
<tr>
<td>72</td>
<td>Central Goods &amp; Services Tax Rules, 2017</td>
<td></td>
</tr>
<tr>
<td>73</td>
<td>Central Goods &amp; Services Tax Rules, 2017 - Chapter III</td>
<td></td>
</tr>
<tr>
<td>74</td>
<td>Central Goods &amp; Services Tax Rules, 2017 - Registration</td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>Central Goods &amp; Services Tax Rules, 2017 - Registration</td>
<td></td>
</tr>
<tr>
<td>76</td>
<td>Central Goods &amp; Services Tax Rules, 2017 – Registration Verification</td>
<td></td>
</tr>
<tr>
<td>77</td>
<td>Composition Levy under Goods &amp; Services Tax</td>
<td></td>
</tr>
<tr>
<td>78</td>
<td>Central Goods &amp; Services Tax Rules, 2017- Issue of Registration Certificate</td>
<td></td>
</tr>
<tr>
<td>79</td>
<td>Separate registration for multiple business verticals within a State or a Union territory Rules</td>
<td></td>
</tr>
<tr>
<td>80</td>
<td>Grant of registration to persons required to deduct tax at source or to collect tax at source</td>
<td></td>
</tr>
<tr>
<td>81</td>
<td>Grant of registration to non-resident taxable person</td>
<td></td>
</tr>
<tr>
<td>82</td>
<td>Central Goods &amp; Services Tax Rules, 2017 – Rule 14 &amp; Rule 15</td>
<td></td>
</tr>
<tr>
<td>83</td>
<td>Suo Moto Registration</td>
<td></td>
</tr>
<tr>
<td>84</td>
<td>Central Goods &amp; Services Tax Rules, 2017 - Rule 17 &amp; Rule 18</td>
<td></td>
</tr>
<tr>
<td>85</td>
<td>Amendment of Registration</td>
<td></td>
</tr>
<tr>
<td>86</td>
<td>Amendment of Registration</td>
<td></td>
</tr>
<tr>
<td>87</td>
<td>Cancellation of Registration</td>
<td></td>
</tr>
<tr>
<td>88</td>
<td>Cancellation of Registration in Certain Cases</td>
<td></td>
</tr>
<tr>
<td>89</td>
<td>Cancellation of Registration</td>
<td></td>
</tr>
<tr>
<td>90</td>
<td>Revocation of cancellation of registration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>91</td>
<td>Value of supply of goods or services where the consideration is not wholly in money</td>
<td>91</td>
</tr>
<tr>
<td>92</td>
<td>Value of supply of goods or services or both between distinct or related persons, other than through an agent</td>
<td>92</td>
</tr>
<tr>
<td>93</td>
<td>Value of supply of goods made or received through an agent</td>
<td>93</td>
</tr>
<tr>
<td>94</td>
<td>Central Goods &amp; Services Tax Rules, 2017 - Rule 30 &amp; Rule 31</td>
<td>94</td>
</tr>
<tr>
<td>95</td>
<td>Central Goods &amp; Services Tax Rules, 2017</td>
<td>95</td>
</tr>
<tr>
<td>96</td>
<td>Central Goods &amp; Services Tax Rules, 2017 - Rule 34 &amp; Rule 35</td>
<td>96</td>
</tr>
<tr>
<td>97</td>
<td>Press Release regarding Policy Changes of 26th GST Council Meeting</td>
<td>97</td>
</tr>
<tr>
<td>98</td>
<td>E-way Bill Recommendations</td>
<td>98</td>
</tr>
<tr>
<td>99</td>
<td>E-way Bill Recommendations</td>
<td>99</td>
</tr>
<tr>
<td>100</td>
<td>E-way Bill Recommendations</td>
<td>100</td>
</tr>
</tbody>
</table>
From the President

In an advance move to boost the growth of Indian economy, India's effort to implement Goods and Service Tax (GST) has been synchronized quite well with the spirit to provide a single tax structure ensuring transparency and accountability at parity. Endorsing the major role of GST in the inclusive development of New India, the Economic Survey 2017-18 confirmed that ‘GST has given a new perceptive of the Indian economy and new data has emerged. There has been a fifty percent increase in the number of indirect taxpayers. There has also been a large increase in voluntary registrations, especially by small enterprises that buy from large enterprises wanting to avail themselves of input tax credits.’

Well said that ‘Success is the sum of small efforts repeated day in and day out’, and henceforth, while aligning the words of our Hon’ble Prime Minister that ‘GST is a great step by Team India, great step towards transformation, and great steps towards transparency’, professionals including Company Secretaries are serving their expertise towards successful implementation of GST throughout the Nation. Right from big business houses to small shops in remote areas, governance professionals are assisting in apprising the people with the mechanics of GST and unlocking the door of opportunities in an era of corruption free and sustainably governed New India.

Subsuming a bigger role in supporting the government towards its initiatives for an inclusive nation, The Institute of Company Secretaries of India (ICSI) has cherished a golden partnership in Nation building activities, including an out and out support for the directed implementation of GST Pan India too.

The Institute while building the capacity of its members, students and stakeholders in GST is constantly apprising the relevant updates through GST Newsletter, GST Educational Series, GST App, GST Point and alike. The one among the featuring initiative in this direction is the publication of our daily GST Educational Series, which is being well received by the public at large. It is evident from the fact that more than 200 issues of the same have successfully been brought out.

The GST Educational Series have been useful as an academic tool for all the stakeholders. With the perspective to strengthen the understanding and advance the knowledge related to GST to public at large on topics contained under the GST Law, ICSI has released a compilation of 100 issues [Issue No. 101-200] of GST Educational Series.

Though the GST Educational Series are also available at GST Corner of the ICSI Website at https://www.icsi.edu/GSTEducationalSeries.aspx, ICSI has released a one spot compilation of the daily series titled GST Educational Series to facilitate the readers to augment their understanding of the aspects related to GST and continue to be a source of support and enhance their commitment for the subject.

I place on record my earnest admiration to CS Nikita Agarwal for preparing this publication in a sincere, effective and presentable manner under the guidance of Ms. Sonia Baijal, Director, ICSI.

I am sure that this one spot source of knowledge and updates in GST, would be a valuable tool for our professionals in serving their professional expertise towards ‘Naye Bharat ka Naya Nirman’

Looking forward for your treasured feedback on the compilation.

Place : New Delhi
Date : May 2018

CS Makarand Lele
President
The Institute of Company Secretaries of India
Explanation to Rule 137 of Chapter XV containing Anti Profiteering Rules explains the meaning of various terms for understanding the provisions, which include:

“Authority” means the National Anti-profiteering Authority constituted under rule 122

“Committee” means the Standing Committee on Anti-profiteering constituted by the Council in terms of sub-rule (1) of rule 123 of these rules

“Interested party” includes:
- a. suppliers of goods or services under the proceedings; and
- b. recipients of goods or services under the proceedings
- c. any other person alleging, under sub-rule (1) of rule 128, that a registered person has not passed on the benefit of reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices.

“Screening Committee” means the State level Screening Committee constituted in terms of sub-rule (2) of rule 123 of these rules
Scrutiny of Returns under Goods & Services Tax

Rule 99 of CGST Rules, 2017 deals with the scrutiny of returns with following provisions:

Any return selected to be scrutinised shall be done in accordance with provisions of section 61. In case of any discrepancy, he shall issue a notice to the said person in FORM GST ASMT-10 seeking explanation within thirty days from the date of service of the notice or such further period as may be permitted by him and also, where possible, quantifying the amount of tax, interest and any other amount payable in relation to such discrepancy.

The registered person may accept the discrepancy mentioned in the notice and pay the tax, interest and any other amount arising from such discrepancy and inform the same or furnish an explanation for the discrepancy in FORM GST ASMT-11 to the proper officer.

Where the explanation furnished by the registered person or the information submitted is found to be acceptable, the proper officer shall inform him accordingly in FORM GST ASMT-12.

Rule 97(4) of CGST Rules, 2017 states that the Government shall, by an order, constitute a Standing Committee with a Chairman, a Vice-Chairman, a Member Secretary and such other Members as it may deem fit and the Committee shall make recommendations for proper utilisation of the money credited to the Consumer Welfare Fund for welfare of the consumers. The Committee shall have the following powers:

- require any applicant to get registered with any authority as the Central Government may specify
- to require any applicant to produce before it or a duly authorised Officer of the Government such books, accounts, documents, instruments, or commodities in custody and control of the applicant, as may be necessary for proper evaluation of application
  - to get the accounts of the applicants audited
  - to recover any sum due from any applicant
- to require any applicant to allow entry and inspection of any premises, from which activities claimed to be for the welfare of consumers are stated to be carried on, to a duly authorised officer of the Central Government or State Government
  - to make guidelines for the management, administration and audit of the Consumer Welfare Fund
  - to reject an application placed before it on account of factual inconsistency, or inaccuracy in material particulars
- to require any applicant, in case of any default, or suppression of material information on his part, to refund in lump-sum, the sanctioned grant to the Committee, and to be subject to prosecution
  - to require any applicant, or class of applicants to submit a periodical report, indicating proper utilisation of the grant
  - to relax the conditions required for the period of engagement in consumer welfare activities of an applicant
- to recommend minimum financial assistance, by way of grant to an applicant, having regard to his financial status, and importance and utility of nature of activity under pursuit, after ensuring that the financial assistance provided shall not be misutilised
  - to identify beneficial and safe sectors, where investments out of Consumer Welfare Fund may be made and make recommendations

Goods & Services Tax
Educational Series

Place of supply of services where location of supplier or location of recipient is outside India- IGST Act, 2017

Section 13(12) of IGST Act, 2017 deals with the place of supply of online information and database access or retrieval services which clarifies it to be the location of the recipient of services.

However for the purposes of this sub-section, person receiving such services shall be deemed to be located in the taxable territory, if any two of the following non contradictory conditions are satisfied, as under:

- Location of address presented by the recipient of services through internet is in the taxable territory
- Credit card or debit card or store value card or charge card or smart card or any other card by which the recipient of services settles payment has been issued in the taxable territory
- Billing address of the recipient of services is in the taxable territory
- Internet protocol address of the device used by the recipient of services is in the taxable territory
- Bank of the recipient of services in which the account used for payment is maintained is in the taxable territory
- Country code of the subscriber identity module card used by the recipient of services is of taxable territory
- Location of the fixed land line through which the service is received by the recipient is in the taxable territory

Section 2(17) of IGST Act, 2017 defines “online information and database access or retrieval services” as services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology and includes electronic services such as:

- Advertising on the internet
- Online supplies of digital content (movies, television shows, music and the like)
- Providing cloud services
- Providing data or information, retrievable or otherwise, to any person in electronic form through a computer network
- Provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet
- Digital data storage
- Online gaming
Section 2 of IGST Act, 2017 lays down definitions of important terms in the Act, unless the context otherwise requires:

(2) “Central tax” means the tax levied and collected under the Central Goods and Services Tax Act;

(3) “Continuous journey” means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued. Explanation.—For the purposes of this clause, the term “stopover” means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time;

(4) “Customs frontiers of India” means the limits of a customs area as defined in section 2 of the Customs Act, 1962;

(7) “Fixed establishment” means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services or to receive and use services for its own needs;

(8) “Goods and Services Tax (Compensation to States) Act” means the Goods and Services Tax (Compensation to States) Act, 2017;

(9) “Government” means the Central Government;

(12) “Integrated tax” means the integrated goods and services tax levied under this Act;

(13) “Intermediary” means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account.
Definitions under Integrated Goods & Services Tax Act, 2017

Section 2 of IGST Act, 2017 lays down definitions of important terms in the Act, unless the context otherwise requires:

(16) "Non-taxable online recipient" means any Government, local authority, governmental authority, an individual or any other person not registered and receiving online information and database access or retrieval services in relation to any purpose other than commerce, industry or any other business or profession, located in taxable territory.

Explanation:—For the purposes of this clause, the expression “governmental authority” means an authority or a board or any other body:

with ninety per cent or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution;

(18) "Output tax", in relation to a taxable person, means the integrated tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;

(19) "Special Economic Zone" shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005;

(20) "Special Economic Zone developer" shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005 and includes an Authority as defined in clause (d) and a Co-Developer as defined in clause (f) of section 2 of the said Act;

(21) “Supply” shall have the same meaning as assigned to it in section 7 of the Central Goods and Services Tax Act;

(22) “Taxable territory” means the territory to which the provisions of this Act apply;

(23) “Zero-rated supply” shall have the meaning assigned to it in section 16
Zero Rated Supply under IGST Act, 2017

Section 16 of IGST Act, 2017 explains the provisions related to Zero Rate Supplies under Goods & Services Tax which are as under:

Zero Rated Supply means any of the following supplies of goods or services or both, namely:

- export of goods or services or both
- supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit

Credit of input tax may be availed for making zero-rated supplies, notwithstanding that such supply may be an exempt supply and subject to provisions of Section 17(5) of CGST Act, 2017.

