

29th July 2018

GST UPDATE - 10/2018

Notifications under GST

Gist of all notifications issued from **30.06.2018 to 28.07.2018**

Tax (CGST & IGST) Notifications:

Notification	No.	CGST (7 th Amendment) Rules, 2018
29/2018 – Central Tax Dated 06.07.2018		Directorate General of Safeguards changed to Directorate General of Anti-profiteering

Tax (Rate) Notifications:

Notification	No.	Amendment to GST rates on Services		
13/2018 – Central Tax (Rate) and 14/2018 – Integrated Tax (Rate) dt 26.07.2018		<p>➔ GST rate on Food + Drink or Accommodation Services</p> <ul style="list-style-type: none"> Declared Tariff replaced by Value of Supply Clarity on GST rate on canteen run in Colleges/offices Different rates on supply of food/drink at marriage halls, functions on event basis and food/drink supplied not based on events/occasions. <p>Entry 7 of Notification No. 11/2017- Central Tax (Rate) dated 28.06.2017 reads as follows:-</p> <table border="1" data-bbox="592 1671 1546 2076"> <tr> <td>Supply of food + drink provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, other than those located in the premises of hotels, inns, guest houses,</td> <td>5%</td> </tr> </table>	Supply of food + drink provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, other than those located in the premises of hotels, inns, guest houses,	5%
Supply of food + drink provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, other than those located in the premises of hotels, inns, guest houses,	5%			

	<p>clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of > Rs. 7,500 per unit per day or equivalent</p> <p>This item</p> <ul style="list-style-type: none"> • Includes such supply at a canteen, mess, cafeteria or dining space of an institution such as a school, college, hospital, industrial unit, office, by such institution or by any other person based on a contractual arrangement with such institution for such supply, provided that such supply is not event based or occasional. • Excludes the outdoor catering 	
	<p>Supply, of goods, being food or any other article for human consumption or any drink, by the IRCTC or their licensees, whether in trains or at platforms</p>	<p>5%</p>
	<p>Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having value of supply of a unit of accommodation of > Rs.1,000 and < Rs. 2,500 per unit per day or equivalent.</p>	<p>12%</p>
	<p>Supply of food /+ drink where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, having licence to serve alcoholic liquor for human consumption</p>	<p>18%</p>
	<p>Outdoor Catering</p>	<p>18%</p>

	Supply of food /+ drink at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature	
	Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having value of supply of a unit of accommodation of > Rs. 2,500 and < Rs. 7,500 per unit per day or equivalent.	18%
	Supply of food + drink, where such supply or service is for cash, deferred payment or other valuable consideration, in a premises together with renting of such premises.	18%
	Accommodation in hotels including 5 star hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having value of supply of a unit of accommodation of > Rs. 7,500 per unit per day or equivalent.	28%
<p>→ GST rate on Transportation Services</p> <p>Rate of 12% notified for Multimodal transportation of goods.</p> <p>What is multimodal Transportation?</p> <p>“Multimodal transportation” means carriage of goods, by at least two different modes of transport (i.e. carriage of goods by road, air, rail, inland waterways or sea) from the place of acceptance of goods to the place of delivery of goods by a multimodal transporter.</p>		

	<p>Who is ‘Multimodal Transporter’?</p> <p>“Multimodal transporter” means a person who,-</p> <p>(A) enters into a contract under which he undertakes to perform multimodal transportation against freight; and</p> <p>(B) acts as principal, and not as an agent either of the consignor, or consignee or of the carrier participating in the multimodal transportation and who assumes responsibility for the performance of the said contract.</p> <p>➔ GST rate on Supply consisting only of e-book is notified @ <u>5%</u>.</p> <p>What is E-Book?</p> <p>“E-books” means an electronic version of a printed book supplied online which can be read on a computer or a hand held device.</p>
<p>Notification No. 14/2018 – Central Tax (Rate) and 15/2018 – Integrated Tax (Rate) dt 26.07.2018</p>	<p>Amendments in Exemptions under Services</p> <ul style="list-style-type: none"> ➤ Services by an old age home run by Central Government, State Government or by an entity registered under section 12AA of the Income-tax Act, 1961 to its residents (aged 60 years or more) against consideration upto Rs. 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance. ➤ Services supplied by electricity distribution utilities by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network upto the tube well of the farmer or agriculturalist for agricultural use.

- Earlier, these exemptions are upto 30.09.2018 now extended to 30.09.2019
 - Services by way of transportation of goods by an aircraft from customs station of clearance in India to a place outside India.
 - Services by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India.
- Services by way of warehousing of minor forest produce.
What is 'Minor Forest Produce'?
Section 2(i) of The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 defined "Minor forest produce" to include all non-timber forest produce of plant origin including bamboo, brush wood, stumps, cane, tussar, cocoons, honey, wax, lac, tendu or kendu leaves, medicinal plants and herbs, roots, tubers and the like.
- Services by Coal Mines Provident Fund Organisation to persons governed by the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948
- Services by National Pension System (NPS) Trust to its members against consideration in the form of administrative fee.
- Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings(PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the financial institutions.

