

CGST BILL as introduced in the Lok Sabha- Major Changes

-Indirect Taxes Committee

S.No.	Topic	Revised Model GST Law	CGST Bill as introduced in Lok sabha
1.	Short title, Extent & Commencement	It extends to the whole of India / State's name.	It extends to the whole of India except the State of Jammu and Kashmir
2.	Agriculture	Defined under Section 2(7)	Removed from CGST Bill
3.	Agriculturist	A person who cultivates land personally, for the purpose of agriculture	An individual or a Hindu Undivided Family who undertakes cultivation of land— (a) by own labour, or (b) by the labour of family, or (c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family
4.	Appellate Authority	Section 2(8) new definition inserted An authority appointed or authorized to hear appeals as referred to in section 107.	
5.	Existing law	Section 2(48) new definition inserted 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.	Family	Section 2(49) new definition inserted i. the spouse and children of the person, ii. the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person	
7.	India	Section 2(56) new definition inserted The territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and the air space above its territory and territorial waters	
8.	Manufacture	The meaning assigned to it by the Central Excise Act, 1944 (1 of 1944)	The processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly
9.	Non-taxable supply	Section 2(78) new definition inserted A supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act	
10.	Union territory	Section 2(114) new definition inserted The territory of— (a) the Andaman and Nicobar Islands; (b) Lakshadweep; (c) Dadra and Nagar Haveli; (d) Daman and Diu (e) Chandigarh; and (f) other territory. Explanation. — For the purposes of this Act, each of the territories	

		specified in sub-clauses (a) to (f) shall be considered to be a separate Union territory.
11.	Voucher	<p>Section 2(118) new definition inserted</p> <p>An instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both and where the goods or services or both to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument.</p>
12.	Levy and collection	<p>There shall be levied a tax called the Central/State Goods and Services Tax (CGST/SGST) on all intra-State supplies of goods and/or services on the value determined under section 15 and at such rates as may be notified by the Central/State Government in this behalf, but not exceeding 14 %, on the recommendation of the Council and collected in such manner as may be prescribed.</p> <p>Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services 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 and at such rates, not exceeding 20%, as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person</p> <p>The central 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 Government on the recommendations of the Council</p> <p>The central 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.</p>
13.	Composition Scheme	<p>Notwithstanding anything to the contrary contained in the Act but subject to subsection (3) of section 8, on the recommendation of the Council, the proper officer of the Central or a State Government may, subject to such conditions and restrictions as may be prescribed, permit a registered taxable person, whose aggregate turnover in the</p> <p>Notwithstanding anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year did not exceed Rs 50 lakh, may opt to pay, in lieu of the tax payable by him, an amount calculated at such rate as may be prescribed, but not exceeding, —</p>

		preceding financial year did not exceed Rs 50 lakh , to pay, in lieu of the tax payable by him, an amount calculated at such rate as may be prescribed, but not less than 2.5% in case of a manufacturer and 1% in any other case, of the turnover in a State during the year.	<p>(a) 1% of the turnover in State or turnover in Union territory in case of a manufacturer,</p> <p>(b) 2.5% of the turnover in State or turnover in Union territory in case of persons engaged in making supplies of goods being food and drink or service other than alcoholic liquor.</p> <p>(c) 0.5% of the turnover in State or turnover in Union territory in case of other suppliers, subject to such conditions and restrictions as may be prescribed.</p> <p>Provided that the Government may, by notification, increase the said limit of Rs 50 lakh to such higher amount, not exceeding Rs 1 crore, as may be recommended by the Council</p>
14.	Time of supply of goods	<u>New Sub clause (6) of Section 12 inserted</u> The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.	
15.	Time of supply of services	The time of supply of services shall be the earlier of the following dates, namely: - (a) the date of issue of invoice by the supplier or the last date on which he is required, under section 28, to issue the invoice with respect to the supply; or (b) the date on which the supplier receives the payment with respect to the supply	The time of supply of services shall be the earliest of the following dates, namely: — (a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or (b) the date of provision of service, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or (c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply: The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration

