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AMENDMENTS

APPLICABLE FOR
MAY/JUNE 24 EXAM

CA Vishal Bhattad

Amendment Covered:

- ⇒ Finance Act 2023
- ⇒ CGST/IGST Amendment Act 2023
- ⇒ Notification & Circular till 31st October 2023

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CONCEPT OF SUPPLY

New Definitions Inserted

CGST (Amendment) Act, 2023 (effective from 01/10/2023):-

Sec 2(105):- Supplier	<p>"Supplier" in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied.</p> <p>Proviso inserted:- Provided that</p> <ul style="list-style-type: none">- a person who organises or arranges, directly or indirectly, supply of specified actionable claims,- including a person who owns, operates or manages digital or electronic platform for such supply, <p>shall be deemed to be a supplier of such actionable claims,</p> <ul style="list-style-type: none">- whether such actionable claims are supplied by him or through him and- whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and <p>all the provisions of this Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims.</p>
Newly inserted Sec 2(80A):- Online gaming	<p>"Online gaming" means offering of a game on the internet or an electronic network and includes online money gaming.</p>
Newly inserted Sec 2(80B):- Online money gaming	<p>"Online money gaming" means online gaming in which</p> <ul style="list-style-type: none">➤ players pay or deposit money or money's worth, including virtual digital assets,➤ in the expectation of winning money or money's worth, including virtual digital assets,➤ in any event including game, scheme, competition or any other activity or process,➤ whether or not its outcome or performance is based on skill, chance or both and➤ whether the same is permissible or otherwise under any other law for the time being in force.
Newly inserted Sec 2(102A):- Specified actionable claim	<p>"Specified actionable claim" means the actionable claim involved in or by way of—</p> <p>(i) betting, (ii) casinos (iii) gambling (iv) horse racing (v) lottery or (vi) online money gaming.</p>
Newly inserted Sec 2(117A):- Virtual digital asset	<p>"Virtual digital asset" shall have the same meaning as assigned to it in clause (47A) of section 2 of the Income-tax Act, 1961.</p>

Schedule III - Activities not to be treated as supply :-

<p>Paragraph 6 [Substituted by CGST (Amendment) Act, 2023 (w.e.f. 01/10/2023):-</p>	<p>Actionable claims, other than lottery, betting and gambling specified actionable claims</p> <p>Analysis:-</p> <ul style="list-style-type: none"> ➔ Earlier, actionable claims involved in only lottery, betting & gambling were treated as supply & taxable. Now, online money gaming, casinos, & horse racing are also taxable. All actionable claims other than these 6 are outside the ambit of supply. ➔ The rate applicable on them is 28% & the value has been prescribed in the Valuation Rules [Refer Chapter - Value of Supply].
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Important CBIC Clarification

Clarification on taxability of shares held in a subsidiary company by holding company (Circular No. 196/08/2023 Dt. 17/07/2023):-

<p>Issue:</p>	<p>Whether holding shares by a holding company of the subsidiary company will be treated as a supply of service or not and whether the same will attract GST or not?</p>
<p>Legal Provision:</p>	<p>There is a SAC (Services Accounting Codes) entry '997171' in the scheme of classification of services mentioning; "the services provided by holding companies, i.e. holding securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest.</p>
<p>Explanation:</p>	<ul style="list-style-type: none"> ➔ Securities (which includes shares) are considered neither as goods nor services under definition of goods & services u/s 2(52) & u/s 2(102) of CGST Act, 2017. ➔ This implies that the securities held by the holding company in the subsidiary company are neither goods nor services & thus, purchase or sale of shares or securities, in itself is neither a supply of goods nor a supply of services. ➔ For a transaction/activity to be treated as supply of services, there must be a supply as per under section 7 of CGST Act.
<p>Clarification:</p>	<p>The activity of holding of shares of subsidiary company by holding company cannot be treated as a supply of services by a holding company to said subsidiary company & cannot be taxed under GST.</p>

Clarification on whether supply of food and beverages at cinema halls is taxable as restaurant service (Circular No. 201/13/2023 dt. 01/08/2023):-

Explanation:-

- ⇒ **Eating joint** is a wide term which **includes** refreshment or eating stalls/ kiosks/ counters or restaurant **at a cinema**.
- ⇒ The cinema operator
 - i) may run these refreshments or eating stalls/ kiosks/ counters or restaurant themselves or
 - ii) they may give it on contract to a third party.
- ⇒ The customer may like to avail the services supplied by these refreshment/snack counters or choose not to avail these services.
Further, the cinema operator can also install vending machines, or supply any other recreational service such as through coin-operated machines etc. which a customer may or may not avail.

Clarification:-

- 1) It is clarified that supply of food/beverages in cinema hall **is taxable as 'restaurant service', if:**
 - a) the food or beverages are supplied by way of or as part of a service, and
 - b) supplied independent of the cinema exhibition service.
- 2) Also, where the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of **composite supply**, the entire supply **will attract GST at the rate applicable to service of exhibition of cinema**, the principal supply.