	<ul style="list-style-type: none"> ➤ Services by way of licensing, registration and analysis or testing of food samples supplied by the Food Safety and Standards Authority of India (FSSAI) to Food Business Operators. ➤ Services by way of artificial insemination of livestock (other than horses). ➤ Services supplied by a State Government to Excess Royalty Collection Contractor (ERCC) by way of assigning the right to collect royalty on behalf of the State Government on the mineral dispatched by the mining lease holders. ➤ Services provided by an unincorporated body or a non-profit entity registered under any law for the time being in force, engaged in,- <ul style="list-style-type: none"> (i) activities relating to the welfare of industrial or agricultural labour or farmers; or (ii) promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment, to its own members against consideration in the form of membership fee upto an amount of Rs 1000/- per member per year.
<p>Notification No. 15/2018 – Central Tax (Rate) and 16/2018 – Integrated Tax (Rate) dt 26.07.2018</p>	<p>Additions in Reverse Charge Mechanism under Services</p> <p><u>Nature of Service</u> - Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs).</p> <p><u>Supplier of Service</u> - Individual DSAs other than a body corporate, partnership or LLP firm.</p>

		<p><u>Recipient of Service</u> - A banking company or a NBFC, located in the taxable territory.</p> <p>Definition of ‘Renting of Immovable Property’ added</p> <p>“Renting of immovable property” means allowing, permitting or granting access, entry, occupation, use or any such facility, wholly or partly, in an immovable property, with or without the transfer of possession or control of the said immovable property and includes letting, leasing, licensing or other similar arrangements in respect of immovable property.</p>
Notification No. 16/2018 – Central Tax (Rate) and 17/2018 – Integrated Tax (Rate) dt 26.07.2018		<p>Following to be treated neither as supply of good nor supply of service</p> <p>Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution <u>or to a Municipality under article 243W of the Constitution</u> (bold letters added by this Notification)</p>
Notification No. 17/2018 – Central Tax (Rate) and 18/2018 – Integrated Tax (Rate) dt 26.07.2018		<p>Explanation added in Notification No. 11/2017 – Central Tax (Rate) dated 28.06.2017</p> <p>Explanation - For the purposes of this item, the term ‘business’ shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities</p>
Notification No. 18/2018 – Central Tax (Rate) and 19/2018 – Integrated Tax (Rate) dt		<p>Amendments in GST rates of Goods</p> <p><u>5%</u></p> <ul style="list-style-type: none"> ○ Article of apparel and clothing accessories or cap/topi, knitted or crocheted, of sale value not exceeding Rs 1000

<p>26.07.2018</p>	<p>per piece</p> <ul style="list-style-type: none"> ○ Footwear having a retail sale price not exceeding Rs. 500 1000 per pair, provided that such retail sale price is indelibly marked or embossed on the footwear itself <p><u>12%</u></p> <ul style="list-style-type: none"> ○ Brass Kerosene Pressure Stove ○ Nozzles for drip irrigation equipment or nozzles for sprinklers ○ Fuel Cell Motor Vehicles <p><u>18%</u></p> <ul style="list-style-type: none"> ○ Certain Paints and varnishes ○ Television set (including LCD or LED television) of screen size not exceeding 68 cm ○ Special purpose motor vehicles, other than those principally designed for the transport of persons or goods ○ Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicles ○ Trailers and semi-trailers; other vehicles, not mechanically propelled
<p>Notification No. 19/2018 – Central Tax (Rate) and 20/2018 – Integrated Tax (Rate) dt</p>	<p>Additions in Exemptions in Goods</p> <ul style="list-style-type: none"> ❖ De-oiled rice bran ❖ Deities made of stone, marble or wood ❖ Rupee notes or coins when sold to RBI or the Government

26.07.2018	<p>of India</p> <ul style="list-style-type: none"> ❖ Sanitary towels (pads) or sanitary napkins; tampons ❖ Rakhi
<p>Notification No. 20/2018 – Central Tax (Rate) and 21/2018 – Integrated Tax (Rate) dt 26.07.2018</p>	<ul style="list-style-type: none"> ▪ Refund on Inverted duty structure allowed in case of fabric from 01.08.2018 ▪ Accumulated ITC lying unutilised in balance, after payment of tax for and upto the month of July, 2018, on the inward supplies received up to the 31.07.2018, shall lapse
<p>Notification No. 21/2018 – Central Tax (Rate) and 22/2018 – Integrated Tax (Rate) dt 26.07.2018</p>	<p>Concessional rate of Intra-state and Inter-State supplies of handicraft goods</p> <ul style="list-style-type: none"> Handcrafted candles – 12% Carved wood products, art ware/decorative articles of wood – 12% Art ware of cork – 12% Articles made of paper mache – 5% Coir Articles – 5% Handmade carpets and other handmade textile floor coverings – 5% Handmade lace – 5% Hand embroidered articles – 5% Handmade/hand embroidered shawls of sale value < Rs. 1000 per piece – 5% Handmade/hand embroidered shawls of sale value > Rs. 1000 per piece – 12% Stone art ware, stone inlay work – 12% Bangles, beads and small ware – 5% Glass art ware – 12% Art ware of iron – 12%