			shall be the date on which the supplier receives such addition in value.
16.	Related persons	<p>(a) they are officers or directors of one another's businesses;</p> <p>(b) they are legally recognized partners in business;</p> <p>(c) they are employer and employee;</p> <p>(d) any person directly or indirectly owns, controls or holds 25% or more of the outstanding voting stock or shares of both of them;</p> <p>(e) one of them directly or indirectly controls the other;</p> <p>(f) both of them are directly or indirectly controlled by a third person;</p> <p>(g) together they directly or indirectly control a third person; or</p> <p>(h) they are members of the same family</p>	<p>(i) such persons are officers or directors of one another's businesses;</p> <p>(ii) such persons are legally recognised partners in business;</p> <p>(iii) such persons are employer and employee;</p> <p>(iv) any person directly or indirectly owns, controls or holds 25% or more of the outstanding voting stock or shares of both of them;</p> <p>(v) one of them directly or indirectly controls the other;</p> <p>(vi) both of them are directly or indirectly controlled by a third person;</p> <p>(vii) together they directly or indirectly control a third person; or they are members of the same family;</p> <p>(b) the term "person" also includes legal persons;</p> <p>(c) persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be related.</p>
17.	Eligibility and conditions for taking input tax credit	<p>Where a recipient fails to pay to the supplier of services, the amount towards the value of supply of services along with tax payable thereon within a period of 3 months 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, in the manner as may be prescribed</p>	<p>Where a recipient fails to pay to the <u>supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis</u>, the amount towards the value of supply along with tax payable thereon within a <u>period of 180 days</u> 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, in such manner as may be prescribed.</p> <p>Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon.</p>
18.	Apportionment of credit and blocked credits	<p>Exempt supplies shall include supplies on which recipient is liable to pay tax on reverse charge basis under subsection (3) of section 8.</p>	<p>The value of exempt supply under subsection (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on</p>

		<p>No Input Tax on rent-a-cab, life insurance and health insurance except where the Government notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force.</p> <p>Plant and Machinery’ means apparatus, equipment, machinery, pipelines, telecommunication tower fixed to earth by foundation or structural support that are used for making outward supply and includes such foundation and structural supports but excludes land, building or any other civil structures.</p>	<p>reverse charge basis, <u>transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.</u></p> <p>No Input Tax on rent-a-cab, life insurance and health insurance except where — (A) the Government notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force; or (B) such inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as part of a taxable composite or mixed supply;</p> <p>The expression “plant and machinery” means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes— (i) land, building or any other civil structures; (ii) telecommunication towers; and (iii) pipelines laid outside the factory premises.</p> <p>Note : Earlier Credit on Telecommunication towers and pipelines were allowed in RMGL on which credit now has been denied.</p>
19.	Procedure for registration	An explanation has been inserted in section 25(1) Explanation —Every person who makes a supply from the territorial waters of India shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate base line is located.	
20.	Tax Invoice, Credit And Debit Notes	Central/State Government may, on the recommendation of the Council, by notification, specify the categories of services in respect of which any other document issued in relation to the supply shall be deemed to be a tax invoice, subject to such conditions and limitations as may be prescribed.	Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which tax invoice may not be issued

		<p>PROVIDED that the registered taxable person may not issue a bill of supply if the value of the goods or services supplied is less than Rs 100 except where the recipient of the goods or services requires such bill</p>	<p>A registered person may not issue a tax invoice/bill of supply if the value of the goods or services or both supplied is less than Rs 200 subject to such conditions and in such manner as may be prescribed;</p> <p>Where, on receipt of advance payment with respect to any supply of goods or services or both the registered person issues a receipt voucher, but subsequently no supply is made and no tax invoice is issued in pursuance thereof, the said registered person may issue to the person who had made the payment, a refund voucher against such payment</p>
21.	Period of retention of accounts	<p>Every registered taxable person required to keep and maintain books of account or other records under sub-section (1) of section 53 shall retain them until the expiry of 60 months from the due date of filing of Annual Return for the year pertaining to such accounts and records.</p>	<p>Every registered person required to keep and maintain books of account or other records in accordance with the provisions of sub-section (1) of section 35 shall retain them until the expiry of 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records</p>
22.	Furnishing of returns	<p><u>New sub-clause 10 in section 39 inserted</u> A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him.</p>	
23.	Goods and services tax practitioners	<p><u>Section 43: Tax Return Preparers</u></p> <p>(1) The appropriate Government may, by rules, prescribe the manner of approval of Tax Return Preparers, their eligibility conditions, duties and obligations, manner of removal and such other conditions as may be relevant for their functioning as a Tax Return Preparer.</p> <p>(2) A registered taxable person may, in the manner prescribed, authorise an approved Tax Return Preparer to furnish the details of outward supplies under section 32, the details of inward supplies under section 33 and the return under section 34, 39 or section 40, as the case may be, and such other tasks as may be prescribed.</p> <p>(3) Notwithstanding anything contained in sub-section (2), the</p>	<p>(1) The manner of approval of goods and services tax practitioners, their eligibility conditions, duties and obligations, manner of removal and other conditions relevant for their functioning shall be such as may be prescribed.</p> <p>(2) A registered person may authorise an approved goods and services tax practitioner to furnish the details of outward supplies under section 37, the details of inward supplies under section 38 and the return under section 39 or section 44 or section 45 in such manner as may be prescribed.</p> <p>(3) Notwithstanding anything contained in sub-section (2), the responsibility for correctness of any particulars furnished in the return or other details filed by the goods and services tax practitioners shall continue to rest with the registered person on whose behalf such return and details are furnished.</p>