REVERSE CHARGE & ECO

RCM in case of supply of goods [Substituted by N/No. 19/2023- CT (Rate) Dt. 19/10/2023 (w.e.f. 20/10/2023):-

Sl.No.	Description of supply of goods	Supplier of goods	Recipient of goods
6	Used vehicles, seized & confiscated goods, old & used goods, waste & scrap	Central Government [excluding Ministry of Railways (Indian Railways)], State Government, Union territory or a local Authority	Any registered person

Note:- RCM in case of supply of goods is not relevant for exam.

GTA Services

Conditions for GST rate to be applied [N/No. 06/2023):-

Once GTA exercises the option to itself pay GST on the services supplied by it under forward charge during a Financial Year will be continued unless the GTA files a declaration for RCM in the 4th Qtr. of P.F.Y.

Note:- This amendment is just for information & not relevant for exam.

Government Services

Sl. No. 5:- Services by Govt. [Inserted by N/No. 14/2023 (w.e.f. 20/10/2023)]

Sl.No.	Category of Supply of Services	Supplier of service	Recipient of service
5	Any services by Govt.	Central Government, State Government, Union territory or local Authority	Any business entity located in the taxable territory.

Exceptions:- Services excluded from RCM (i.e. normal charge is applicable for following services):-

1) Renting of immovable property, and

2) Services specified below-

(i) Services by the Department of Posts **and the Ministry of Railways (Indian Railways);**

(ii) Services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;

(iii) Transport of goods or passengers.

Sl. No. 5A:- Services by way of Renting of Immovable Property by Govt. [Inserted by N/No. 14/2023 (w.e.f. 20/10/2023)]

Sl.No.	Category of Supply of Services	Supplier of service	Recipient of service
5A	Services by way of Renting of Immovable Property	Central Government [excluding the Ministry of Railways (Indian Railways)], State Government, Union territory or local Authority	Any person Registered under the CGST Act, 2017

Services notified u/s 9(5) - tax on supplies of which shall be paid by ECO, if they are supplied through Electronic Commerce Operator (ECO) [N/No. 16/2023 (w.e.f. 20/10/2023)]:-

Clause	
(i) (words substituted)	Services by way of transportation of passengers by a radio-taxi, motorcab, maxicab, motorcycle, omnibus or any other motor vehicle or any other motor vehicle except omnibus.
(ia) (newly inserted)	Services by way of transportation of passengers by an omnibus except where the person supplying such service through ECO is a company.
	Comment:- Tax on transportation of passengers by an omnibus provided by a company through ECO is not payable by ECO.

Clarification on whether services supplied by director of a company in his personal capacity such as renting of immovable property to the company or body corporate are subject to RCM or not (Circular No. 201/13/2023):-

Legal Provision	As per section 9(3), for services supplied by director of a company or body corporate to the said company or body corporate, GST shall be paid by company or body corporate under RCM.
Clarification	<ul style="list-style-type: none"> ➤ It is clarified that services supplied by a director of a company or body corporate to the company or body corporate in his private or personal capacity such as services supplied by way of renting of immovable property are not taxable under RCM. ➤ Only the services supplied by director as or in the capacity of director of that company or body corporate shall be taxable under RCM.



COMPOSITION LEVY

Conditions for Composition Scheme [F. A. 2023]

Finance Act, 2023

Omitted in Sec 10(2)(d)	The registered person shall be eligible to opt under sub-section (1), if:- (d) he is not engaged in making any supply of goods or services through an electronic commerce operator who is required to collect tax at source under section 52;
Omitted in Sec 10(2A)(c)	if he is not- (c) engaged in making any supply of goods or services through an electronic commerce operator who is required to collect tax at source under section 52;



EXEMPTION UNDER GST

Amendments in Existing entries

Sr.No.	Government Sector	
19C	Service Provided by Satellite services [N/No. 07/2023 w.e.f. 27/07/2023]	
	Old Provision	Satellite launch services supplied by Indian space research organisation, Antrix Corporation Limited or New Space India Limited.
	Substituted with	Satellite launch services.

Sr.No.	Services by Government & Local Authority
6	Services by CG, SG, UT & LA [words Inserted by N/No. 13/2023- (w.e.f. 20/10/2023)] Exempt:- All services by the Central Government, State Government, Union territory or local authority excluding the following services— (a) services by the Department of Posts and the Ministry of Railways (Indian Railways) ; (b) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (c) transport of goods or passengers; or (d) any service, other than services covered under entries (a) to (c) above, provided to business entities.
7	Services provided to a business entity by CG, SG, UT or LA [words Inserted by N/No. 13/2023- (w.e.f. 20/10/2023)] Exempt:- Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of such amount in the preceding financial year as makes it eligible for exemption from registration under the CGST Act, 2017. Explanation:- This entry shall not be applicable to- (a) services, - (i) by the Department of Posts and the Ministry of Railways (Indian Railways) ; (ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) of transport of goods or passengers; and (b) services by way of renting of immovable property.