A registered person making zero rated supply shall be eligible to claim refund under either of the following options in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder:

- he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit OR
- he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied

Section 13(8) of IGST Act, 2017 derives the place of supply to be the location of supplier of services for the following services:

Following terms for the purpose of this Section:

(a) “account” means an account bearing interest to the depositor, and includes a non-resident external account and a non-resident ordinary account;
(b) “banking company” shall have the same meaning as assigned to it under clause (a) of section 45A of the Reserve Bank of India Act, 1934;
(c) “financial institution” shall have the same meaning as assigned to it in clause (c) of section 45-I of the Reserve Bank of India Act, 1934;
(d) “non-banking financial company” means:

Section 17(1) of Integrated GST Act, 2017 lays down that out of the following integrated tax paid to the Central Government, the amount of tax calculated at the rate equivalent to the central tax on similar intra-State supply shall be apportioned to the Central Government.

- In respect of inter-State supply of goods or services or both to an unregistered person or to a registered person paying tax under section 10 of CGST Act.
- In respect of inter-State supply of goods or services or both where the registered person is not eligible for input tax credit.
- In respect of inter-State supply of goods or services or both made in a financial year to a registered person, where he does not avail of the input tax credit within the specified period and thus remains in the integrated tax account after expiry of the due date for furnishing of annual return for such year in which the supply was made.
- In respect of import of goods or services or both made in a financial year by a registered person, where he does not avail of the said credit within the specified period and thus remains in the integrated tax account after expiry of the due date for furnishing of annual return for such year in which the supply was received.

Section 5 of the IGST Act, 2017 lays down the provisions of Levy and Collection of integrated goods and services tax on all inter-State supplies of goods or services or both. Few points to be noted include:

- **It will be levied exception the supply of alcoholic liquor for human consumption**
- Integrated tax on goods imported into India shall be levied and collected as per section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962.
- The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis.
- Integrated tax on the supply of petroleum crude, high speed diesel, motor spirit, natural gas and aviation turbine fuel shall be levied when notified by the Government on the recommendations of the Council.
- The Government may, on the recommendations of the Council, by notification, specify categories of services, the tax on inter-State supplies of which shall be paid by the electronic commerce operator.
- Under reverse charge, 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 the supply of such goods or services or both.
- It will be levied on the value determined under section 15 of CGST Act and not exceeding 40%.

Power to Grant Exemption Under IGST Act, 2017

Section 6 - Power to grant exemption from tax

(1) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.

(2) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.

(3) The Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued, insert an Explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such Explanation shall have effect as if it had always been the part of the first such notification or order, as the case may be.

Where an exemption in respect of any goods or services or both from the whole or part of the tax leviable thereon has been granted absolutely, the registered person supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.
Apportionment of Tax Under IGST Act, 2017

INTER STATE SUPPLY - Section 7

Supply of goods imported into the territory of India, till they cross the customs frontiers of India

Supply of services imported into the territory of India

Supply of goods/services where location of supplier and place of supply are in

- two different States
- two different Union territories
- a State and a Union territory

when the supplier is located in India and the place of supply is outside India

to or by a Special Economic Zone developer or a Special Economic Zone unit

in the taxable territory, not being an intra-State supply

**Goods & Services Tax**

**Educational Series**

**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. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes.

**EXEMPTIONS/CHANGES IN GST RATES/ITC ELIGIBILITY CRITERIA**

1. All stand-alone restaurants irrespective of air conditioned or otherwise, will attract 5% GST without ITC. Food parcels (or takeaways) will also attract 5% GST without ITC.
2. Restaurants in hotel premises having room tariff of less than Rs 7500 per unit per day will attract GST of 5% without ITC.
3. Restaurants in hotel premises having room tariff of Rs 7500 and above per unit per day (even for a single room) will attract GST of 18% with full ITC.
4. Outdoor catering will continue to be at 18% with full ITC.
5. GST on Services by way of admission to “protected monuments” will be exempted.
6. The rate of GST on job work services in relation to manufacture of those handicraft goods in respect of which the casual taxable person has been exempted from obtaining registration, shall be reduced to 5% with full ITC.

**RATIONALIZATION OF EXEMPTION ENTRIES**

7. The existing exemption entries with respect to services provided by Fair Price Shops to Central Government, State Governments or Union territories by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against consideration in the form of commission or margin, is being rationalized so as to remove ambiguity regarding list of items and the category of recipients to whom the exemption is available.
8. In order to maintain consistency, entry at item (vi) of Sr. No.3 of notification No. 11/2017- CT(R) will be aligned with the entries at items (ii), (iii), (iv) and (v) of SI.No.3. [The word “services” in entry (vi) will be replaced with "Composite supply of Works contract as defined in clause 119 of Section 2 of CGST Act, 2017”].
9. In order to obviate disputes and litigation, it is proposed to place- (i) permanent transfer of Intellectual Property other than Information Technology software in the goods rate of 12%; and (ii) permanent transfer of Intellectual Property in respect of Information Technology software in the goods rate list of 18%.

*Source: cbec.gov.in*

Recommendations made by the GST Council in the 23rd meeting

The GST Council, in its 23rd meeting held at Guwahati on 10th November 2017, has recommended the following facilitative measures for taxpayers:

Return Filing

a) The return filing process is to be further simplified in the following manner:

i. All taxpayers would file return in FORM GSTR-3B along with payment of tax by 20th of the succeeding month till March, 2018.

ii. For filing of details in FORM GSTR-1 till March 2018, taxpayers would be divided into two categories. Details of these two categories along with the last date of filing GSTR 1 are as follows:

(a) Taxpayers with annual aggregate turnover upto Rs. 1.5 crore need to file GSTR-1 on quarterly basis as per following frequency:

<table>
<thead>
<tr>
<th>Period</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul- Sep</td>
<td>31st Dec 2017</td>
</tr>
<tr>
<td>Oct- Dec</td>
<td>15th Feb 2018</td>
</tr>
<tr>
<td>Jan- Mar</td>
<td>30th April 2018</td>
</tr>
</tbody>
</table>

(b) Taxpayers with annual aggregate turnover more than Rs. 1.5 crore need to file GSTR-1 on monthly basis as per following frequency:

<table>
<thead>
<tr>
<th>Period</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul- Oct</td>
<td>31st Dec 2017</td>
</tr>
<tr>
<td>Nov</td>
<td>10th Jan 2018</td>
</tr>
<tr>
<td>Dec</td>
<td>10th Feb 2018</td>
</tr>
<tr>
<td>Jan</td>
<td>10th Mar 2018</td>
</tr>
<tr>
<td>Feb</td>
<td>10th Apr 2018</td>
</tr>
<tr>
<td>Mar</td>
<td>10th May 2018</td>
</tr>
</tbody>
</table>

iii. The time period for filing GSTR-2 and GSTR-3 for the months of July, 2017 to March 2018 would be worked out by a Committee of Officers. However, filing of GSTR-1 will continue for the entire period without requiring filing of GSTR-2 & GSTR-3 for the previous month / period.

Source: cbec.gov.in

Recommendations made by the GST Council in the 23rd Meeting

The GST Council, in its 23rd meeting held at Guwahati on 10th November 2017, has recommended the following facilitative measures for taxpayers:

Return Filing

a) The return filing process is to be further simplified in the following manner:

i. All taxpayers would file return in FORM GSTR-3B along with payment of tax by 20th of the succeeding month till March, 2018.

ii. For filing of details in FORM GSTR-1 till March 2018, taxpayers would be divided into two categories. Details of these two categories along with the last date of filing GSTR 1 are as follows:

(a) Taxpayers with annual aggregate turnover upto Rs. 1.5 crore need to file GSTR-1 on quarterly basis as per following frequency:

<table>
<thead>
<tr>
<th>Period</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul- Sep</td>
<td>31st Dec 2017</td>
</tr>
<tr>
<td>Oct- Dec</td>
<td>15th Feb 2018</td>
</tr>
<tr>
<td>Jan- Mar</td>
<td>30th April 2018</td>
</tr>
</tbody>
</table>

(b) Taxpayers with annual aggregate turnover more than Rs. 1.5 crore need to file GSTR-1 on monthly basis as per following frequency:

<table>
<thead>
<tr>
<th>Period</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul- Oct</td>
<td>31st Dec 2017</td>
</tr>
<tr>
<td>Nov</td>
<td>10th Jan 2018</td>
</tr>
<tr>
<td>Dec</td>
<td>10th Feb 2018</td>
</tr>
<tr>
<td>Jan</td>
<td>10th Mar 2018</td>
</tr>
<tr>
<td>Feb</td>
<td>10th Apr 2018</td>
</tr>
<tr>
<td>Mar</td>
<td>10th May 2018</td>
</tr>
</tbody>
</table>

iii. The time period for filing GSTR-2 and GSTR-3 for the months of July, 2017 to March 2018 would be worked out by a Committee of Officers. However, filing of GSTR-1 will continue for the entire period without requiring filing of GSTR-2 & GSTR-3 for the previous month / period.

Source: cbec.gov.in

Return Filing

- A large number of taxpayers were unable to file their return in FORM GSTR-3B within due date for the months of July, August and September, 2017. Late fee was waived in all such cases. It has been decided that where such late fee was paid, it will be re-credited to their Electronic Cash Ledger under “Tax” head instead of “Fee” head so as to enable them to use that amount for discharge of their future tax liabilities. The software changes for this would be made and thereafter this decision will be implemented.
- For subsequent months, i.e. October 2017 onwards, the amount of late fee payable by a taxpayer whose tax liability for that month was ‘NIL’ will be Rs. 20/- per day (Rs. 10/- per day each under CGST & SGST Acts) instead of Rs. 200/- per day (Rs. 100/- per day each under CGST & SGST Acts).
- A facility for manual filing of application for advance ruling is being introduced for the time being.

Further benefits for service providers

- Exports of services to Nepal and Bhutan have already been exempted from GST. It has now been decided that such exporters will also be eligible for claiming Input Tax Credit in respect of goods or services used for effecting such exempt supply of services to Nepal and Bhutan.
- In an earlier meeting of the GST Council, it was decided to exempt those service providers whose annual aggregate turnover is less than Rs. 20 lakhs (Rs. 10 lakhs in special category states except J & K) from obtaining registration even if they are making inter-State taxable supplies of services. As a further measure towards taxpayer facilitation, it has been decided to exempt such suppliers providing services through an e-commerce platform from obtaining compulsory registration provided their aggregate turnover does not exceed twenty lakh rupees. As a result, all service providers, whether supplying intra-State, inter-State or through ecommerce operator, will be exempt from obtaining GST registration, provided their aggregate turnover does not exceed Rs. 20 lakhs (Rs. 10 lakhs in special category States except J & K).

Benefits for Diplomatic Missions/UN organizations

- In order to lessen the compliance burden on Foreign Diplomatic Missions / UN Organizations, a centralized UIN will be issued to every Foreign Diplomatic Mission / UN Organization by the Central Government and all compliance for such agencies will be done by the Central Government in coordination with the Ministry of External Affairs.

Source: cbec.gov.in

Section 8 of IGST Act, 2017 states that to be an Intra State supply of goods, the location of the supplier and the place of supply of goods are in the same State or same Union territory. Similarly, supply of services where the location of the supplier and the place of supply of services are in the same State or same Union territory shall be treated as intra-State supply. The following supply of goods shall not be treated as intra-State supply:

- Supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit.
- Goods imported into the territory of India till they cross the customs frontiers of India.
- Supplies made to a tourist referred to in section 15.

Similarly, intra-State supply of services shall not include supply of services to or by a Special Economic Zone developer or a Special Economic Zone unit.
Establishment under IGST Act, 2017

As per the Explanation to Section 8 of IGST Act, 2017, the following are treated as establishments of distinct persons:

- an establishment in India and any other establishment outside India
- an establishment in a State or Union territory and any other establishment outside that State or Union territory
- establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory

However, a person carrying on business through a branch or an agency or a representational office in any territory shall be treated as having an establishment in that territory.

According to Section 9 of IGST Act, 2017, in the following cases, the place of supply, shall be deemed to be in the coastal State or Union territory where the nearest point of the appropriate baseline is located:

- where the place of supply is in the territorial waters
- where the location of the supplier is in the territorial waters

Goods & Services Tax
Educational Series

Special Provision for Payment of Tax by a Supplier of Online Information and Database Access or Retrieval Services

Section 14 of IGST Act lays down that on supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-taxable online recipient, the supplier of services located in a non-taxable territory shall be the person liable for paying integrated tax on such supply of services.