		responsibility for correctness of any particulars furnished in the return and/or other details filed by the Tax Return Preparer shall continue to rest with the registered taxable person on whose behalf such return and details are filed.	
24.	Interest on delayed payment of tax	<p>(1) Every person liable to pay tax in accordance with the provisions of the Act or rules made thereunder, who fails to pay the tax or any part thereof to the account of the Central or a State Government within the period prescribed, shall, on his own, for the period for which the tax or any part thereof remains unpaid, pay interest at such rate as may be notified, on the recommendation of the Council, by the Central or a State Government.</p> <p>(2) The interest under sub-section (1) shall be calculated from the first day on which such tax was due to be paid.</p> <p>(3) In case a taxable person makes an undue or excess claim of input tax credit under sub-section (10) of section 37 or undue or excess reduction in output tax liability under sub-section (10) of section 38, he shall be liable to pay interest on such undue or excess claim or on such undue or excess reduction, as the case may be, at the prescribed rate for the period computed in the manner prescribed</p>	<p>(1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding 18%, as may be notified by the Government on the recommendations of the Council.</p> <p>(2) The interest under sub-section (1) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.</p> <p>(3) A taxable person who makes an undue or excess claim of input tax credit under subsection (10) of section 42 or undue or excess reduction in output tax liability under subsection (10) of section 43, shall pay interest on such undue or excess claim or on such undue or excess reduction, as the case may be, at such rate not exceeding 24%, as may be notified by the Government on the recommendations of the Council</p>
25.	Tax deduction at source	<p>(1) Notwithstanding anything contained to the contrary in this Act, the Central or a State Government may mandate, -</p> <p>(a) a department or establishment of the Central or State Government, or</p> <p>(b) Local authority, or</p> <p>(c) Governmental agencies, or</p> <p>(d) such persons or category of persons as may be notified, by the Central or a State Government on the recommendations of the Council, [hereinafter referred to in this section as “the deductor”], to deduct tax at the rate of 1% from the</p>	<p>(1) Notwithstanding anything to the contrary contained in this Act, the Government may mandate, —</p> <p>(a) a department or establishment of the Central Government or State Government; or</p> <p>(b) local authority; or</p> <p>(c) Governmental agencies; or</p> <p>(d) such persons or category of persons as may be notified by the Government on the recommendations of the Council,</p> <p>(hereafter in this section referred to as “the deductor”), to deduct tax at the rate of 1%. from the payment made or</p>

		<p>payment made or credited to the supplier hereinafter referred to in this section as “the deductee”] of taxable goods and/or services, notified by the Central or a State Government on the recommendations of the Council, where the total value of such supply, under a contract, exceeds Rs 5 lakh.</p>	<p>credited to the supplier (hereafter in this section referred to as “the deductee”) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds Rs 2.5 lakhs:</p> <p>Provided that no deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory which is different from the State or as the case may be, Union territory of registration of the recipient.</p>
26.	Collection of tax at source		<p>Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the 31st day of December following the end of such financial year.</p> <p>If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50:</p> <p>Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.</p>

27.	Refund of Tax	<p>No refund of unutilized input tax credit shall be allowed in cases other than exports including zero rated supplies or in cases where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies, other than nil rated or fully exempt supplies.</p> <p>PROVIDED that where the amount claimed as refund is less than Rs 5 lac, it shall not be necessary for the applicant to furnish any documentary and other evidences and instead, he may file a declaration, based on the documentary or other evidences available with him, certifying that the incidence of such tax and interest had not been passed on to any other person.</p>	<p>No refund of unutilised input tax credit shall be allowed in cases other than—</p> <p>(i) zero rated supplies made without payment of tax; (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council:</p> <p>Provided further that no refund of unutilised input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty:</p> <p>Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies.</p> <p>Where the amount claimed as refund is less than Rs 2 lakh, it shall not be necessary for the applicant to furnish any documentary and other evidences but he may file a declaration, based on the documentary or other evidences available with him, certifying that the incidence of such tax and interest had not been passed on to any other person.</p>
28.	Interest on delayed refunds	<p>If any tax ordered to be refunded under section 48 to any applicant is not refunded within 60 days from the date of receipt of application under sub-section (1) of that section, interest at such rate as may be specified in the notification issued by the Central or a State Government on the recommendation of the Council shall be payable in respect of such refund from the date immediately after the expiry of 60 days from the</p>	<p>If any tax ordered to be refunded under sub-section (5) of section 54 to any applicant is not refunded within sixty days from the date of receipt of application under subsection (1) of that section, interest at such rate not exceeding 6%, as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of 60 days from the date of receipt of</p>