<p>8</p>	<p>Services provided by Govt. to Govt [words Inserted by N/No. 13/2023- (w.e.f. 20/10/2023)]</p> <p>Exempt:- Services provided by Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority.</p> <p>Proviso:- Provided that nothing contained in this entry shall apply to services-</p> <ul style="list-style-type: none"> (i) by the Department of Posts and the Ministry of Railways (Indian Railways); (ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) of transport of goods or passengers.
<p>9</p>	<p>Services provided by Govt. where consideration is upto ₹ 5000 [words Inserted by N/No. 13/2023- (w.e.f. 20/10/2023)]</p> <p>Exempt:- Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed ₹5,000.</p> <p>Proviso 1:- Provided that nothing contained in this entry shall apply to-</p> <ul style="list-style-type: none"> (i) services by the Department of Posts and the Ministry of Railways (Indian Railways); (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) transport of goods or passengers.

Newly Inserted

Services to Government

Public services to Government [Newly Inserted N/No. 13/2023- (w.e.f. 20/10/2023)]

<p>3B</p>	<p>Exempt:- Services provided to a Governmental Authority by way of-</p> <ul style="list-style-type: none"> (a) water supply; (b) public health; (c) sanitation conservancy; (d) solid waste management; and (e) slum improvement and upgradation.
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TIME OF SUPPLY

Tax to be paid on specified actionable claims at the time of receipt of payment for such supplies by suppliers (N/ No. 50/2023 w.e.f. 01/10/2023):-

Old Provision of N/N 66/2017 It notifies the registered person who did not opt for the composition levy under section 10 of the said Act, as the class of persons who shall pay the central tax on the **outward supply of goods** at the time of supply as specified in clause (a) of sub-section (2) of section 12 of the said Act **including in the situations attracting the provisions of section 14 of the said Act, and** shall accordingly furnish the details and returns as mentioned in Chapter IX of the said Act and the rules made thereunder and the period prescribed for the payment of tax by such class of registered persons shall be such as specified in the said Act.

Exception inserted in N/No. 66/2017 It notifies the registered person who did not opt for the composition levy under section 10 of the said Act, **other than the registered person making supply of specified actionable claims as defined in clause (102A) of section 2 of the said Act**, as the class of persons who shall pay the central tax on the **outward supply of goods** at the time of supply as specified in clause (a) of sub-section (2) of section 12 of the said Act **including in the situations attracting the provisions of section 14 of the said Act, and** shall accordingly furnish the details and returns as mentioned in Chapter IX of the said Act and the rules made thereunder and the period prescribed for the payment of tax by such class of registered persons shall be such as specified in the said Act.

Analysis	N/ N. 66/2017: No tax payable at the time of receipt of advance for SOG	
	Provisions of Notification	<p>All Registered Person (RP) under forward charge are not required to pay GST at the time of receipt in relation to SOG.</p> <p>Note:-</p> <p>1) <u>Thus, entire GST shall become payable only when the invoice for the supply of such goods is issued or ought to have been issued & no GST is payable on advance payment received.</u></p> <p>2) This notification is also applicable to situations of Sec 14</p>
	Non-Applicability	<p>1) Composite supplier he has to pay, in lieu of tax payable by him, and amount calculated at the prescribed rate applied on his turnover in the State/UT for quarter.</p> <p>2) For supply of services i.e. in case of SOS, GST is payable on advance receipt or invoice, whichever is earlier.</p> <p>3) RP making supply of specified actionable claims. (e.g. betting, casinos, gambling, horse racing, lottery or online money gaming)</p>

Newly Inserted by N/N.50/2023 CT dt. 29/09/2023

TOS of specified actionable claims

N/N 66/2017 is not applicable to specified actionable, the TOS for specified actionable claims such as online money gaming etc. would be determine as per normal provision of sec 12(2) i.e. earlier of:-

- the date of issue of invoice or
- the last date to issue invoice or
- the date on which supplier receives the payment.

Que:- Mr. A is registered under regular scheme under GST in Gujarat who trades in biscuits. On the other hand, he is also a partner in 2 partnership firms (registered under GST) in Gujarat, named Mehmaan Nawaazi Hotel and Lakhpati Casino. The hotel is running restaurant and serving food which had aggregate turnover of 120 lakhs in preceding financial year. Lakhpati Casino is a dealer in specified actionable claim who did not opt for composition scheme. Mr. B has availed service from all three of them (i.e. Mr. A, Mehmaan Nawaazi Hotel and Lakhpati Casino) in the month of May, the details of which are as under:-

Particulars	Mr. A	Mehmaan Nawazi Hotel	Lakhpati Casino
Date of supply	2nd May	10th May	12th May
Date of issue of invoice for Rs. 10000 in each case	4th May	11th June	10th May
Date of receipt of payment by supplier	1st May	6th May	5000 on 9th May & 5000 on 18th May

Would notification 66/2017 apply to Mehmaan Nawaazi Hotel, if it was providing goods under composition scheme instead of restaurant service? Also, Determine the time of supply in each case for Mr. A, Mehmaan Nawaazi Hotel and Lakhpati Casino.

Answer:-

Legal Provision:-

➤ As per **section 12(2)** of CGST Act, 2017, the time of supply of goods shall be the earlier of the following:-

- Date of issue of invoice or
- Last date to issue invoice or
- Date of receipt of payment.