However in the case of supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a nontaxable online recipient, an intermediary located in the non-taxable territory, who arranges or facilitates the supply of such services, shall be deemed to be the recipient of such services from the supplier of services in non-taxable territory and supplying such services to the nontaxable online recipient except when such intermediary satisfies the following conditions:

- The invoice or customer’s bill or receipt issued or made available by such intermediary taking part in the supply clearly identifies the service in question and its supplier in non-taxable territory.
- The intermediary involved in the supply does not authorise the charge to the customer or take part in its charge which is that the intermediary neither collects or processes payment in any manner nor is responsible for the payment between the non-taxable online recipient and the supplier of such services.
- The intermediary involved in the supply does not authorise delivery.
- The general terms and conditions of the supply are not set by the intermediary involved in the supply but by the supplier of services.

The abovementioned supplier may take a single registration under the Simplified Registration Scheme to be notified by the Government provided that any person located in the taxable territory representing such supplier for any purpose in the taxable territory shall get registered and pay integrated tax on behalf of the supplier. Also, if such supplier does not have a physical presence or does not have a representative for any purpose in the taxable territory, he may appoint a person in the taxable territory for the purpose of paying integrated tax and such person shall be liable for payment of such tax.

Section 13(12) of IGST Act, 2017 lays down the place of supply in case of online information and database access or retrieval services to be the location of the recipient of services. However, for the purposes of this sub-section, person receiving such services shall be deemed to be located in the taxable territory, if any two of the following non contradictory conditions are satisfied:

- a. the location of address presented by the recipient of services through internet is in the taxable territory
- b. the credit card or debit card or store value card or charge card or smart card or any other card by which the recipient of services settles payment has been issued in the taxable territory
- c. the billing address of the recipient of services is in the taxable territory
- d. the internet protocol address of the device used by the recipient of services is in the taxable territory
- e. the bank of the recipient of services in which the account used for payment is maintained is in the taxable territory
- f. the country code of the subscriber identity module card used by the recipient of services is of taxable territory
- g. the location of the fixed land line through which the service is received by the recipient is in the taxable territory
Various important terms under Section 2 of Union Territory Goods & Services Tax Act, 2017 include:

**Section 2:** In this Act, unless the context otherwise requires—

1. **“Appointed day”** means the date on which the provisions of this Act shall come into force;

2. **“Commissioner”** means the Commissioner of Union territory tax appointed under section 3;

3. **“Designated authority”** means such authority as may be notified by the Commissioner;

4. **“Exempt supply”** means supply of any goods or services or both which attracts nil rate of tax or which may be exempt from tax under section 8, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply;

5. **“Existing law”** means any law, notification, order, rule or regulation relating to levy and collection of duty or tax on goods or services or both passed or made before the commencement of this Act by Parliament or any Authority or person having the power to make such law, notification, order, rule or regulation;

6. **“Government”** means the Administrator or any Authority or officer authorised to act as Administrator by the Central Government;

7. **“Output tax”** in relation to a taxable person, means the Union territory tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;

8. **“Union territory”** means the territory of—
   
   (i) the Andaman and Nicobar Islands; (ii) Lakshadweep; (iii) Dadra and Nagar Haveli; (iv) Daman and Diu; (v) Chandigarh; or (vi) other territory.

**Explanation**—For the purposes of this Act, each of the territories specified in sub-clauses (i) to (vi) shall be considered to be a separate Union territory

9. **“Union territory tax”** means the tax levied under this Act.
Section 11 lays down the Place of Supply of goods imported into or exported from India.

Section 15 deals with Refund of Integrated Tax paid by an International Tourist on supply of goods taken out of India by him. It will be as per the rules prescribed in this regard.

Tourist means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non immigrant purposes.
Apportionment of Tax and Settlement of Funds under IGST Act, 2017

As discussed earlier, Section 17(1) of IGST Act, 2017 deals with how integrated tax paid to the Central Government is to be apportioned and credited. **Section 17(2)** deals with balance amount of integrated tax remaining in the integrated tax account in respect of the supply for which an apportionment to the Central Government has been done under sub-section (1) shall be apportioned to:

Where the place of such supply made by any taxable person cannot be determined separately, the said balance amount shall be apportioned to:

- **a.** Each of the States
- **b.** Central Government in relation to Union territories, in proportion to the total supplies made by such taxable person to each of such States or Union territories

Where the taxable person making such supplies is not identifiable, the said balance amount shall be apportioned to all States and the Central Government in proportion to the amount collected as State tax or, as the case may be, Union territory tax, by the respective State or, as the case may be, by the Central Government during the immediately preceding financial year.

Apportionment of Tax and Settlement of Funds under IGST Act, 2017

In continuance to provisions of Section 17(1) and 17(2) of IGST Act, 2017 relating to apportionment of integrated tax, the below mentioned provisions follow:

Section 17(3)

• The provisions of sub-sections (1) and (2) relating to apportionment of integrated tax shall, mutatis mutandis, apply to the apportionment of interest, penalty and compounding amount realised in connection with the tax so apportioned.

Section 17(4)

• Where an amount has been apportioned to the Central Government or a State Government under sub-section (1) or (2) or (3), amount collected as integrated tax shall stand reduced by an amount equal to the amount so apportioned and the Central Government shall transfer to the central tax account or Union territory tax account, an amount equal to the respective amounts apportioned to the Central Government and shall transfer to the State tax account of the respective States an amount equal to the amount apportioned to that State, in such manner and within such time as may be prescribed.

Section 17(5)

• Any integrated tax apportioned to a State or, as the case may be, to the Central Government on account of a Union territory, if subsequently found to be refundable to any person and refunded to such person, shall be reduced from the amount to be apportioned under this section, to such State, or Central Government on account of such Union territory, in such manner and within such time as may be prescribed.

Goods & Services Tax

Educational Series

Issue 126

Tax Wrongly Collected and Credited

Section 19 of IGST Act, 2017 deals with the provisions of tax which is wrongly collected as interstate tax being intra state or vice versa.

A registered person who has paid integrated tax on a supply considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall be granted refund of the amount of integrated tax so paid in such manner and subject to such conditions as may be prescribed.

A registered person who has paid central tax and State tax or Union territory tax, as the case may be, on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall not be required to pay any interest on the amount of integrated tax payable.

Section 18 of Integrated Goods & Services Tax, 2017 deals with transfer of Input Tax Credit. It lays down that on utilisation of credit of integrated tax availed under this Act for payment of:

Central tax in accordance with the provisions of Section 49(5) of the Central Goods and Services Tax Act, 2017, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the integrated tax account to the central tax account in such manner and within such time as may be prescribed;

Union territory tax in accordance with the provisions of section 9 of the Union Territory Goods and Services Tax Act, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the integrated tax account to the Union territory tax account in such manner and within such time as may be prescribed;

State tax in accordance with the provisions of the respective State Goods and Services Tax Act, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and shall be apportioned to the appropriate State Government and the Central Government shall transfer the amount so apportioned to the account of the appropriate State Government in such manner and within such time as may be prescribed.

**Appropriate State** in relation to a taxable person, means the State or Union territory where he is registered or is liable to be registered under the provisions of the Central Goods and Services Tax Act.
Section 20 of IGST Act, 2017 states that subject to the provisions of this Act and the rules made thereunder, the following provisions of Central Goods and Services Tax Act shall, mutatis mutandis, apply, so far as may be, in relation to integrated tax as they apply in relation to central tax as if they are enacted under this Act:

(i) scope of supply  
(ii) composite supply and mixed supply  
(iii) time and value of supply  
(iv) input tax credit  
(v) registration  
(vi) tax invoice, credit and debit notes  
(vii) accounts and records  
(viii) returns, other than late fee  
(ix) payment of tax  
(x) tax deduction at source  
(xi) collection of tax at source  
(xii) assessment  
(xiii) refunds  
(xiv) audit  
(xv) inspection, search, seizure and arrest  
(xvi) demands and recovery  
(xvii) liability to pay in certain cases  
(xviii) advance ruling  
(xix) appeals and revision  
(xx) presumption as to documents  
(xxi) offences and penalties  
(xxii) job work  
(xxiii) electronic commerce  
(xxiv) transitional provisions and  
(xxv) miscellaneous provisions including the provisions relating to the imposition of interest and penalty

For the purposes of this Act, the value of a supply shall include any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier.

In cases where the penalty is leviable under the Central Goods and Services Tax Act and the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, the penalty leviable under this Act shall be the sum total of the said penalties.

Import of Services made on or after the Appointed Day

Section 21 of Integrated Goods & Services Tax Act, 2017 lays down provisions in relation to import of services made on or after the appointed day.

Import of services made on or after the appointed day shall be liable to tax under the provisions of IGST regardless of whether the transactions for such import of services had been initiated before the appointed day.

Few points to be noted are:

1. It is made clear that if the tax on such import of services had been paid in full under the previous law, no tax shall be payable on such import under this Act.

2. If the tax on such import of services had been paid in part under the previous law, the balance amount of tax shall be payable on such import under this Act.

3. For the purposes of this section, a transaction shall be deemed to have been initiated before the appointed day if either the invoice relating to such supply or payment, either in full or in part, has been received or made before the appointed day.

Power to make Rules and Regulations

Section 22 of Integrated Goods & Services tax Act, 2017 decides the Power to make Rules and Regulations where the Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.

Without prejudice to the generality of the provisions of sub-section (1), the Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules.

Power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date on which the provisions of this Act come into force.

Any rules made under sub-section (1) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.
Section 24 of Integrated GST Act, 2017 lays down the procedure as under:

Every rule made by the Government, every regulation made by the Board and every notification issued by the Government under this Act, shall be laid, as soon as may be, after it is made or issued, before each House of Parliament, while it is in session, for a total period of **thirty days** which may be comprised in one session or in two or more successive sessions, **and if**

before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or in the notification, as the case may be, or both Houses agree that the rule or regulation or the notification should not be made, the rule or regulation or notification, as the case may be, shall thereafter have effect only in such modified form or be of no effect.

Any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification.
Goods & Services Tax
Educational Series

Removal of Difficulties

Section 25 of the Integrated Goods & Services Tax, 2017 states that if any difficulty arises in giving effect to any provision of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty.

However no such order shall be made after the expiry of a period of three years from the date of commencement of this Act and every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.

With regard to appointment and authorization of officers under IGST Act, 2017, as given under Section 3 and Section 4 of IGST Act, 2017, the Board may appoint such central tax officers as it thinks fit for exercising the powers under this Act.

The officers appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such exceptions and conditions as the Government shall, on the recommendations of the Council, by notification, specify.
Section 5 of UTGST Act, 2017 deals with Powers of Officers under the Act, which are as under:

(1) Subject to such conditions and limitations as the Commissioner may impose, an officer of the Union territory tax may exercise the powers and discharge the duties conferred or imposed on him under this Act

(2) An officer of a Union territory tax may exercise the powers and discharge the duties conferred or imposed under this Act on any other officer of a Union territory tax who is subordinate to him

(3) The Commissioner may, subject to such conditions and limitations as may be specified in this behalf by him, delegate his powers to any other officer subordinate to him

(4) Notwithstanding anything contained in this section, an Appellate Authority shall not exercise the powers and discharge the duties conferred or imposed on any other officer of Union territory tax
Authorisation of Officers of Central Tax as Proper Officer in UTGST Act, 2017

Section 6 of UTGST Act, 2017 deals with Authorisation of officers of central tax as proper officer in certain circumstances, which include:

1. Without prejudice to the provisions of this Act, the officers appointed under the Central Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as the Government shall, on the recommendations of the Council, by notification, specify.

2. Subject to the conditions specified in the notification issued under subsection (1),
   a) where any proper officer issues an order under this Act, he shall also issue an order under the Central Goods and Services Tax Act, as authorised by the said Act under intimation to the jurisdictional officer of central tax
   b) where a proper officer under the Central Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under this Act on the same subject matter.

3. Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act, shall not lie before an officer appointed under the Central Goods and Services Tax Act.
Administration under UTGST Act, 2017

The Union Territory Goods & Services Tax Act, 2017 was enacted by Parliament in the Sixty-eighth Year of the Republic of India.

This Act extends to the Union territories of the Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu, Chandigarh and other territory.

Section 3

The Administrator may, by notification, appoint Commissioners and such other class of officers as may be required for carrying out the purposes of this Act and such officers shall be deemed to be proper officers for such purposes as may be specified therein.

Section 4

The Administrator may, by order, authorise any officer to appoint officers of Union territory tax below the rank of Assistant Commissioner of Union territory tax for the administration of this Act.

Section 7 of UTGST Act, 2017 deals with the levy and collection of tax under UTGST Act, 2017.

(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Union territory tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding twenty per cent, as may be notified by the Central Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

(2) The Union territory tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the Central Government on the recommendations of the Council.

(3) The Central Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such 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 the supply of such goods or services or both.
Section 7 of UTGST Act, 2017 deals with the levy and collection of tax under UTGST Act, 2017.

(4) The Union territory tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient 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 the supply of such goods or services or both.

(5) The Central Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services.

Where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax.

Also, where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

Section 8 of UTGST Act, 2017 lays down the Power to grant exemption from tax which reads as under:

8(1) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.