	<p>Handmade imitation jewellery – 3%</p> <p>Aluminium art ware – 12%</p> <p>Furniture of bamboo, rattan and cane – 12%</p> <p>Worked articles of ivory, bone, tortoise shell, horn, antlers, coral, mother of pearl, seashell other animal carving material – 12%</p> <p>Hand paintings drawings and pastels – 12%</p> <p>Original sculptures and statuary, in metal, stone or any other material – 12%</p>
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Press Releases

<p>Decisions at 28th GST Council meeting held on 21.07.2018</p>	<p><u>Opening of migration window</u> - The taxpayers who filed Part A of FORM GST REG-26, but not Part B of the said FORM are requested to approach the jurisdictional Central Tax/State Tax nodal officers with the necessary details on or before 31.08.2018</p> <p><u>Single return</u> - All taxpayers excluding small taxpayers and a few exceptions like ISD etc. shall file one monthly return. The return is simple with 2 main tables. One for reporting outward supplies and one for availing input tax credit based on invoices uploaded by the supplier. Invoices can be uploaded continuously by the seller and can be continuously viewed and locked by the buyer for availing ITC. This process would ensure that very large part of the return is automatically filled based on the invoices uploaded by the buyer and the seller. Simply put, the process would be “UPLOAD – LOCK – PAY” for most tax payers.</p> <p><u>Nil return</u> - NIL return filers (no purchase and no sale) shall be given facility to file return by sending SMS.</p>
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	<p><u>Quarterly Filing</u> - The Council approved quarterly filing of return for the small taxpayers having turnover below Rs. 5 Cr as an optional facility. Quarterly return shall be similar to main return with monthly payment facility but for two kinds of registered persons – small traders making only B2C supply or making B2B + B2C supply.</p> <p><u>Amendment of return</u> - The new return design provides facility for amendment of invoice and also other details filed in the return. Amendment shall be carried out by filing of a return called amendment return. Payment would be allowed to be made through the amendment return as it will help save interest liability for the taxpayers.</p>
<p>Council approves amendment in GST acts</p>	<ol style="list-style-type: none"> 1. Upper limit of turnover for opting for composition scheme to be raised from Rs. 1 crore to Rs. 1.5 crore. Present limit of turnover can now be raised on the recommendations of the Council. 2. Composition dealers to be allowed to supply services (other than restaurant services), for upto a value not exceeding 10% of turnover in the preceding financial year, or Rs. 5 lakhs, whichever is higher. 3. Sec. 9(4) RCM to be applicable to only specified goods in case of certain notified classes of registered persons, on the recommendations of the GST Council. 4. The threshold exemption limit for registration in the States of Assam, Arunachal Pradesh, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand to be increased to Rs. 20 Lakhs from Rs. 10 Lakhs. 5. Taxpayers may opt for multiple registrations within a State/Union territory in respect of multiple places of business located within the same State/Union territory. 6. Mandatory registration is required for only those e-commerce

	<p>operators who are required to collect tax at source.</p> <ol style="list-style-type: none">7. Registration to remain temporarily suspended while cancellation of registration is under process, so that the taxpayer is relieved of continued compliance under the law.8. The following transactions to be treated as no supply (no tax payable) under Schedule III:<ol style="list-style-type: none">a. Supply of goods from a place in the non-taxable territory to another place in the nontaxable territory without such goods entering into India;b. Supply of warehoused goods to any person before clearance for home consumption; andc. Supply of goods in case of high sea sales.9. Scope of ITC is being widened, and it would now be made available in respect of the following:<ol style="list-style-type: none">a. Most of the activities or transactions specified in Schedule III;b. Motor vehicles for transportation of persons having seating capacity of more than 13 (including driver), vessels and aircraft;c. Motor vehicles for transportation of money for or by a banking company or financial institution;d. Services of general insurance, repair and maintenance in respect of motor vehicles, vessels and aircraft on which credit is available; ande. Goods or services which are obligatory for an employer to provide to its employees, under any law for the time being in force.10. In case the recipient fails to pay the due amount to the supplier within 180 days from the date of issue of invoice, the ITC availed by the recipient will be reversed, but liability to pay interest is being
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	<p>done away with.</p> <ol style="list-style-type: none">11. Registered persons may issue consolidated credit/debit notes in respect of multiple invoices issued in a Financial Year.12. Amount of pre-deposit payable for filing of appeal before the Appellate Authority and the Appellate Tribunal to be capped at Rs. 25 Crores and Rs. 50 Crores, respectively.13. Commissioner to be empowered to extend the time limit for return of inputs and capital sent on job work, upto a period of 1 year and 2 years, respectively.14. Supply of services to qualify as exports, even if payment is received in Indian Rupees, where permitted by the RBI.15. Place of supply in case of job work of any treatment or process done on goods temporarily imported into India and then exported without putting them to any other use in India, to be outside India.16. Recovery can be made from distinct persons, even if present in different State/Union territories.17. The order of cross-utilisation of ITC is being rationalised.
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For any further clarifications on the subject, feel free to write us @ bcoakp@gmail.com.