➤ As per Notification 66/2017 under CGST Act, the registered person other than following person:-

- A composition supplier and
- **registered person making supply of specified actionable claims as defined in clause (102A) of section 2 of the said Act,**

shall pay CGST on the outward supply of goods at the time of supply as specified section 12(2)(a) i.e. date of issue of invoice or last date of issue of invoice.

➤ As per **section 13(2)(b)** of CGST Act, 2017, if **invoice is not issued within 30 days** of supply of services, then **the time of supply** of such services shall be **earlier** of:-

- the date of provision of service or
- the date of receipt of payment.

Discussion & Conclusion:-

1. In given case, notification 66/2017 applies to Mr. A and he shall be liable to pay tax on invoice basis only and not on advance received. Accordingly, the time of supply shall be **2nd May** i.e. the last date to issue invoice as per section 12(2) read with notification 66/2017.
2. In case of Mehmaan Nawaazi Hotel, notification 66/2017 is not applicable as this notification applies only to supply of goods and not services. Even if this firm was dealing in goods, this notification would still not apply as it is covered under the exception to notification 66/2017 (being a composition supplier) & hence, it is liable to pay tax on advance receipt also. The time of supply in this is **6th May** because invoice is issued after 30 days of supply of service & also the consideration is received in advance.
3. Lakhpati Casino is also covered under the exception to notification 66/2017 as it is dealing in specified actionable claim i.e. casino. Hence, it is liable to pay tax on advance receipt also. The time of supply in this is **9th May for 5000 & 10th May for balance 5000** as per section 12(2) read with notification 66/2017



INPUT TAX CREDIT

Amendments by Finance Act, 2023:-

Sec	Provision	
<u>16(2)</u>	Conditions for taking ITC	
	2nd Proviso (Words substituted)	Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon paid by him along with interest payable u/s 50 , in such manner as may be prescribed.
	3rd Proviso (Words inserted)	Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him to the supplier of the amount towards the value of supply of goods or services or both along with tax payable thereon.

Sec	Provision	
<u>17(5)</u>	Blocked Credit	
	(fa) (new clause inserted)	goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013



IGST ACT 2017

INCLUDES PLACE OF SUPPLY

Place of supply of goods purchased Over the Counter in one State & transported to another State by buyer [Amendment by IGST (Amendment Act), 2023 (w.e.f. 01/10/2023)]

Sec 10 (1)(ca)	Supply made to URP (Newly inserted)	Notwithstanding anything contrary contained u/s 10(1)(a)/(c), if supply of goods is made to a person other than a registered person , the place of supply shall be the - location as per address of said person recorded in invoice issued for said supply & - location of supplier where the address of said person is not recorded in invoice. Explanation:- Recording of the name of the State of said person in the invoice shall be deemed to be the recording of the address of said person.	
	Summary	POS in case of OTC sales to unregistered persons is as follows:-	
		If address of URP is recorded in invoice:-	POS is location as per address of URP recorded in invoice. Note:- Simply mentioning the State of URP instead of complete address would be sufficient.
		If address of URP is not recorded in invoice:-	POS is the location of supplier
	Reason for Amendment	<ul style="list-style-type: none"> ➤ There are cases where an unregistered person purchases goods over the counter (OTC) in one State & transports the goods to another State (generally, the State where he resides), for instance, migrant workers, tourists, etc. ➤ In automobile sector, the residents of a State may travel to another State to purchase vehicle from that State to take advantage of lower registration charges and road tax, which vary from State to State and thereafter, take the vehicle to their State. ➤ So, this new clause will determine POS in such cases. 	

Determination of Place of Supply

Sec 12(8)	Proviso Omitted	PLACE OF SUPPLY FOR TRANSPORTATION OF GOODS	
	Amended by F.A. 2023	<p>The place of supply of services by way of transportation of goods, including by mail or courier to,-</p> <p>(a) a registered person, shall be the location of such person;</p> <p>(b) a person other than a registered person, shall be the location at which such goods are handed over for their transportation.</p> <p>Proviso (Omitted):- Provided that where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods.</p>	



REGISTRATION

Sub-
Sec

Sec 23 : Persons Not Liable For Registration

Persons not required to register under Sec 23 are not classified as 'taxable persons' in GST.

(1)	(a)	Exclusively engaged in Exempt or Non Taxable supply	Persons engaged exclusively in supplying goods and/or services not subject to tax or wholly exempt from tax are not liable for registration.
	(b)	An agriculturist	<p>⇒ Agriculturists are not liable for GST registration when supplying produce from land cultivation.</p> <p>⇒ The definition of agriculturist includes individuals or Hindu Undivided Families (HUFs) engaged in land cultivation using their labor, family labour, or hired labour under supervision.</p> <p>Note: If an agriculturist is also engaged in making any supply other than supply of produce out of cultivation of land, he shall be liable to registration based on applicable threshold limit.</p>
(2)		Notified person by Govt	Notwithstanding anything to the contrary contained in section 22(1) or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.
		Newly Inserted by F.A. 2023	<p>Persons making only reverse charge supplies (N/N 5/2017)</p> <p>Persons engaged only in making supplies of taxable goods &/or services, total tax on which is liable to be paid on reverse charge basis by recipient u/s 9(3) are exempted from obtaining registration</p>