8(2) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable

8(3) The Central Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued under sub-section (1) or order issued under sub-section (2), insert an explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such explanation shall have effect as if it had always been the part of the first such notification or order, as the case may be

8(4) Any notification issued by the Central Government under sub-section (1) of section 11 or order issued under sub-section (2) of the said section of the Central Goods and Services Tax Act shall be deemed to be a notification or, as the case may be, an order issued under this Act

For the purposes of this section, where an exemption in respect of any goods or services or both from the whole or part of the tax leviable thereon has been granted absolutely, the registered person supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.
Section 9 of the Union Territory Goods & Services Tax Act, 2017 lays down the provisions relating to Payment of Tax.

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 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

(c) the Union territory tax shall not be utilised towards payment of central tax.
**SECTION 10, 11 of Union Territory Goods & Services Tax Act, 2017**

*Section 10* with regard to transfer of Input Tax Credit states that for utilisation of input tax credit of Union territory tax for payment of tax dues under the Integrated Goods and Services Tax Act in accordance with the provisions of sub-section (5) of section 49 of the Central Goods and Services Tax Act, as reflected in the valid return furnished under sub-section (1) of section 39 of the Central Goods and Services Tax Act, the amount collected as Union territory tax shall stand reduced by an amount equal to such credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the Union territory tax account to the integrated tax account in such manner and within such time as may be prescribed.

*Section 11* cover provisions related to officers required to assist proper officers which are as under:

(1) All officers of Police, Railways, Customs, and those officers engaged in the collection of land revenue, including village officers, and officers of central tax and officers of the State tax shall assist the proper officers in the implementation of this Act.

(2) The Government may, by notification, empower and require any other class of officers to assist the proper officers in the implementation of this Act when called upon to do so by the Commissioner.

Section 12 of the Union Territory Goods & Services Tax Act, 2017 deals with the provisions of Tax wrongfully collected and paid to the Central Government or Union Territory Government.

The provisions state that:

(1) A registered person who has paid the central tax and the Union territory tax on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall be refunded the amount of taxes so paid in such manner and subject to such conditions as may be prescribed.

(2) A registered person who has paid integrated tax on a transaction considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of the central tax and the Union territory tax payable.
Section 13 of Union Territory Goods & Services Tax Act, 2017 covers the provisions of Recovery of Tax. The following are the provisions:

(1) Where any amount of tax, interest or penalty is payable by a person to the Government under any of the provisions of this Act or the rules made thereunder and which remains unpaid, the proper officer of central tax, during the course of recovery of said tax arrears, may recover the amount from the said person as if it were an arrear of central tax and credit the amount so recovered to the account of the Government under the appropriate head of Union territory tax.

(2) Where the amount recovered under sub-section (1) is less than the amount due to the Government under this Act and the Central Goods and Services Tax Act, the amount to be credited to the account of the Government shall be in proportion to the amount due as Union territory tax and central tax.

Section 14 of the Union Territory Goods & Services Tax Act, 2017 contains the provisions for Advance Ruling. In this Chapter, unless the context otherwise requires, the following terms will be defined as:

“Advance ruling” means a decision provided by Authority or Appellate Authority to an applicant on matters or on questions specified in section 97(2) or section 100(1) of the CGST Act, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.

“Appellate Authority” means the Appellate Authority for Advance Ruling constituted under section 16.

“Applicant” means any person registered or desirous of obtaining registration under this Act.

“Application” means an application made to the Authority under sub-section (1) of section 97 of the Central Goods and Services Tax Act.

“Authority” means the Authority for Advance Ruling, constituted under section 15.
The Central Government may, on the recommendations of the Council, notify any Authority located in any State or any other Union territory to act as the Authority for the purposes of this Act.
Section 16 of the Union Territory Goods & Services Tax Act, 2017 deals with Constitution of Authority for Advance Ruling. The provisions read as:

Central Government may, on the recommendations of the Council, notify any Appellate Authority located in any State or any other Union territory to act as the Appellate Authority for the purposes of this Act.

Central Government shall, by notification, constitute an Appellate Authority to be known as the (name of the Union territory) Appellate Authority for Advance Ruling for Goods and Services Tax for hearing appeals against the advance ruling pronounced by the Advance Ruling Authority.

The Appellate Authority shall consist of:
- Chief Commissioner of central tax as designated by the Board; and
- Commissioner of Union territory tax having jurisdiction over the applicant


(1) On and from the appointed day, every person registered under any of the existing laws and having a valid Permanent Account Number shall be issued a certificate of registration on provisional basis, subject to such conditions and in such form and manner as may be prescribed, which unless replaced by a final certificate of registration under sub-section (2), shall be liable to be cancelled if the conditions so prescribed are not complied with.

(2) The final certificate of registration shall be granted in such form and manner and subject to such conditions as may be prescribed.

(3) The certificate of registration issued to a person under sub-section (1) shall be deemed to have not been issued if the said registration is cancelled in pursuance of an application filed by such person that he was not liable to registration under section 22 or section 24 of the Central Goods and Services Tax Act.

Section 22 of Union Territory Goods & Services Tax Act, 2017 lays down the Powers to Make Rules under the Act. The provisions of the Section lay down:

1. The Central Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.

2. Without prejudice to the generality of the provisions of sub-section (1), the Central Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules.

3. The power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date on which the provisions of this Act come into force.

4. Any rules made under sub-section (1) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.
Notification No. 8/2017 – Integrated Tax

Notification No. 8/2017 – Integrated Tax was issued on 14th September, 2017 wherein, in exercise of the powers conferred by section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the “said Act”), the Central Government, on the recommendations of the Council, hereby specifies the persons making inter-State taxable supplies of handicraft goods as the category of persons exempted from obtaining registration under the aforesaid Act.

Aggregate value of such supplies, to be computed on all India basis, should not exceed an amount of twenty lakh rupees in a financial year. The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of ten lakh rupees in case of Special Category States, other than the State of Jammu and Kashmir.

The persons making inter-State taxable supplies mentioned in the preceding paragraph shall be required to:

a. obtain a Permanent Account Number; and


Explanation - For the purposes of this notification, the expression “handicraft goods” means the products mentioned in the Notification Table along with the Harmonized System of Nomenclature (HSN) code, when made by the craftsmen predominantly by hand even though some machinery may also be used in the process.

Notification Number 9/2017- Integrated Goods & Services Tax dated October 13, 2017 was released wherein, in exercise of the powers conferred by section 20 of the Integrated Goods and Services Tax Act, 2017 read with sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017, the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.8/2017- Integrated Tax, dated September 14th, 2017. In the said notification, the following changes were made:

A. For serial number 9 and the entries relating thereto, the following shall be substituted, namely:-

| 9. | Textile Handmade products, Handmade shawls, stoles and scarves | Including 50, 58, 61, 62, 63” |

B. After serial number 28 and the entries relating thereto, the following shall be inserted, namely:-

| 29 | Chain stitch | Any Chapter |
| 30 | Crewel, namda, gabba | Any Chapter |
| 31 | Wicker willow products | Any Chapter |
| 32 | Toran | Any Chapter |
| 33 | Articles made of shola | Any Chapter |

Notification Number 47/2017- Central Tax (Rate) dated November 14, 2017 came into effect from November 15, 2017 wherein, in exercise of the powers conferred by Section 11(1) of the Central Goods and Services Tax Act, 2017, the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, made the following further amendments in the Notification No.12/2017- Central Tax (Rate), dated the 28th June, 2017, namely:-

In the said notification, in the Table, -

(a) against serial number 11A, for the entry in column (3), the following entry shall be substituted namely: - “Service provided by Fair Price Shops to Central Government, State Government or Union territory by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System against consideration in the form of commission or margin.”

(b) the serial number 11B and the entries relating thereto, shall be omitted;

(c) after serial number 79 and the entries relating thereto, the following serial number and entries shall be inserted namely: -

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>79A</td>
<td>Heading 9996</td>
<td>Services by way of admission to a protected monument so declared under the Ancient Monuments and Archaeological Sites and Remains Act 1958 (24 of 1958) or any of the State Acts, for the time being in force</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Notification No. 43/2017 – Central Tax (Rate)

Notification Number 43/2017- Central Tax (Rate) dated November 14, 2017 seeks to amend Notification No. 4/2017- Central Tax (Rate), dated the 28th June, 2017. The Notification came into effect from November 15, 2017. The same notifies that in exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017, the Central Government, on the recommendations of the Council, hereby makes the following amendments in Notification No. 4/2017 namely:

In the said notification, in the TABLE, - (i) after Sl. No. 4 and the entries relating thereto, the following serial number and the entries shall be inserted, namely: -

<table>
<thead>
<tr>
<th>4A</th>
<th>5201</th>
<th>Raw cotton</th>
<th>Agriculturist</th>
<th>Any registered person</th>
</tr>
</thead>
</table>

The principal notification No.4/2017-Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, and last amended by Notification No. 36/2017-Central Tax (Rate) dated 13th October, 2017 published in the Gazette of India.
Notification No.44/2017- Central Tax (Rate)

Notification Number 44/2017- Central Tax (Rate) dated November 14, 2017 was released which stands applicable with effect from November 15, 2017 whereby, in exercise of the powers conferred by clause (ii) of the proviso to sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017, the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification No.5/2017-Central Tax (Rate) of the Government of India in the Ministry of Finance, dated the 28th June, 2017, namely:

In the said notification, in the TABLE, for Sl. No. 6A and the entries relating thereto, the following entries shall be substituted, namely:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6A</td>
<td>5608</td>
<td>Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials</td>
</tr>
<tr>
<td>6B</td>
<td>5801</td>
<td>Corduroy fabrics</td>
</tr>
<tr>
<td>6C</td>
<td>5806</td>
<td>Narrow woven fabrics, other than goods of heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)</td>
</tr>
</tbody>
</table>

The principal notification No.5/2017-Central Tax (Rate), dated the 28th June, 2017 was published in the Gazette of India and last amended vide notification No. 29/2017-Central Tax(Rate) dated 22nd September, 2017.

Circular No. 27/01/2018 was released on January 4, 2018 which contains clarifications regarding levy of GST on accommodation services, betting and gambling in casinos, horse racing, admission to cinema, homestays, printing, legal services etc. Representations were received from trade and industry for clarification on certain issues regarding levy of GST on supply of services. The FAQs are as under:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Questions/Clarifications Sought</th>
<th>Clarifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1. Will GST be charged on actual tariff or declared tariff for accommodation services?</td>
<td>1. Declared or published tariff is relevant only for determination of the tax rate slab. GST will be payable on the actual amount charged (transaction value).</td>
</tr>
<tr>
<td></td>
<td>2. What will be GST rate if cost goes up (more than declared tariff) owing to additional bed?</td>
<td>2. GST rate would be determined according to declared tariff for the room, and GST at the rate so determined would be levied on the entire amount charged from the customer. For example, if the declared tariff is Rs. 7000 per unit per day but the amount charged from the customer on account of extra bed is Rs. 8000, GST shall be charged at 18% on Rs. 8000.</td>
</tr>
<tr>
<td></td>
<td>3. Where will the declared tariff be published?</td>
<td>3. Tariff declared anywhere, say on the websites through which business is being procured or printed on tariff card or displayed at the reception will be the declared tariff. In case different tariff is declared at different places, highest of such declared tariffs shall be the declared tariff for the purpose of levy of GST.</td>
</tr>
<tr>
<td></td>
<td>4. Same room may have different tariff at different times depending on season or flow of tourists as per dynamic pricing. Which rate to be used then?</td>
<td>4. In case different tariff is declared for different seasons or periods of the year, the tariff declared for the season in which the service of accommodation is provided shall apply.</td>
</tr>
<tr>
<td></td>
<td>5. If tariff changes between booking and actual usage, which rate will be used?</td>
<td>5. Declared tariff at the time of supply would apply.</td>
</tr>
<tr>
<td></td>
<td>6. GST at what rate would be levied if an upgrade is provided to the customer at a lower rate?</td>
<td>6. If declared tariff of the accommodation provided by way of upgrade is Rs 10000, but amount charged is Rs 7000, then GST would be levied @ 28% on Rs 7000/-..</td>
</tr>
</tbody>
</table>

