

15th January 2019

GST UPDATE - 1/2019

Notifications

<p>Notification No. 01/2019 – Central Tax dated 15.01.2019</p>	<p>Amendment in definition of Supply of goods by a registered person against Advance Authorisation</p> <p>Conditions:-</p> <p>When exports have already been made after availing ITC on inputs used in manufacture of such exports, Goods so supplied shall be used in manufacture and supply of taxable goods (other than nil rated or fully exempted goods) and a certificate to this effect from a CA is submitted to the jurisdictional commissioner of GST or any other officer authorised by him within 6 months of such supply.</p> <p>No such certificate shall be required if input tax credit has not been availed on inputs used in manufacture of export goods</p>
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Press Release

<p>10.01.2019 - Recommendations made during 32nd Meeting of the GST Council held on 10th January, 2019</p>	<p>➔ Changes made by GST Amendment Acts, 2018 would be notified w.e.f. 01.02.2019.</p> <p>➔ The last date for passing the examination for GST Practitioners to be extended till 31.12.2019 for those who register as GSTPs and are sales tax practitioners who have 5+ years of experience.</p>
<p>decisions taken by the GST Council in</p>	<p>• Increase in turnover limit for the existing composition scheme to Rs. 1.5 Crores wef 01.04.2019</p>

<p>the 32nd meeting held on 10.01.2019</p>	<ul style="list-style-type: none"> • Compliance simplification in case of composition taxpayers – 1 Annual Return + Quarterly Payment with simple declaration • Higher exemption threshold limit for supplier of goods from Rs. 20 Lakhs to Rs. 40 Lakhs. However, threshold exemption remains at Rs. 20 Lakhs • Composition scheme for services whose annual turnover in preceding financial year is upto Rs. 50 Lakhs to pay tax @ 6% (3% SGST + 3% CGST) • Free Accounting & billing software to be provided to small taxpayers • Matters referred to Group of Ministers – <ul style="list-style-type: none"> ➤ to examine the proposal of giving a composition scheme to boost the residential segment of the real estate sector. ➤ to examine the GST rate structure on lotteries.
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Circulars from 01.01.2019 to 15.01.2019

<p>Circular No. 82/01/2019 – GST dated 01.01.2019</p>	<p>Applicability of GST on various programmes conducted by the Indian Institutes of Managements (IIMs)</p> <p>For the period 01.01.2017 to 30.01.2018, IIMs are not covered under definition ‘Educational Institution’ and thus they are not covered under exemption.</p> <p>W.e.f 31.01.2018,</p>				
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Type of Programme</th> <th style="text-align: center;">Effect of GST</th> </tr> </thead> <tbody> <tr> <td>All long duration programs (1 year or more) conferring degree/ diploma as</td> <td>Exempt from GST</td> </tr> </tbody> </table>	Type of Programme	Effect of GST	All long duration programs (1 year or more) conferring degree/ diploma as	Exempt from GST
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	<p>recommended by Board of Governors as per the power vested in them under the IIM Act, 2017 including 1 year Post Graduate Programs for Executives.</p>	
	<p>All short duration executive development programs or need based specially designed programs (less than 1 year) which are not a qualification recognized by law.</p>	<p>Not Exempt from GST</p>
<p>Circular No. 83/02/2019 – GST dated 01.01.2019</p>	<p>Applicability of GST on Asian Development Bank (ADB) and International Finance Corporation (IFC)</p> <p>In the case of M/s Coastal Gujarat Power Ltd. has held that when the enactments that honour international agreements specifically immunize the operations of the service provider from taxability, a law contrary to that in the form of Section 66A of Finance Act, 1994 will not prevail. With the provider being not only immune from taxation but also absolved of any obligation to collect and deposit any tax, there is no scope for subjecting the recipient to tax. There is no need for a separate exemption and existing laws enacted by the sovereign legislature of the Union suffice for the purpose of giving effect to Agreements.</p> <p>Hence, it is clarified that the services provided by IFC and ADB are exempt from GST in terms of provisions of IFC Act, 1958 and ADB Act.</p>	

<p>Circular No. 84/03/2019 – GST dated 01.01.2019</p>	<p>Clarification on issue of classification of service of printing of pictures covered under 998386</p> <p>It is clarified that service of “printing of pictures” falls under service code “998386: Photographic and videographic processing services” and not under “998912: Printing and reproduction services of recorded media, on a fee or contract basis”. Hence, taxed @ 18%</p>
<p>Circular No. 85/04/2019 – GST dated 01.01.2019</p>	<p>Clarification on GST rate applicable on supply of food and beverage services by educational institution</p> <p>Sl. No. 66 (a) of Notification No. 12/2017-Central Tax (Rate) exempts services provided by an educational institution to its students, faculty and staff. Hence, supply of food and beverage services by educational institution.</p> <p>However, such supply of food and beverages by any person other than the educational institutions based on a contractual arrangement with such institution is leviable to GST@ 5%.</p>
<p>Circular No. 86/05/2019 – GST dated 01.01.2019</p>	<p>GST on Services of Business Facilitator (BF) or a Business Correspondent (BC) to Banking Company</p> <p><u>Clarification on value of services by BF/BC to a banking company</u></p> <p>All agreements/ contracts with the customer shall clearly specify that the bank is responsible to the customer for acts of omission and commission of the Business Facilitator/Correspondent.</p> <p>Banking company is the service provider in the business facilitator model or the business correspondent model operated by a banking company as per RBI guidelines. The banking company is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via business facilitator or the business correspondent.</p>

	<p><u>Clarification on the scope of services by BF/BC to a banking company with respect to accounts in rural areas</u></p> <p>Conditions are that the services provided by a BF/BC to a banking company in their respective individual capacities should fall under the Heading 9971 and that such services should be with respect to accounts in a branch located in the rural area of the banking company. The procedure for classification of branch of a bank as located in rural area and the services which can be provided by BF/BC, is governed by the RBI guidelines.</p>
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For any further clarifications on the subject, feel free to write us @ bcoakp@gmail.com.