Sec. 24 – Compulsory Registration in Certain Cases

Clause (ix)	Persons who supply goods or services or both, other than supplies specified u/s 9(5), through such electronic commerce operator who is required to collect tax at source under Sec 52
Exceptions : In following cases threshold is available eventhough supply is made through ECO u/s 52	
Supply of Service (N/n 65/2017)	Supplier of service (other than specified services u/s 9(5))through ECO deducting TCS u/s 52 & Agg. T/O, not exceeding ₹20 lakhs(for 4 special category of state ₹10 Lakhs) in a F.Y. (registration is needed after threshold)
Supply of Goods N/N. 34/2023 Newly Inserted (effective from 01/10/2023)	<p>Persons making supplies of goods through an ECO who is required to collect tax at source u/s 52 & Agg. T/O, not exceeding ₹20/40 lakhs(for 4 special category of state ₹10 Lakhs) in a P.F.Y./C.F.Y. subject to following conditions:- Such Person</p> <ul style="list-style-type: none"> (i) shall not make any inter-State SOG (ii) shall not make SOG through ECO in more than one State or UT; (iii) shall be required to have a PAN (iv) shall declare (before making any SOG through ECO) on the common portal <ul style="list-style-type: none"> ➤ their PAN ➤ their address of their place of business and ➤ the State or UT in which such persons seek to make such supply, which shall be subjected to validation on the common portal (v) granted an enrolment number on the common portal on successful validation of the PAN (vi) shall not be granted more than one enrolment number in a State or UT (vii) no supply of goods through ECO unless such persons have been granted an enrolment number (viii) where such persons are subsequently granted registration u/s 25 of the said Act, the enrolment number shall cease to be valid from the effective date of registration.
Reason for Amendment	<ul style="list-style-type: none"> ➤ Earlier, unregistered persons were not permitted to make supply of goods through an ECO (who is required to collect TCS). However, other suppliers supplying goods offline were allowed exemption from registration upto threshold limit. ➤ Thus, exemption is provided upto threshold limit to suppliers supplying goods online through ECOs provided they are making only intra-State supply; since inter-State supplier of goods has to otherwise obtain compulsory registration.
(xia) Online Money gaming	<p>every person supplying online money gaming from a place outside India to a person in India; and</p> <div style="background-color: #dc3545; color: white; padding: 5px; text-align: center; font-weight: bold;">Newly Inserted by CGST (Amendment) Act, 2023</div>

Section 30 read with Rule 23:- Revocation of cancellation of Registration

<p>Sec 30 (1)</p>	<p>Application for revocation of cancellation of registration</p>	<p>⇒ Registered person, whose registration is cancelled by PO on his own motion, may submit an application to such officer for revocation of cancellation of registration within 90 days from the date of the service of the order of cancellation of registration Substituted by N/No. 38/2023</p> <p>⇒ On sufficient cause shown & reasons recorded in writing, extension may be</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: yellow;">By:-</th> <th style="background-color: yellow;">For a period:-</th> </tr> </thead> <tbody> <tr> <td>Commissioner or officer authorised by him, not below the rank of Additional Commissioner or Joint Commissioner</td> <td>not exceeding 180 days. Substituted by N/No. 38/2023</td> </tr> </tbody> </table> <p>⇒ This application shall be submitted in prescribed form at the common portal either directly or through a Facilitation Centre notified by Commissioner.</p>	By:-	For a period:-	Commissioner or officer authorised by him, not below the rank of Additional Commissioner or Joint Commissioner	not exceeding 180 days. Substituted by N/No. 38/2023
By:-	For a period:-					
Commissioner or officer authorised by him, not below the rank of Additional Commissioner or Joint Commissioner	not exceeding 180 days. Substituted by N/No. 38/2023					
	<p>Reason for Amendment</p>	<p>In large number of cases, small taxpayers could not apply in time for revocation due to lack of funds or other reasons, adversely affecting business and there was a need to bring them again in mainstream by giving them a chance to revive their registrations & thus, the time limit is raised.</p>				

Rule 8:- Procedure for Application for Registration

<p>(1)</p>	<p>Declaration of Part A Information in Reg - 01</p>	<p>Pre-Reg. Requirements</p>	<p>Every person who is liable to be registered under Sec 25(1) and every person seeking registration under Sec 25(3) ("the applicant"), Submit PAN and state/UT details in Form GST REG-01, either online or at a Facilitation Centre.</p>
		<p>Exceptions</p>	<p>There are some persons who don't follow Rule 8 because they have their own specific forms and procedures. These include:</p> <ul style="list-style-type: none"> ⇒ NRTPs. ⇒ Those required to deduct TDS u/s 51 or collect TCS u/s 52 tax at source. ⇒ Providers of OIDAR services from outside India to non-taxable recipients in India. ⇒ person supplying online money gaming from a place outside India to a person in India
		<p>ISD</p>	<p>ISDs must apply separately for their registration.</p>
<p>(4B)</p>	<p>Non applicability of proviso to sub-rule 4A (Biometric authentication & Photograph)</p>	<p>On recommendations of Council, CG may by notification specify the States or UTs where the proviso to sub-rule (4A) shall not apply.</p> <p>N/No. 27/2022-CT Dt. 26.12.2022: Using the power given under Rule 8(4B), CG notified that</p> <ul style="list-style-type: none"> ⇒ the provisions of rule 8(4A) shall not apply in all the States & UTs ⇒ except the State of Gujarat & Puducherry. Inserted by N/No. 31/2023 	