Circular No. 27/01/2018 was released on January 4, 2018 which contains clarifications regarding levy of GST on accommodation services, betting and gambling in casinos, horse racing, admission to cinema, homestays, printing, legal services etc. The FAQs are as under:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Questions/Clarifications Sought</th>
<th>Clarifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Vide notification No. 11/2017-Central Tax (Rate) dated the 28th June 2017 entry 34, GST on the service of admission into casino under Heading 9996 (Recreational, cultural and sporting services) has been levied @ 28%. Since the Value of supply rule has not specified the method of determining taxable amount in casino, Casino Operators have been informed to collect 28% GST on gross amount collected as admission charge or entry fee. The method of levy adopted needs to be clarified.</td>
<td>Relevant part of entry 34 of the said CGST notification reads as under: “Heading 9996 (Recreational, cultural and sporting services) – (iii) Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, theme parks, water parks, joy rides, merry-go rounds, go carting, casinos, race-course, ballet, any sporting event such as Indian Premier League and the like 14% (iv)... (v) Gambling - 14 %” As is evident from the notification, “entry to casinos” and “gambling” are two different services, and GST is leviable at 28% on both these services (14% CGST and 14% SGST) on the value determined as per section 15 of the CGST Act. Thus, GST @ 28% would apply on entry to casinos as well as on betting/gambling services being provided by casinos on the transaction value of betting, i.e. the total bet value, in addition to GST levy on any other services being GST provided by the casinos (such as services by way of supply of food/ drinks etc. at the casinos). Betting, in pre-GST regime, was subjected to betting tax on full bet value.</td>
</tr>
</tbody>
</table>
Circular No. 27/01/2018 was released on January 4, 2018 which contains clarifications regarding levy of GST on accommodation services, betting and gambling in casinos, horse racing, admission to cinema, homestays, printing, legal services etc. The FAQs are as under:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Questions/Clarifications Sought</th>
<th>Clarifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>The provision in rate schedule notification No. 11/2017-Central Tax (Rate) dated the 28th June 2017 does not clearly state the tax base to levy GST on horse racing. This may be clarified.</td>
<td>GST would be leviable on the entire bet value i.e. total of face value of any or all bets paid into the totalisator or placed with licensed book makers, as the case may be. Illustration: If entire bet value is Rs. 100, GST leviable will be Rs. 28/-</td>
</tr>
<tr>
<td>4.</td>
<td>1. Whether for the purpose of entries at Sl. Nos. 34(ii) [admission to cinema] and 7(ii)(vii) [Accommodation in hotels, inns, etc.], of notification 11/2017-CT (Rate) dated 28th June 2017, price/ declared tariff includes the tax component or not? 2. Whether rent on rooms provided to in-patients is exempted? If liable to tax, please mention the entry of CGST Notification 11/2017- CT(Rate) 3. What will be the rate of tax for bakery items supplied where eating place is attached - manufacturer for the purpose of composition levy?</td>
<td>1. Price/ declared tariff does not include taxes. 2. Room rent in hospitals is exempt. 3. Any service by way of serving of food or drinks including by a bakery qualifies under section 10 (1) (b) of CGST Act and hence GST rate of composition levy for the same would be 5%.</td>
</tr>
<tr>
<td>5.</td>
<td>Whether homestays providing accommodation through an Electronic Commerce Operator (ECO), below threshold limit are exempt from taking registration?</td>
<td>Notification No. 17/2017-Central Tax (Rate), has been issued making ECOs liable for payment of GST in case of accommodation services provided in hotels, inns guest houses or other commercial places meant for residential or lodging purposes provided by a person having turnover below Rs. 20 lakhs (Rs. 10 lakhs in special category states) per annum and thus not required to take registration under section 22(1) of CGST Act. Such persons, even though they provide services through ECO, are not required to take registration in view of section 24(xi) of CGST Act, 2017.</td>
</tr>
</tbody>
</table>

Circular No. 28/01/2018 was released on January 4, 2018 which contains clarifications regarding levy of GST on accommodation services, betting and gambling in casinos, horse racing, admission to cinema, homestays, printing, legal services etc. The FAQs are as under:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Questions/Clarifications Sought</th>
<th>Clarifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td>To clarify whether supply in the situations listed below shall be treated as a supply of goods or supply of service:</td>
<td>The supply of books shall be treated as supply of goods as long as the supplier owns the books and has the legal rights to sell those books on his own account.</td>
</tr>
<tr>
<td></td>
<td>1. The books are printed/published/sold on procuring copyright from the author or his legal heir. [e.g. White Tiger Procures copyright from Ruskin Bond]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. The books are printed/published/sold against a specific brand name. [e.g. Manorama Year Book]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. The books are printed/published/sold on paying copyright fees to a foreign publisher for publishing Indian edition (same language) of foreign books. [e.g. Penguin (India) Ltd. pays fees to Routledge (London)] The books are printed/published/sold on paying copyright fees to a foreign publisher for publishing Indian language edition (translated). [e.g. Ananda Publishers Ltd. pays fees to Penguin (NY)]</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Whether legal services other than representational services provided by an individual advocate or a senior advocate to a business entity are liable for GST under reverse charge mechanism?</td>
<td>Yes. In case of legal services including representational services provided by an advocate including a senior advocate to a business entity, GST is required to be paid by the recipient of the service under reverse charge mechanism, i.e. the business entity</td>
</tr>
</tbody>
</table>

Section 21 of the Union Territory Goods & Services Tax Act, 2017 provides a list of the provisions of the Central Goods and Services Tax Act, which shall, mutatis mutandis, apply to Union Territory Goods & Services Tax Act, 2017 subject to the following modifications and alterations which the Central Government considers necessary and desirable to adapt those provisions to the circumstances, namely:—

(i) references to “this Act” shall be deemed to be references to “the Union Territory Goods and Services Tax Act, 2017”

(ii) references to “Commissioner” shall be deemed to be references to “Commissioner” of Union territory tax as defined in clause (2) of section 2 of this Act

(iii) references to “officers of central tax” shall be deemed to be references to “officers of Union territory tax”

(iv) references to “central tax” shall be deemed to be references to “Union territory tax” and vice versa

(v) references to “Commissioner of State tax or Commissioner of Union territory tax” shall be deemed to be references to “Commissioner of central tax”

(vi) references to “State Goods and Services Tax Act or Union Territory Goods and Services Tax Act” shall be deemed to be references to “Central Goods and Services Tax Act”

(vii) references to “State tax or Union territory tax” shall be deemed to be references to “central tax”
Section 21 of the Union Territory Goods & Services Tax Act, 2017 provides a list of the provisions of the Central Goods and Services Tax Act, which shall, mutatis mutandis, apply to Union Territory Goods & Services Tax Act, 2017 subject to modifications and alterations which the Central Government considers necessary and desirable to adapt those provisions to the circumstances. The provisions included, relate to:

(i) scope of supply;
(ii) composition levy;
(iii) composite supply and mixed supply;
(iv) time and value of supply;
(v) input tax credit;
(vi) registration;
(vii) tax invoice, credit and debit notes;
(viii) accounts and records;
(ix) returns;
(x) payment of tax;
(xi) tax deduction at source;
(xii) collection of tax at source;
(xiii) assessment;
(xiv) refunds;
(xv) audit;
(xvi) inspection, search, seizure and arrest;
(xvii) demands and recovery;
(xviii) liability to pay in certain cases;
(xix) advance ruling;
(xx) appeals and revision;
(xxi) presumption as to documents;
(xxii) offences and penalties;
(xxiii) job work;
(xxiv) electronic commerce;
(xxv) settlement of funds;
(xxvi) transitional provisions;
(xxvii) miscellaneous provisions including the provisions relating to the imposition of interest and penalty.

Paragraph 23 lays down that the Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act.

Paragraph 24 establishes that:

Every rule made by the Central Government, every regulation made by the Board and every notification issued by the Central Government under this Act, shall be laid, as soon as may be, after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or in the notification, as the case may be, or both Houses agree that the rule or regulation or the notification should not be made, the rule or regulation or notification, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification, as the case may be.

Recommendations made on GST Rate changes on services by the 25th GST Council Meeting

The Union Finance Minister Shri Arun Jaitley Chaired the 25th Meeting of the GST Council in New Delhi on January 18, 2018. The Council has recommended many relief measures regarding GST rates on goods and services covering many sectors and commodities. The Council has also recommended issuance of certain clarifications on issues relating to GST rates and taxability of certain goods and services.

(A) Exemptions / Changes in GST Rates / ITC Eligibility Criteria

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>To extend GST exemption on Viability Gap Funding (VGF) for a period of 3 years from the date of commencement of RCS airport from the present period of one year.</td>
</tr>
<tr>
<td>2</td>
<td>To exempt supply of services by way of providing information under RTI Act, 2005 from GST.</td>
</tr>
<tr>
<td>3</td>
<td>To exempt legal services provided to Government, Local Authority, Governmental Authority and Government Entity.</td>
</tr>
<tr>
<td>4</td>
<td>To reduce GST rate on construction of metro and monorail projects (construction, erection, commissioning or installation of original works) from 18% to 12%.</td>
</tr>
<tr>
<td>5</td>
<td>To levy GST on the small housekeeping service providers, notified under section 9 (5) of GST Act, who provide housekeeping service through ECO, @ 5% without ITC.</td>
</tr>
<tr>
<td>6</td>
<td>To reduce GST rate on tailoring service from 18% to 5%.</td>
</tr>
<tr>
<td>7</td>
<td>To reduce GST rate on services by way of admission to theme parks, water parks, joy rides, merry-go-rounds, go-carting and ballet, from 28% to 18%.</td>
</tr>
<tr>
<td>8</td>
<td>To grant following exemptions: (i) To exempt service by way of transportation of goods from India to a place outside India by air; (ii) To exempt service by way of transportation of goods from India to a place outside India by sea and provide that value of such service may be excluded from the value of exempted services for the purpose of reversal of ITC. The above exemptions may be granted with a sunset clause upto 30th September, 2018.</td>
</tr>
<tr>
<td>9</td>
<td>To exempt services provided by the Naval Insurance Group Fund by way of Life Insurance to personnel of Coast Guard under the Group Insurance Scheme of the Central Government retrospectively w.e.f. 1.7.2017.</td>
</tr>
<tr>
<td>10</td>
<td>To exempt IGST payable under section 5(1) of the IGST Act, 2017 on supply of services covered by item 5(c) of Schedule II of the CGST Act, 2017 to the extent of aggregate of the duties and taxes leviable under section 3(7) of the Customs Tariff Act, 1975 read with sections 5 &amp; 7 of IGST Act, 2017 on part of consideration declared under section 14(1) of the Customs Act, 1962 towards royalty and license fee includible in transaction value as specified under Rule 10 (c) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.</td>
</tr>
</tbody>
</table>

**Recommendations made on GST Rate changes on services by the 25th GST Council Meeting**

The Union Finance Minister Shri Arun Jaitley Chaired the 25th Meeting of the GST Council in New Delhi on January 18, 2018. The Council has recommended many relief measures regarding GST rates on goods and services covering many sectors and commodities. The Council has also recommended issuance of certain clarifications on issues relating to GST rates and taxability of certain goods and services.

**(A) Exemptions / Changes in GST Rates / ITC Eligibility Criteria**

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.</td>
<td>To allow ITC of input services in the same line of business at the GST rate of 5% in case of tour operator service.</td>
</tr>
<tr>
<td>12.</td>
<td>To reduce GST rate (from 18% to 12%) on the Works Contract Services (WCS) provided by sub-contractor to the main contractor providing WCS to Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity, which attract GST of 12%. Likewise, WCS attracting 5% GST, their sub-contractor would also be liable @ 5%.</td>
</tr>
<tr>
<td>13.</td>
<td>To enhance the exemption limit of Rs 5000/- per month per member to Rs 7500/- in respect of services provided by Resident Welfare Association (unincorporated or nonprofit entity) to its members against their individual contribution.</td>
</tr>
<tr>
<td>14.</td>
<td>To reduce GST rate on transportation of petroleum crude and petroleum products (MS, HSD, ATF) from 18% to 5% without ITC and 12% with ITC.</td>
</tr>
<tr>
<td>15.</td>
<td>To exempt dollar denominated services provided by financial intermediaries located in IFSC SEZ, which have been deemed to be outside India under the various regulations by RBI, IRDAI, SEBI or any financial regulatory authority, to a person outside India.</td>
</tr>
<tr>
<td>16.</td>
<td>To exempt (a) services by government or local authority to governmental authority or government entity, by way of lease of land, and (b) supply of land or undivided share of land by way of lease or sub lease where such supply is a part of specified composite supply of construction of flats etc. and to carry out suitable amendment in the provision relating to valuation of construction service involving transfer of land or undivided share of land, so as to ensure that buyers pay the same effective rate of GST on property built on leasehold and freehold land.</td>
</tr>
<tr>
<td>17.</td>
<td>To amend entry 3 of notification No. 12/2017-CT(R) so as to exempt pure services provided to Govt. entity.</td>
</tr>
<tr>
<td>18.</td>
<td>To expand pure services exemption under S. No. 3 of 12/2017-C.T. (Rate) so as to include composite supply involving predominantly supply of services i.e. upto 25% of supply of goods.</td>
</tr>
<tr>
<td>19.</td>
<td>To reduce job work services rate for manufacture of leather goods (Chapter 42) and footwear (Chapter 64) to 5%.</td>
</tr>
<tr>
<td>20.</td>
<td>To exempt services relating to admission to, or conduct of examination provided to all educational institutions, as defined in the notification. To exempt services by educational institution by way of conduct of entrance examination against consideration in the form of entrance fee.</td>
</tr>
</tbody>
</table>