		<p>date of receipt of application under the said sub-section till the date of refund of such tax.</p>	<p>application under the said sub-section till the date of refund of such tax:</p> <p>Provided that where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or court which has attained finality and the same is not refunded within 60 days from the date of receipt of application filed consequent to such order, interest at such rate not exceeding 9%. as may be notified by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of 60 days from the date of receipt of application till the date of refund.</p>
29.	<p>Provisional assessment.</p>	<p>Section 58 The payment of tax on provisional basis may be allowed, if the taxable person executes a bond in such form as may be prescribed in this behalf, and with such surety or security as the proper officer may deem fit, binding the taxable person for payment of the difference between the amount of tax as may be finally assessed and the amount of tax provisionally assessed.</p> <p>(3)The proper officer shall, within a period not exceeding 6 months from the date of the communication of the order issued under sub-section (1), pass the final assessment order after taking into account such information as may be required for finalizing the assessment:</p> <p>PROVIDED that the period specified in this sub-section may, on sufficient cause being shown and for reasons to be recorded in writing, be extended by the Joint/Additional Commissioner for a further period not exceeding 6 months and by the Commissioner for such further period as he may deem fit.</p>	<p>Section 60. (1) Subject to the provisions of sub-section (2), where the taxable person is unable to determine the value of goods or services or both or determine the rate of tax applicable thereto, he may request the proper officer in writing giving reasons for payment of tax on a provisional basis and the proper officer shall pass an order, within a period not later than 90 days from the date of receipt of such request, allowing payment of tax on provisional basis at such rate or on such value as may be specified by him.</p> <p>(3) The proper officer shall, within a period not exceeding 6 months from the date of the communication of the order issued under sub-section (1), pass the final assessment order after taking into account such information as may be required for finalizing the assessment:</p> <p>Provided that the period specified in this sub-section may, on sufficient cause being shown and for reasons to be recorded in writing, be extended by the Joint Commissioner or Additional Commissioner for a further period not exceeding 6 months and by</p>

			the Commissioner for such further period not exceeding 4 years.
30.	Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized for any reason other than fraud or any wilful misstatement or suppression of facts	<u>New Sub clause inserted in section 73</u> <i>(11)</i> Notwithstanding anything contained in sub-section (6) or sub-section (8), penalty under sub-section (9) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of 30 days from the due date of payment of such tax.	
31.	Appeals to Appellate Authority	<u>Insertion of New sub clause (7)</u> Where the appellant has paid the amount under sub-section (6), the recovery proceedings for the balance amount shall be deemed to be stayed.	
32.	Constitution of Appellate Tribunal and Benches thereof	<p>The Central Government shall on the recommendation of the GST Council constitute a National Goods and Services Tax Appellate Tribunal (hereinafter referred to as the Appellate Tribunal.)</p> <p>(2) The Appellate Tribunal shall be headed by a National President.</p> <p>(3) The Appellate Tribunal shall have one branch for each State, which shall be called as the State GST Tribunal.</p> <p>(4) Every State GST Tribunal will be headed by a State President.</p> <p>(5) Every State GST Tribunal shall consist of as many Members (Judicial), Members (Technical - CGST) and Members (Technical - SGST) as may be prescribed, to exercise the powers and discharge the functions conferred on the Appellate Tribunal by this Act.</p> <p>(6) The qualifications, eligibility conditions and the manner of selection and appointment of the National President, Members (Judicial) and the Member (Technical-CGST) shall be such as may be prescribed by the</p>	<p>(1) The Government shall, on the recommendations of the Council, by notification, constitute with effect from such date as may be specified therein, an Appellate Tribunal known as the Goods and Services Tax Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority.</p> <p>(2) The powers of the Appellate Tribunal shall be exercisable by the National Bench and Benches thereof (hereinafter in this Chapter referred to as “Regional Benches”), State Bench and Benches thereof (hereafter in this Chapter referred to as “Area Benches”).</p> <p>(3) The National Bench of the Appellate Tribunal shall be situated at New Delhi which shall be presided over by the President and shall consist of 1 Technical Member (Centre) and 1 Technical Member (State).</p> <p>(4) The Government shall, on the recommendations of the Council, by notification, constitute such number of Regional Benches as may be required and such Regional Benches shall</p>