Rule 9:- Verification of application for registration & approval

Sub Rule	Legal Provision
(1) Examination of the Application	<p>➤ Application shall be forwarded to PO to examine application & accompanying documents.</p> <p>➤ If the same are found to be in order, then will approve the grant of registration to applicant within 7 working days from the date of submission of the application.</p> <p>Proviso:- The registration shall be granted within 30 days of submission of application after the physical verification of place of business in the presence of the applicant in the manner given under rule 25 & verification of required document, if:- Omitted by N/No. 38/2023</p> <p>(a) a person, other than person notified u/s 25(6D), fails to undergo authentication of Aadhaar number as per rule 8(4A) or does not opt for authentication of Aadhaar number or</p> <p>(aa) a person, who has undergone authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or</p> <p>(b) PO, with approval of officer authorised by Commissioner not below the rank of AC, deems it fit to carry out physical verification of POB.</p> <p style="border: 1px solid orange; padding: 2px;">Comment:- Now, presence of the applicant is not required for physical verification</p>

Rule 10A:- Furnishing of Bank Account details

Time Limit	<p>Bank account details shall be furnished after obtaining certificate of registration & a GSTIN but earlier of the following:-</p> <p>Substituted by N/No. 38/2023 ➤ within 30 days from the date of grant of registration, or</p> <p>➤ before furnishing the details of outward supplies of goods &/or services u/s 37 in FORM GSTR-1 or using IFF.</p>
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Rule 25:- Physical verification of business premises in certain cases

Substituted by N/No. 38/2023

Old Provision	<p>Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication or due to not opting for Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of fifteen working days following the date of such verification.</p>	
Substituted	Physical Verification After Grant of Registration	<p>Where the proper officer is satisfied that the physical verification of the place of business of a person is required after the grant of registration, he may do so and</p> <ul style="list-style-type: none"> ➤ the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal ➤ within a period of 15 working days following the date of such verification.

	Physical Verification Before Grant of Registration	<p>Where the physical verification of the place of business of a person is required before the grant of registration in the circumstances specified in the proviso to rule 9(1), the PO shall get such verification of the place of business done and</p> <ul style="list-style-type: none"> ➔ the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal ➔ at least 5 working days prior to the completion of the time period specified in the said proviso.
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Suspension of Registration [1st Proviso to sec 29(1) & 2nd Proviso to sec 29(2) read with rule 21A]:-

Rule	Provision	
21A (2A) If cancellation of registration is initiated by Department on its own motion	Suspension of Registration	If PO has reasons to believe that registration is liable to be cancelled, he may suspend the registration of such person w.e.f. a date to be determined by him where cancellation of registration is pending.
	Comparison of Returns <small>Substituted by N/No. 38/2023</small>	<ul style="list-style-type: none"> ➔ The PO compares the person's GST returns with GSTR-1, or the inward supplies derived from the suppliers' GSTR-1. ➔ Significant differences or anomalies that suggest a violation of the GST Act or rules may lead to suspension and potential cancellation of registration.
	Contravention of Rule 10A <small>Substituted by N/No. 38/2023</small>	<ul style="list-style-type: none"> ➔ When a RP violates Rule 10A(Bank Details), their registration is suspended, and they are notified via FORM GSTREG-31. ➔ This notification outlines the discrepancies, anomalies, or non-compliances, and requests an explanation within 30 days as to why their registration should not be cancelled.
21A (4) Revocation of suspension of registration <small>Newly Inserted by N/No. 38/2023</small>	<ul style="list-style-type: none"> ➔ The suspension of registration shall be deemed to be revoked upon completion of the cancellation proceedings by PO. ➔ Such revocation shall be effective from the date the suspension had come into effect. <p>Proviso 1:- PO may revoke suspension anytime during the pendency of proceedings for cancellation.</p> <p>Proviso 2 :- where the registration has been suspended for contravention of following clauses of sec 29(2)</p> <p>(b) Composition dealer has not furnished the return for a F.Y. beyond 3 months from the due date of furnishing the said return</p> <p>(c) Other RP, has not furnished returns for a such continuous tax period of 6 months as prescribed and hasn't been cancelled under rule 22, then submitting all pending returns will automatically revoke the suspension.</p> <p>Proviso 3:- where the registration has been suspended for contravention of provisions of rule 10A and hasn't been cancelled under rule 22, then compliance with rule 10A (i.e. furnishing bank account details) will automatically revoke the suspension.</p>	



TAX INVOICE

Debit Note & Credit Note

Particulars of a tax invoice [Sections 31(1) & (2) read with rule 46]