**Issued vide reference number PD & PP : GST : 161/2017.**
Recommendations made on GST Rate changes on services by the 25th GST Council Meeting

(A) Exemptions / Changes in GST Rates / ITC Eligibility Criteria

<table>
<thead>
<tr>
<th>No.</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.</td>
<td>To enhance the limit to Rs. 2 lakh against Sl. No. 36 of exemption notification No. 12/2017-C.T. (Rate) which exempts services of life insurance business provided under life micro insurance product approved by IRDAI upto maximum amount of cover of Rs. 50,000.</td>
</tr>
<tr>
<td>22.</td>
<td>To exempt reinsurance services in respect of insurance schemes exempted under S.Nos. 35 and 36 of notification No. 12/2017-C.T (Rate). [It is expected that the premium amount charged from the government/insured in respect of future insurance services is reduced.]</td>
</tr>
<tr>
<td>23.</td>
<td>To increase threshold limit for exemption under entry No. 80 of Notification No. 12/2017-C.T. (Rate) for all the theatrical performances like Music, Dance, Drama, Orchestra, Folk or Classical Arts and all other such activities in any Indian language in theatre GST from Rs.250 to 500 per person and to also extend the threshold exemption to services by way of admission to a planetarium.</td>
</tr>
<tr>
<td>24.</td>
<td>To reduce GST on Common Effluent Treatment Plants services of treatment of effluents, from 18% to 12%.</td>
</tr>
<tr>
<td>25.</td>
<td>To exempt services by way of fumigation in a warehouse of agricultural produce.</td>
</tr>
<tr>
<td>26.</td>
<td>To reduce GST to 12% in respect of mining or exploration services of petroleum crude and natural gas and for drilling services in respect of the said goods.</td>
</tr>
<tr>
<td>27.</td>
<td>To exempt subscription of online educational journals/periodicals by educational institutions who provide degree recognized by any law from GST.</td>
</tr>
<tr>
<td>28.</td>
<td>To exempt the service provided by way of renting of transport vehicles provided to a person providing services of transportation of students, faculty and staff to an educational institution providing education upto higher secondary or equivalent.</td>
</tr>
<tr>
<td>29.</td>
<td>To extend the concessional rate of GST on houses constructed/ acquired under the Credit Linked Subsidy Scheme for Economically Weaker Section (EWS) / Lower Income Group (LIG) / Middle Income Group-1 (MIG-1) / Middle Income Group-2 (MIG-2) under the Housing for All (Urban) Mission/Pradhan Mantri AwasYojana (Urban) and low-cost houses up to a carpet area of 60 square metres per house in a housing project which has been given infrastructure status, as proposed by Ministry of Housing &amp; Urban Affairs, under the same concessional rate.</td>
</tr>
<tr>
<td>30.</td>
<td>To tax time charter services at GST rate of 5%, that is at the same rate as applicable to voyage charter or bare boat charter, with the same conditions.</td>
</tr>
<tr>
<td>31.</td>
<td>To levy concessional GST @12% on the services provided by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of building used for providing (for instance, centralized cooking or distributing) mid-day meal scheme by an entity registered under section 12AA of IT Act.</td>
</tr>
<tr>
<td>32.</td>
<td>To exempt services provided by and to Fédération Internationale de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-20 World Cup in case the said event is hosted by India.</td>
</tr>
<tr>
<td>33.</td>
<td>To exempt government’s share of profit petroleum from GST and to clarify that cost petroleum is not taxable per se.</td>
</tr>
</tbody>
</table>

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=175726
Recommendations made on GST Rate changes on services by the 25th GST Council Meeting

The Union Finance Minister Shri Arun Jaitley Chaired the 25th Meeting of the GST Council in New Delhi on January 18, 2018. The Council has recommended many relief measures regarding GST rates on goods and services covering many sectors and commodities. The Council has also recommended issuance of certain clarifications on issues relating to GST rates and taxability of certain goods and services.

(B) Rationalization of certain exemption entries

1. To provide in CGST rules that value of exempt supply under sub-section (2) of section 17, shall not include the value of deposits, loans or advances on which interest or discount is earned (This will not apply to a banking company and a financial institution including a non-banking financial company engaged in providing services by way of extending deposits, loans or advances).

2. To defer the liability to pay GST in case of TDR against consideration in the form of construction service and on construction service against consideration in the form of TDR to the time when the possession or right in the property is transferred to the land owner by entering into a conveyance deed or similar instrument (eg. allotment letter). No deferment in point of taxation in respect of cash component.

3. To tax renting of immovable property by government or local authority to a registered person under reverse Charge while renting of immovable property by government or local authority to un-registered person shall continue under forward charge.

4. To define insurance agent in the reverse charge notification to have the same meaning as assigned to it in clause (10) of section 2 of the Insurance Act, 1938, so that corporate agents get excluded from reverse charge.

5. To insert a provision in GST Rules under section 15 of GST Act that the value of lottery shall be 100/112 or 100/128 of the price of lottery ticket notified in the Gazette (the same is currently notified in the rate notification).

6. To add, in the GST rate schedule for goods at 28%, actionable claim in the form of chance to win in betting and gambling including horse racing.

7. To insert in GST rules under section 15 of GST Act,-

Notwithstanding anything contained in this chapter, value of supply of Betting & Gambling shall be 100% of the face value of the bet or the amount paid into the totalizator.

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=175726
The Commissioner may, if he considers it necessary or expedient so to do for the purpose of uniformity in the implementation of this Act, issue such orders, instructions or directions to the Union territory tax officers as he may deem fit, and thereupon all such officers and all other persons employed in the implementation of this Act shall observe and follow such orders, instructions or directions.

Section 26
Removal of Difficulties

(1) If any difficulty arises in giving effect to any provision of this Act, the Central Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty: Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.

Recommendations made on GST Rate changes on services by the 25th GST Council Meeting

The Union Finance Minister Shri Arun Jaitley Chaired the 25th Meeting of the GST Council in New Delhi on January 18, 2018. The Council has recommended many relief measures regarding GST rates on goods and services covering many sectors and commodities. The Council has also recommended issuance of certain clarifications on issues relating to GST rates and taxability of certain goods and services.

(C) Clarifications

1. To clarify that exemption of Rs 1000/- per day or equivalent (declared tariff) is available in respect of accommodation service in hostels.
2. To clarify that fee paid by litigants in the Consumer Disputes Commissions and any penalty imposed by these Commissions, will not attract GST.
3. To clarify that elephant/ camel joy rides are not classified as transportation services and attract GST @ 18% with threshold exemption to small services providers.
4. To clarify that leasing or rental service, with or without operator, of goods, attracts same GST as supply of like goods involving transfer of title in the said goods. Therefore, the GST rate for the rental services of self-Propelled Access Equipment (Boom. Scissors/Telehandlers) is 28%.
5. To clarify that,-
   1) Services provided by senior doctors/consultants/technicians hired by the hospitals, whether employees or not, are healthcare services which is exempt.
   2) Hospitals also provide healthcare services. The entire amount charged by them from the patients including the retention money and the fee/payments made to the doctors etc., is towards the healthcare services provided by the hospitals to the patients and is exempt.
   3) Food supplied to the in-patients as advised by the doctor/nutritionists is a part of composite supply of healthcare and not separately taxable. Other supplies of food by a hospital to patients (not admitted) or their attendants or visitors are taxable.
6. To clarify that services by way of,-
   1. admission to entertainment events or access to amusement facilities including casinos, race-course
   2. ancillary services provided by casinos and race-course in relation to such admission.
   3. services given by race-course by way of totalisator (if given through some other person or charged separately as fees for using totalisator for purpose of betting, are taxable at 28%. Services given by race-course by way of license to bookmaker which is not a service by way of betting and gambling, is taxable at 18%.

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=175726
## Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting

The Union Finance Minister Shri Arun Jaitley Chaired the 25th Meeting of the GST Council in New Delhi. The Council has recommended certain in GST/IGST rate and clarifications in respect of GST rate on Goods specified below as per discussions in the 25th GST Council Meeting. These decisions of the GST Council are being communicated for general information, and will be given effect to through Gazette notifications / circulars which only shall have the force of law.

### A. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 28% TO 18%:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>87</td>
<td>Old and used motor vehicles [medium and large cars and SUVs] on the margin of the supplier, subject to the condition that no input tax credit of central excise duty/value added tax or GST paid on such vehicles has been availed by him.</td>
</tr>
<tr>
<td>2.</td>
<td>8702</td>
<td>Buses, for use in public transport, which exclusively run on bio-fuels.</td>
</tr>
</tbody>
</table>

### B. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 28% TO 12%:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>87</td>
<td>All types of old and used motors vehicles [other than medium and large cars and SUVs] on the margin of the supplier of subject to the conditions that no input tax credit of central excise duty/value added tax or GST paid on such vehicles has been availed by him.</td>
</tr>
</tbody>
</table>

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=175728

Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting

The Council has recommended certain in GST/IGST rate and clarifications in respect of GST rate on Goods specified below as per discussions in the 25th GST Council Meeting. These decisions of the GST Council are being communicated for general information, and will be given effect to through Gazette notifications/circulars which only shall have the force of law.

C. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 18% TO 12%:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1704</td>
<td>Sugar boiled confectionary</td>
</tr>
<tr>
<td>2.</td>
<td>2201</td>
<td>Drinking water packed in 20 litters bottles</td>
</tr>
<tr>
<td>3.</td>
<td>2809</td>
<td>Fertilizer grade Phosphoric acid</td>
</tr>
<tr>
<td>4.</td>
<td>29 or 38</td>
<td>Bio-diesel</td>
</tr>
<tr>
<td>5.</td>
<td>38</td>
<td>The following Bio-pesticides, S. No. Name of the bio pesticide</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 Bacillus thuringiensis var. israelensis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 Bacillus thuringiensis var. kurstaki</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 Bacillus thuringiensis var. galleriae</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Bacillus sphaericus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 Trichoderma viride</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 Trichoderma harzianum</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 Pseudomonas fluoresens</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8 Beauveria bassiana</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9 NPV of Helicoverpa armigera</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 NPV of Spodoptera litura</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11 Neem based pesticides</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12 Cymbopogan</td>
</tr>
<tr>
<td>6.</td>
<td>4418</td>
<td>Bamboo wood building joinery</td>
</tr>
<tr>
<td>7.</td>
<td>8424</td>
<td>Drip irrigation system including laterals, sprinklers</td>
</tr>
<tr>
<td>8.</td>
<td>8424</td>
<td>Mechanical Sprayer</td>
</tr>
</tbody>
</table>

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=175728
Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting

Union Finance Minister Shri Arun Jaitley Chaired the 25th Meeting of the GST Council in New Delhi. The Council has recommended certain in GST/IGST rate and clarifications in respect of GST rate on Goods specified below as per discussions in the 25th GST Council Meeting. These decisions of the GST Council are being communicated for general information, and will be given effect to through Gazette notifications / circulars which only shall have the force of law.

D. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 18% TO 5%:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>13</td>
<td>Tamarind Kernel Powder</td>
</tr>
<tr>
<td>2.</td>
<td>1404/3305</td>
<td>Mehendi paste in cones</td>
</tr>
<tr>
<td>3.</td>
<td>2711</td>
<td>LPG supplied for supply to household domestic consumers by private LPG distributors</td>
</tr>
<tr>
<td>4.</td>
<td>88 or any other chapter</td>
<td>Scientific and technical instruments, apparatus, equipment, accessories, parts, components, spares, tools, mock ups and modules, raw material and consumables required for launch vehicles and satellites and payloads</td>
</tr>
</tbody>
</table>

E. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 12% TO 5%:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>4601, 4602</td>
<td>Articles of straw, of esparto or of other plaiting materials; basketware and wickerwork</td>
</tr>
</tbody>
</table>

Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting

The Council has recommended certain changes in GST/IGST rate and clarifications in respect of GST rate on Goods specified below as per discussions in the 25th GST Council Meeting. These decisions of the GST Council are being communicated for general information, and will be given effect to through Gazette notifications / circulars which only shall have the force of law.

F. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR INCREASE FROM 12% TO 18%:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>5601 22 00</td>
<td>Cigarette filter rods</td>
</tr>
</tbody>
</table>

G. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 12% TO 5% WITH NO REFUND OF UNUTILISED INPUT TAX CREDIT:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>5801 37 20</td>
<td>Velvet fabric</td>
</tr>
</tbody>
</table>

H. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR REDUCTION FROM 3% TO 0.25%:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>7102</td>
<td>Diamonds and precious stones</td>
</tr>
</tbody>
</table>

I. NIL GST RATE:
   i. Vibhuti
   ii. Parts and accessories for manufacture of hearing aids.
   iii. De-oiled rice bran

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=175728
Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting

The Council has recommended certain changes in GST/IGST rate and clarifications in respect of GST rate on Goods specified below as per discussions in the 25th GST Council Meeting. These decisions of the GST Council are being communicated for general information, and will be given effect to through Gazette notifications / circulars which only shall have the force of law.