(e) If recipient is unregistered & value of taxable supply is:-	Particulars of Invoice
Rs 50000 or more	Name and address of recipient & the address of delivery, along with the name of State & its code
< Rs 50000 (clause f)	Unregistered recipient may still request the aforesaid details to be recorded in tax invoice
<p>Proviso: Provided that in cases involving supply of online money gaming or in cases where any taxable service is supplied by or through an ECO or by a supplier of OIDAR services to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name of the state of the recipient and the same shall be deemed to be the address on record of the recipient.</p> <p style="text-align: right;">N/N. 51/2023 & N/N. 38/2023</p>	
<p>Reason for Amendment:-</p> <ul style="list-style-type: none"> ➤ Proviso to clause (f) earlier provided for mandatory recording of name & address of unregistered recipients of service along with the PIN code and name of the State and the said address shall be deemed to be the address on record of the recipient when the said services were provided by or through ECO or by a supplier of OIDAR services to an unregistered recipient even if the value of taxable supply < '50,000. ➤ Said proviso has been amended to provide that the tax invoice may contain name of the State of the recipient only and the same shall be deemed to be the address on record of the recipient. The name and address of the recipient along with its PIN code is not mandatory to be declared on the tax invoice. ➤ Further, proviso is also made applicable to supply of online money gaming. 	

Manner of issuing the invoice [Sections 31(1) & (2) read with rule 48]

(4) E-Invoice Read with [N/N 13/2020]	Suppliers to which E-invoice is applicable	<p>RP, whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds 5 Crore</p> <p>except</p> <ul style="list-style-type: none"> ➤ A Government Department, ➤ A Local Authority, ➤ Special economic zone unit and ➤ Banks, ➤ Financial institutions, insurers, ➤ GTA and passenger transport service providers and ➤ Multiplexes 	N/No. 10/2023-CT (w.e.f. 01/08/2023)
	IRN requirement	invoice/other documents in respect of supply of goods or services or both to a registered person or for exports.	

Clarification on applicability of e-invoicing to Government Dept./PSUs etc. registered solely to deduct tax at source u/s 51 (Circular No. 198/10/2023):-

Issue:- Whether e-invoicing is applicable for supplies made by a registered person, whose turnover exceeds the prescribed threshold for generation of e-invoicing, to Government Departments or establishments/ Government agencies/ local authorities/ PSUs which are registered solely for the purpose of deduction of tax at source as per section 51 of the CGST Act?

Discussion:-

- ⇒ Government Departments or establishments/ Government agencies/ local authorities/ PSUs, which are required to deduct TDS u/s 51 of CGST Act, are liable for compulsory registration u/s 24(vi).
- ⇒ Therefore, Government Departments or establishments/ Government agencies/ local authorities/ PSUs, registered solely to deduct TDS as per section 51, are to be treated as registered persons.

Clarification:- It is clarified registered person, whose turnover exceeds the prescribed threshold for generation of e-invoicing, is required to issue e-invoices for supplies made to such Government Departments or establishments/ Government agencies/ local authorities/ PSUs, etc under rule 48(4) of CGST Rules.



PAYMENT OF TAX

Deposition of amount in E-Cash Ledger

Rule 87(3):- Deposit Modes in E-Cash Ledger

⇒ Deposits can be made via various modes through PMT -06 challan:

- **Internet Banking:** Through authorized banks.
- **Unified Payment Interface (UPI):** From any bank.
- **Immediate Payment Services (IMPS):** From any bank.
- **Credit/Debit Card:** Through authorized banks.
- **NEFT or RTGS:** From any bank.
- **Over the Counter Payment:** Up to ₹10,000 per challan per tax period, by cash, cheque, or demand draft, through authorized banks.

So, deposits can be made **online (no limit)** as well as **over the counter (with limit)**.

Exceptions to Deposit Limit over the counter :- The ₹10,000 limit per challan for Over the Counter payments does not apply to:

- Government Departments or others notified by the Commissioner.
- Proper Officer or Authorized Officer: For recovering dues, including through property (movable or immovable) attachment or sale.
- During Investigations or Enforcement Activities: Cash, cheque, or demand draft collected by officers.

- **Special Payment mode for OIDAR or Online money gaming:-** A person from outside India providing OIDAR services to NTOR or online money gaming services to any person in India are permitted to make their payments through the international money transfer system of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network.

**Substituted by
N/No. 51/2023**

Clarification on charging of interest u/s 50(3) of CGST Act, 2017, in cases of wrong availment of IGST credit and reversal thereof (Circular No. 192/04/2023)

1)	Total ITC for Interest Calculation	While calculating interest under Rule 88B of the CGST Rules, consider the total Input Tax Credit (ITC) available in your E- credit ledger. This includes the credit from IGST, CGST and SGST combined, not just IGST.
	No Interest if sufficient balance of total ITC	If you've wrongly availed IGST credit but reversed it, you won't face interest liability under Sec 50(3) of the CGST Act as long as your total ITC (IGST, CGST, SGST combined) never dropped below the wrongly availed IGST credit during that period.
	Interest on Utilization of Wrongly Availed IGST Credit	If your total ITC (including IGST, CGST, SGST) falls below the amount of wrongly availed IGST credit, it's considered as utilizing the wrongly availed credit. Interest will apply based on how much the total ITC falls below the wrongly availed amount.
2)	Availability of compensation cess credit available in e-credit ledger to calculate interest under rule 88B(3) for wrongly availed & utilized IGST, CGST or SGST credit	<ul style="list-style-type: none"> ➤ ITC of compensation cess can be utilised only towards payment of compensation cess & not for payment of any tax &/or reversal of credit under CGST/SGST/IGST heads. ➤ Accordingly, credit of compensation cess available in electronic credit ledger cannot be taken into account while considering the balance of electronic credit ledger for calculation of interest rule 88B(3) of CGST Rules for wrongly availed and utilized IGST, CGST or SGST credit.