J. LIST OF GOODS ON WHICH GST RATE RECOMMENDED FOR INCREASE FROM NIL TO 5%:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2302</td>
<td>Rice bran (other than de-oiled rice bran)</td>
</tr>
</tbody>
</table>

K. CHANGES IN COMPENSATION CESS ON CERTAIN GOODS:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
<th>Present Compensation Cess Rate</th>
<th>Compensation Cess Rate Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>8702</td>
<td>Motor vehicles [falling under heading 8702, as it was in excise regime] cleared as ambulances, duly fitted with all fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such vehicles. 10-13 seater buses and ambulances, subject to specified conditions.</td>
<td>15%</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>87</td>
<td>Old and used motor vehicles [medium and large cars and SUVs], on the margin of the supplier, subject to the condition that no input tax credit of central excise duty/value added tax or GST paid on such vehicles has been availed by him.</td>
<td>Applicable rate</td>
<td>Nil</td>
</tr>
<tr>
<td>3.</td>
<td>87</td>
<td>All types of old and used motors vehicles [other than medium and large cars and SUVs] on the margin of the supplier of subject to the conditions that no input tax credit of central excise duty/value added tax or GST paid on such vehicles has been availed by him.</td>
<td>Applicable rate</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=175728

Recommendations for Changes in GST/IGST Rate and Clarifications in Respect of GST Rate on Certain Goods - As per discussions held in the 25th GST Council Meeting

L. CHANGES IN IGST RATE RECOMMENDED ON CERTAIN GOODS:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
<th>Present IGST Rate</th>
<th>IGST Rate Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>88 or any other chapter</td>
<td>Satellites and payloads and Scientific and technical instruments, apparatus, equipment, accessories, parts, components, spares, tools, mock ups and modules, raw material and consumables required for launch vehicles and satellites and payloads</td>
<td>18%</td>
<td>5%</td>
</tr>
</tbody>
</table>

M. MODIFICATION IN DEFINITION/ CLARIFICATION IN RESPECT OF CHANGES IN GST/IGST RATES ON GOODS:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Chapter/Heading/Sub-heading/Tariff item</th>
<th>Description</th>
<th>Present GST Rate</th>
<th>Modification/clarification Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>27</td>
<td>Poly Butylene Feed Stock &amp; Liquefied Petroleum Gas</td>
<td>18%</td>
<td>The GST to apply only on the net quantity of Poly Butylene Feed Stock or Liquefied Petroleum Gases retained for the manufacture of Poly Iso Butylene or Propylene or di-butyl para cresol respectively, subject to specified conditions.</td>
</tr>
<tr>
<td>2.</td>
<td>Any chapter</td>
<td>Rail coach industry</td>
<td>Applicable GST rate</td>
<td>Only the goods falling under chapter 86 attract 5% GST rate with no refund of unutilised ITC. Goods falling in any other chapter will attract applicable GST rate under the respective chapters, even if supplied to the Indian railways.</td>
</tr>
<tr>
<td>3.</td>
<td>2701</td>
<td>Coal rejects</td>
<td>5% + Rs. 400 PMT Compensation Cess</td>
<td>Coal rejects fall under heading 2701 and attract 5% GST and Rs. 400 PMT Compensation Cess.</td>
</tr>
</tbody>
</table>

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=175728

The rules relating to Goods & Services Tax may be called the Central Goods and Services Tax Rules, 2017.

They shall come into force with effect from 22nd June, 2017.

Chapter I is the Preliminary Chapter of Central Goods and Services Tax Rules, 2017.

Following definitions are included in Chapter I of the same

In these rules, unless the context otherwise requires:

"ACT" means the Central Goods and Services Tax Act, 2017

"FORM" means a Form appended to these rules

"SECTION" means a section of the Act

"Special Economic Zone" shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005

Words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions. Rule 8 contains the provisions for Application for registration.

8(1): Every person other than:

- a non-resident taxable person
- a person required to deduct tax at source under section 51
- a person required to collect tax at source under section 52
- a person supplying online information & database access or retrieval services from place outside India to non-taxable online recipient

who is liable to be registered under section 25(1) and every person seeking registration under section 25(3) (hereafter in this Chapter referred to as “the applicant”) shall, before applying for registration, declare his:

- Permanent Account Number
- mobile number
- e-mail address
- State or Union territory

in Part A of Form GST REG-01 on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

A person having a unit(s) in a Special Economic Zone or being a Special Economic Zone developer shall make a separate application for registration as a business vertical distinct from his other units located outside the Special Economic Zone. Every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor.
CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions. Rule 8 contains the provisions for Application for registration.

Rule 8(2): It lays down the verification of details entered for registration:

- Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes.
- Mobile number declared shall be verified through a one-time password sent to the said mobile number.
- E-mail address declared shall be verified through a separate one-time password sent to the said e-mail address.

Rule 8(3) lays down that on successful verification of the Permanent Account Number, mobile number and email address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.
CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions. Rule 8 contains the provisions for Application for registration.

**Rule 8(4)**
- Using the reference number generated, the applicant shall electronically submit an application in Part B of FORM GST REG-01, duly signed or verified through electronic verification code, along with the documents specified in the said Form at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

**Rule 8(5)**
- On receipt of an application, an acknowledgement shall be issued electronically to the applicant in FORM GST REG-02.

**Rule 8(6)**
- A person applying for registration as a casual taxable person shall be given a temporary reference number by the common portal for making advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) shall be issued electronically only after the said deposit.
CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions. Rule 9 mandates the rules for verification of registration application and approval, summarized as below:

The application shall be forwarded for examination along with the accompanying documents. If the same are found to be in order, the proper officer shall approve the grant of registration to the applicant within a period of three working days from the date of submission of the application.

Where the application is found to be deficient or any clarification is sought, issue a notice to the applicant electronically in FORM GST REG-03 within a period of three working days from the date of submission of the application.

Applicant shall furnish such clarification or documents electronically, in FORM GST REG-04, within a period of seven working days from the date of receipt of such notice.

Where the proper officer is satisfied with the clarification, he may approve grant of registration to the applicant within a period of seven working days from the date of receipt of such clarification or information or documents.

Where no reply is furnished by the applicant in response to the notice issued, reject such application and inform the applicant electronically in FORM GST REG-05.

If the proper officer fails to take any action:

(a) within a period of three working days from the date of submission of the application; or

(b) within a period of seven working days from the date of the receipt of the clarification application for grant of registration shall be deemed to have been approved.
The rates under Composition levy were modified vide Notification No. 03/2018- CT dated 23.01.2018.

Rule 7 of the Central Goods & Services Tax Rules, 2017 was thereby amended to incorporate the notified changes.

**Rule 7: Rate of tax of the composition levy**: The category of registered persons, eligible for composition levy under section 10 and the provisions of this Chapter, specified in column (2) of the Table below shall pay tax under section 10 at the rate specified in column (3) of the said Table:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category of Registered Persons</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Manufacturers, other than manufacturers of such goods as may be notified by the Government</td>
<td>half per cent. of the turnover in the State or Union territory</td>
</tr>
<tr>
<td>2.</td>
<td>Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II</td>
<td>two and a half per cent. of the turnover in the State or Union territory</td>
</tr>
<tr>
<td>3.</td>
<td>Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter</td>
<td>half per cent. of the turnover of taxable supplies of goods in the State or Union territory</td>
</tr>
</tbody>
</table>
CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions. Rule 10 deals with rules for Issue of Registration Certificate, as below:

Where the application for grant of registration has been approved under rule 9, a certificate of registration in FORM GST REG-06 showing the principal place of business and additional place or places of business shall be made available to the applicant on the common portal.

A Goods and Services Tax Identification Number shall be assigned subject to the following characters, namely:-

- two characters for the State code
- ten characters for the Permanent Account Number or the Tax Deduction and Collection Account Number
- two characters for the entity code
- one checksum character

The registration shall be effective from the date on which the person becomes liable to registration where the application for registration has been submitted within a period of thirty days from such date.

Every certificate of registration shall be [duly signed or verified through electronic verification code] by the proper officer under the Act.

Where the registration has been granted, the applicant shall be communicated the registration number, and the certificate of registration, duly signed or verified through electronic verification code, shall be made available to him on the common portal, within a period of three days after the expiry of the period specified in sub-rule (5) of rule 9.
CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions. Rule 11 lays down the rules in case of separate registration for multiple business verticals within a State or a Union territory.

(1) Any person having multiple business verticals within a State or a Union territory, requiring a separate registration for any of its business verticals shall be granted separate registration in respect of each of the verticals subject to the following conditions, namely:

- such person has more than one business vertical as defined in clause (19) of section 2
- the business vertical of a taxable person shall not be granted registration to pay tax under section 10 if any one of the other business verticals of the same person is paying tax under section 9
- all separately registered business verticals of such person shall pay tax under the Act on supply of goods or services or both made to another registered business vertical of such person and issue a tax invoice for such supply

Any business vertical of a registered person that has been granted a separate registration becomes ineligible to pay tax under section 10, all other business verticals of the said person shall become ineligible to pay tax under the said section.

A registered person eligible to obtain separate registration for business verticals may submit a separate application in FORM GST REG-01 in respect of each such vertical.

CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions. Rule 12 deals with grant of registration to persons required to deduct tax at source or to collect tax at source. The procedure is as under:

Any person required to deduct tax in accordance with the provisions of section 51 or a person required to collect tax at source in accordance with the provisions of section 52 shall electronically submit an application, duly signed or verified through electronic verification code, in FORM GST REG-07 for the grant of registration through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

The proper officer may grant registration after due verification and issue a certificate of registration in FORM GST REG-06 within a period of three working days from the date of submission of the application.

Where, upon an enquiry or pursuant to any other proceeding under the Act, the proper officer is satisfied that a person to whom a certificate of registration in FORM GST REG-06 has been issued is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration issued under sub-rule (2) and such cancellation shall be communicated to the said person electronically in FORM GST REG-08.

The proper officer shall follow the procedure as provided in rule 22 for the cancellation of registration.

Central Goods & Services Tax Rules, 2017

CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions. Rule 13 deals with Grant of registration to non-resident taxable person, as under:

A non-resident taxable person shall electronically submit an application, along with a self-attested copy of his valid passport, for registration, duly signed or verified through electronic verification code, in FORM GST REG-09, at least five days prior to the commencement of business at the common portal either directly or through a Facilitation Centre notified by the Commissioner.

In the case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number, if available.

A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the common portal for making an advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) of rule 8 shall be issued electronically only after the said deposit in his electronic cash ledger.

The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, mutatis mutandis, apply to an application submitted under this rule.

The application for registration made by a non-resident taxable person shall be [duly signed or verified through electronic verification code] by his authorised signatory who shall be a person resident in India having a valid Permanent Account Number.

Rule 14 of Central Goods & Services Tax Rules, 2017 mandates the grant of registration to a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient. Rule 15 deals with extension in period of operation by casual taxable person and non-resident taxable person.

**RULE 14**

Any person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient shall electronically submit an application for registration, duly signed or verified through electronic verification code, in FORM GST REG-10.

The applicant shall be granted registration, in FORM GST REG-06, subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council.

**RULE 15**

Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in FORM GST REG-11 shall be submitted electronically through the common portal.

The application under sub-rule (1) shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.

Central Goods & Services Tax Rules, 2017

Rule 16 of CGST Rules, 2017 contained in Chapter III – Registration Rules suggests procedure for *Suo Moto Registration*.

1. Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, the proper officer finds that a person liable to registration under the Act has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in FORM GST REG-12.

2. The registration granted under sub-rule (1) shall be effective from the date of such order granting registration.

3. Every person to whom a temporary registration has been granted shall, within a period of ninety days from the date of the grant of such registration, submit an application for registration in the form and manner provided in rule 8 or rule 12.

4. Where the said person has filed an appeal against the grant of temporary registration, in such case, the application for registration shall be submitted within a period of thirty days from the date of the issuance of the order upholding the liability to registration by the Appellate Authority.

5. The provisions of rule 9 and rule 10 relating to verification and the issue of the certificate of registration shall, mutatis mutandis, apply to an application submitted under sub-rule (3).

6. Goods and Services Tax Identification Number assigned, pursuant to the verification under sub-rule (4), shall be effective from the date of the order granting registration under sub-rule (1).

Central Goods & Services Tax Rules, 2017

Rule 17 deals with Assignment of Unique Identity Number to certain special entities.

Every person required to be granted a Unique Identity Number in accordance with the provisions of sub-section (9) of section 25 may submit an application electronically in FORM GST REG-13, duly signed or verified through electronic verification code, in the manner specified in rule 8 at the common portal, either directly or through a Facilitation Centre notified by the Commissioner, which shall be applicable to India.

The proper officer may, upon submission of an application in FORM GST REG-13 or after filling up the said form or after receiving a recommendation from the Ministry of External Affairs, Government of India, assign a Unique Identity Number to the said person and issue a certificate in FORM GST REG-06 within a period of three working days from the date of the submission of the application.

Rule 18 states Display of registration certificate and Goods and Services Tax Identification Number on the name board:

Every registered person shall display his certificate of registration in a prominent location at his principal place of business and at every additional place or places of business.

Every registered person shall display his Goods and Services Tax Identification Number on the name board exhibited at the entry of his principal place of business and at every additional place or places of business.
Rule 19 mandates the procedure for Amendment of Registration:

(1) Where there is any change in any of the particulars furnished in the application for registration in FORM GST REG-01 or FORM GST REG-07 or FORM GST REG-09 or FORM GST REG-10 or for Unique Identity Number in FORM GST-REG-13, either at the time of obtaining registration or Unique Identity Number or as amended from time to time, the registered person shall, within a period of fifteen days of such change, submit an application, duly signed or verified through electronic verification code, electronically in FORM GST REG-14, along with the documents relating to such change at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(a) Where the change relates to:

(i) legal name of business
(ii) address of the principal place of business or any additional place(s) of business
(iii) addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for the day to day affairs of the business

which does not warrant cancellation of registration under section 29, the proper officer shall, after due verification, approve the amendment within a period of fifteen working days from the date of the receipt of the application in FORM GST REG-14 and issue an order in FORM GST REG-15 electronically and such amendment shall take effect from the date of the occurrence of the event warranting such amendment.

(b) the change relating to sub-clause (i) and sub-clause (iii) of clause (a) in any State or Union territory shall be applicable for all registrations of the registered person obtained under the provisions of this Chapter on the same Permanent Account Number

(c) other than those specified in clause (a), the certificate of registration shall stand amended upon submission of the application in FORM GST REG-14 on the common portal

(d) where a change in the constitution of any business results in the change of the Permanent Account Number of a registered person, the said person shall apply for fresh registration in FORM GST REG-01.

Rule 19 mandates the procedure for **Amendment of Registration:**

- **(2)** Where the proper officer is of the opinion that the amendment sought is either not warranted or the documents furnished therewith are incomplete or incorrect, he may, within a period of fifteen working days from the date of the receipt of the application in FORM GST REG-14, serve a notice in FORM GST REG-03, requiring the registered person to show cause, within a period of seven working days of the service of the said notice, as to why the application submitted under sub-rule (1) shall not be rejected.

- **(3)** The registered person shall furnish a reply to the notice to show cause, issued under sub-rule (2), in FORM GST REG-04, within a period of seven working days from the date of the service of the said notice.

- **(4)** Where the reply furnished under sub-rule (3) is found to be not satisfactory or where no reply is furnished in response to the notice issued under sub-rule (2) within the period prescribed in sub-rule (3), the proper officer shall reject the application submitted under sub-rule (1) and pass an order in FORM GST REG-05.

- **(5)** If the proper officer fails to take any action:
  - (a) within a period of fifteen working days from the date of submission of the application, or
  - (b) within a period of seven working days from the date of the receipt of the reply to the notice to show cause under sub-rule (3), the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to the registered person on the common portal.

May submit along with the application, relevant documents in support thereof, at the common portal within a period of thirty days of the occurrence of the event warranting the cancellation.

Rule 21 deals with Cancellation of Registration in Certain Cases:

The registration granted to a person is liable to be cancelled, if the said person,-

- does not conduct any business from the declared place of business
- issues invoice or bill without supply of goods or services in violation of the provisions of this Act, or the rules made thereunder
- violates the provisions of section 171 of the Act or the rules made thereunder

Central Goods & Services Tax Rules, 2017

Rule 22 provides for Cancellation of Registration

(1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29, he shall issue a notice to such person in FORM GST REG-17, requiring him to show cause, within a period of seven working days from the date of the service of such notice, as to why his registration shall not be cancelled.

(2) The reply to the show cause notice shall be furnished in FORM REG-18 within the period specified.

(3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in FORM GST REG-19, within a period of thirty days from the date of application, cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing him to pay arrears of any tax, interest or penalty including the amount liable to be paid.

(4) Where the reply furnished is found to be satisfactory, the proper officer shall drop the proceedings and pass an order in FORM GST REG-20.

(5) The provisions of sub-rule (3) shall, mutatis mutandis, apply to the legal heirs of a deceased proprietor, as if the application had been submitted by the proprietor himself.

Rule 23- Revocation of cancellation of registration

(1) A registered person, whose registration is cancelled by the proper officer on his own motion, may submit an application for revocation of cancellation of registration, in FORM GST REG-21, to such proper officer, within a period of thirty days from the date of the order of cancellation of registration at the common portal.

(2) Where the proper officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, he shall revoke the cancellation of registration by an order in FORM GST REG-22 within a period of thirty days from the date of the receipt of the application and communicate the same to the applicant.

(3) The proper officer may, for reasons to be recorded in writing, under circumstances other than those specified in clause (a), by an order in FORM GST REG-23, reject the application for revocation of cancellation of registration and communicate the same to the applicant.

(4) Upon receipt of the information or clarification in FORM GST REG-24, the proper officer shall proceed to dispose of the application in the manner specified in sub-rule (2) within a period of thirty days from the date of the receipt of such information or clarification from the applicant.

Central Goods & Services Tax Rules, 2017

Rule 27 of the CGST Rules, 2017 deals with Value of supply of goods or services where the consideration is not wholly in money:

Where the supply of goods or services is for a consideration not wholly in money, the value of the supply shall be:

(a) be the open market value of such supply

(b) if the open market value is not available, be the sum total of consideration in money and any such further amount in money as is equivalent to the consideration not in money, if such amount is known at the time of supply

(c) if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of like kind and quality

(d) if the value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by the application of rule 30 or rule 31 in that order

Central Goods & Services Tax Rules, 2017

Rule 28 of the CGST Rules, 2017 deals with **Value of supply of goods or services or both between distinct or related persons, other than through an agent:**

The value of the supply of goods or services or both between distinct persons as specified in sub-section (4) and (5) of section 25 or where the supplier and recipient are related, other than where the supply is made through an agent, shall be:

- be the open market value of such supply
- if the open market value is not available, be the value of supply of goods or services of like kind and quality
- if the value is not determinable under clause (a) or (b), be the value as determined by the application of rule 30 or rule 31, in that order

Where the goods are intended for further supply as such by the recipient, the value shall, at the option of the supplier, be an amount equivalent to ninety percent of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person.

Where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the goods or services.
Rule 29 of the CGST Rules, 2017 deals with the value of supply of goods made or received through an agent.

The value of supply of goods between the principal and his agent shall:

be the open market value of the goods being supplied, or at the option of the supplier, be ninety percent of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person, where the goods are intended for further supply by the said recipient.

where the value of a supply is not determinable under clause (a), the same shall be determined by the application of rule 30 or rule 31 in that order.
Central Goods & Services Tax Rules, 2017

RULE 30
Value of supply of goods or services or both based on cost

• Where the value of a supply of goods or services or both is not determinable by any of the preceding rules of this Chapter, the value shall be one hundred and ten percent of the cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services.

RULE 31
Residual method for determination of value of supply of goods or services or both

• Where the value of supply of goods or services or both cannot be determined under rules 27 to 30, the same shall be determined using reasonable means consistent with the principles and the general provisions of section 15 and the provisions of this Chapter.

• Provided that in the case of supply of services, the supplier may opt for this rule, ignoring rule 30.

For the purposes of Value of Supply Rules, the following expressions would mean:

"open market value" of a supply of goods or services or both means the full value in money, excluding the integrated tax, central tax, State tax, Union territory tax and the cess payable by a person in a transaction, where the supplier and the recipient of the supply are not related and the price is the sole consideration, to obtain such supply at the same time when the supply being valued is made.

“supply of goods or services or both of like kind and quality” means any other supply of goods or services or both made under similar circumstances that, in respect of the characteristics, quality, quantity, functional components, materials, and the reputation of the goods or services or both first mentioned, is the same as, or closely or substantially resembles, that supply of goods or services or both.
Central Goods & Services Tax Rules, 2017

Rule 34: Rate of exchange of currency, other than Indian rupees, for determination of value

The rate of exchange for determination of value of taxable goods shall be the applicable rate of exchange as notified by the Board under section 14 of the Customs Act, 1962 for the date of time of supply of such goods in terms of section 12 of the Act.

Rule 35: Value of supply inclusive of integrated tax, central tax, State tax, Union territory tax

Where the value of supply is inclusive of integrated tax or, as the case may be, central tax, State tax, Union territory tax, the tax amount shall be determined in the following manner, namely:

\[
\text{Tax amount} = \left(\text{Value inclusive of taxes X tax rate in } \% \text{ of IGST or, as the case may be, CGST, SGST or UTGST}\right) \div (100 + \text{sum of tax rates, as applicable, in } \%)
\]
Press Release regarding Policy Changes of 26th GST Council Meeting

Recommendations made during the 26th meeting of the GST Council held in New Delhi on 10th March, 2018:

A. Return filing System
The present system of filing of GSTR 3B and GSTR 1 is extended for another three months i.e., April to June, 2018 till the new return system is finalized. A new model was discussed extensively and Group of Ministers on IT has been tasked to finalize the same.

B. Reverse charge mechanism
The liability to pay tax on reverse charge basis has been deferred till 30.06.2018. In the meantime, a Group of Ministers will look into the modalities of its implementation to ensure that no inconvenience is caused to the trade and industry.

C. TDS/TCS
The provisions for deduction of tax at source (TDS) under section 51 of the CGST Act and collection of tax at source (TCS) under section 52 of the CGST Act shall remain suspended till 30.06.2018. In the meantime, the modalities of linking State and Central Governments accounting system with GSTN will be worked out so that seamless credit is available to the registered traders whose tax is deducted or collected at source.

D. Grievance Redressal Mechanism
GST implementation Committee (GIC) has been tasked with the work of redressing the grievances caused to the taxpayers arising out of IT glitches.
Recommendations of the GST Council held in New Delhi in 26th Meeting for introduction of e-way bill for inter-State movement of goods across the country from 01st April 2018. For intra-State movement of goods, e-way bill system will be introduced w.e.f. a date to be announced in a phased manner but not later than 01st June, 2018.

**Key Changes:**

1. E-way bill is required to be generated only where the value of the consignment exceeds Rs. 50000/-
   - For smaller value consignments, no e-way bill is required

2. The provisions of Rule 138(7) will be notified from a later date
   - Currently, there is no requirement to generate e-way bill where an individual consignment value is less than Rs. 50,000/-, even if the transporter is carrying goods of more than Rs. 50,000/- in a single conveyance

3. Value of exempted goods has been excluded from value of the consignment, for the purpose of e-way bill generation

4. Public conveyance has also been included as a mode of transport and responsibility of generating e-way bill in case of movement of goods by public transport would be that of the consignor or consignee

5. Railways has been exempted from generation and carrying of e-way subject to that without production of e-way bill, railways will not deliver the goods to the recipient
   - But railways are required to carry invoice or delivery challan etc

Recommendations of the GST Council held in New Delhi in 26<sup>th</sup> Meeting for introduction of e-way bill for inter-State movement of goods across the country from 01st April 2018. For intra-State movement of goods, e-way bill system will be introduced w.e.f. a date to be announced in a phased manner but not later than 01st June, 2018.

**Key Changes:**

6. Time period for the recipient to communicate his acceptance or rejection of the consignment would be the validity period of the concerned e-way bill or 72 hours, whichever is earlier.

7. In case of movement of goods on account of job-work, the registered job worker can also generate e-way bill.

8. Consignor can authorize the transporter, courier agency and e-commerce operator to fill PART-A of e-way bill on his behalf.

9. Movement of goods from the place of consignor to the place of transporter up to a distance of 50 Km [increased from 10 km] does not require filling of PART-B of e-way bill.
   - They have to generate PART-A of e-way bill.

10. Extra validity period has been provided for Over Dimensional Cargo (ODC).
Recommendations of the GST Council held in New Delhi in 26th Meeting for introduction of e-way bill for inter-State movement of goods across the country from 01st April 2018. For intra-State movement of goods, e-way bill system will be introduced w.e.f. a date to be announced in a phased manner but not later than 01st June, 2018.

Key Changes:

11. If the goods cannot be transported within the validity period of the e-way bill, the transporter may extend the validity period in case of transhipment or in case of circumstances of an exceptional nature.

12. Validity of one day will expire at midnight of the day immediately following the date of generation of e-way bill.

13. Once verified by any tax officer, the same conveyance will not be subject to a second check in any State or Union territory, unless and until, specific information for the same is received.

14. In case of movement of goods by railways, airways and waterways, the e-way bill can be generated even after commencement of movement of goods.

15. Movement of goods on account of Bill-To-Ship-To supply will be handled through the capturing of place of despatch in PART-A of e-way bill.