TDS-TCS

52(15): Time limit to furnish a statement for an ECO:-

Newly Inserted By F.A . 2023

The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of **3 years** from the due date of furnishing the said statement.

Details of TCS furnished by ECO to be made available electronically to only registered suppliers (N/No. 38/2023 (w.e.f. 01/10/2023)):-

Substituted By N/No. 38/2023

Old Provision	The details furnished by the operator under sub rule (1) shall be made available electronically to each of the suppliers
Rule 67(2)	The details of TCS u/s 52(1) furnished by the operator under sub-rule (1) shall be made available electronically to each of the registered suppliers on the common portal after filing of FORM GSTR-8 for claiming the amount of tax collected in his electronic cash ledger after validation.
Reason for Amendment	<ul style="list-style-type: none"> ➤ Unregistered suppliers of services and now goods also are allowed to make supplies through ECOs till the time their turnover does not exceed the threshold limit. ➤ Now, details of TCS furnished by ECOs in Form GSTR-8 shall be made available only to registered suppliers, as the supplies by unregistered persons do not attract TCS.



RETURNS

Maximum Time limit for furnishing GSTR -1/ GSTR-3B & others / GSTR-9

<p>Sec 37(5) & Sec 39(11) & Sec 44(2)</p>	<p>A RP shall not be allowed to furnish the details of outward supplies (GSTR-1)/ Return u/s 39 & annual return u/s 44 for a tax period/ F.Y. after the expiry of 3 years from the due date of furnishing the said details.</p> <p>Proviso:- CG may, on the recommendations of the Council, by notification, allow a RP or a class of RP to furnish the details of outward supplies/return/AR for a tax period/F.Y., even after the expiry of the said period of 3 years from the due date of furnishing the said details.</p>	<p>Newly Inserted by F.A. 2023</p>
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Sec 44 read with Rule 80:- Annual Return

<p>Exemption from filing</p>	<p>Commissioner exempts the registered person whose aggregate turnover in F.Y. 2022-23 is up to ₹2 Cr from filing annual return for the said F.Y.</p>	<p>Newly Inserted by N/No. 32/2023</p>
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Rule 59(6) :- Registered person debarred from furnishing details of outward supplies in Form GSTR-1/ IFF

<p>If previous GSTR-1 is/ are not furnished</p>	<p>A RP shall not be allowed to furnish GSTR-1 for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him. However, Govt. may allow notified persons to furnish GSTR-1, even if he has not furnished GSTR-1 for 1 or more previous tax periods.</p>	
<p>If previous GSTR-3B is/ are not furnished</p>	<p>a) A registered person (Monthly Scheme):- shall not be allowed to furnish GSTR-1, if he has not furnished the return in FORM GSTR-3B for preceding month</p> <p>b) A registered person (QRMP Scheme):- shall not be allowed to furnish GSTR-1 or IFF, if he has not furnished the return in FORM GSTR-3B for preceding tax period</p>	
<p>Non compliance of intimation under rule 88C(1)</p>	<p>A RP, to whom an intimation has been issued on the common portal under Rule 88C(1) (where tax liability shown in GSTR-1 exceeds the tax liability paid in GSTR-3B) in respect of a tax period, ⇒ shall not be allowed to furnish GSTR-1 or IFF for a subsequent tax period, ⇒ unless he has either deposited the amount specified in the said intimation or has furnished a reply explaining the reasons for any amount remaining unpaid, as required under rule 88C(2).</p>	
	<p>Comments:-</p> <ul style="list-style-type: none"> ➤ If reply was furnished but found to be not satisfactory, then only recovery proceedings u/s 79 would be triggered as this rule does not prescribe blocking of GSTR-1/ IFF in such case. ➤ If no action was taken against the issuance of DRC-01B, there would be blocking of GSTR-1/IFF along with initiation of recovery proceedings u/s 79 of CGST Act, 2017. 	

Non compliance of intimation under rule 88D(1)	<p style="text-align: center;">Newly Inserted by N/N 38/2023</p> <p>If any intimation is issued rule 88D(1)(for excess ITC) on RP in respect of a tax period or periods, he shall not be allowed to furnish GSTR-1/ IFF for a subsequent tax period, unless he has either paid the amount equal to the excess ITC as specified in the said intimation or has furnished a reply explaining the reasons in respect of the amount of excess ITC that still remains to be paid.</p>
Non furnishing Bank Details	<p>RP shall not be allowed to furnish GSTR-1/ IFF, if he has not furnished the details of the bank account under rule 10A.</p>