		<p>Central Government on the recommendations of the Council.</p> <p>(7) The qualifications, eligibility conditions and the manner of selection and appointment of the State Presidents and the Members (Technical-SGST) shall be such as may be prescribed by the State Government, on the recommendations of the Council.</p> <p>(8) The National President and the State Presidents shall exercise such powers and discharge such functions as may be prescribed on the recommendations of the Council.</p> <p>(9) On ceasing to hold office, the National President, the State Presidents or other Members of the Appellate Tribunal shall not be entitled to appear, act or plead before the Appellate Tribunal.</p>	<p>consist of a Judicial Member, 1 Technical Member (Centre) and 1 Technical Member (State).</p> <p>(5) The National Bench or Regional Benches of the Appellate Tribunal shall have jurisdiction to hear appeals against the orders passed by the Appellate Authority or the Revisional Authority in the cases where one of the issues involved relates to the place of supply.</p> <p>(6) The Government shall, by notification, specify for each State or Union territory, a Bench of the Appellate Tribunal (hereafter in this Chapter, referred to as “State Bench”) for exercising the powers of the Appellate Tribunal within the concerned State or Union territory:</p> <p>(7) The State Bench or Area Benches shall have jurisdiction to hear appeals against the orders passed by the Appellate Authority or the Revisional Authority in the cases involving matters other than those referred to in sub-section (5).</p> <p>(8) The President and the State President shall, by general or special order, distribute the business or transfer cases among Regional Benches or, as the case may be, Area Benches in a State.</p> <p>(9) Each State Bench and Area Benches of the Appellate Tribunal shall consist of a Judicial Member, 1 Technical Member (Centre) and 1 Technical Member (State) and the State Government may designate the senior most Judicial Member in a State as the State President.</p> <p>(10) In the absence of a Member in any Bench due to vacancy or otherwise, any appeal may, with the approval of the President or, as the case may be, the State President, be heard by a Bench</p>
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			<p>of 2 Members: Provided that any appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined in any order appealed against, does not exceed Rs 5 lakhs and which does not involve any question of law may, with the approval of the President and subject to such conditions as may be prescribed on the recommendations of the Council, be heard by a bench consisting of a single member.</p> <p>(11) If the Members of the National Bench, Regional Benches, State Bench or Area Benches differ in opinion on any point or points, it shall be decided according to the opinion of the majority.</p> <p>(12) The Government, in consultation with the President may, for the administrative convenience, transfer— (a) any Judicial Member or a Member Technical (State) from 1 Bench to another Bench, whether National or Regional; or (b) any Member Technical (Centre) from 1 Bench to another Bench, whether National, Regional, State or Area.</p> <p>(13) The State Government, in consultation with the State President may, for the administrative convenience, transfer a Judicial Member or a Member Technical (State) from one Bench to another Bench within the State.</p> <p>(14) No act or proceedings of the Appellate Tribunal shall be questioned or shall be invalid merely on the ground of the existence of any vacancy or defect in the constitution of the Appellate Tribunal.</p>
33.	<p>President and Members of appellate Tribunal, their qualification, appointment,</p>	<p><u>New Section 110 inserted</u></p>	<p>(1) A person shall not be qualified for appointment as— (a) the President,(b) a Judicial Member,(c) a Technical Member (Centre),(d) a Technical Member (State) unless he satisfies the prescribed conditions mentioned in bill.</p>

	<p>conditions of service, etc</p>	<p>(2) The President and the Judicial Members of the National Bench and the Regional Benches shall be appointed by the Government after consultation with the Chief Justice of India or his nominee.</p> <p>(3) The Technical Member (Centre) and Technical Member (State) of the National Bench and Regional Benches shall be appointed by the Government on the recommendations of a Selection Committee consisting of such persons and in such manner as may be prescribed.</p> <p>(4) The Judicial Member of the State Bench or Area Benches shall be appointed by the State Government after consultation with the Chief Justice of the High Court of the State or his nominee.</p> <p>(5) The Technical Member (Centre) of the State Bench or Area Benches shall be appointed by the Central Government and Technical Member (State) of the State Bench or Area Benches shall be appointed by the State Government in such manner as may be prescribed.</p> <p>(6) No appointment of the Members of the Appellate Tribunal shall be invalid merely by the reason of any vacancy or defect in the constitution of the Selection Committee.</p> <p>(7) Before appointing any person as the President or Members of the Appellate Tribunal, the Central Government or, as the case may be, the State Government, shall satisfy itself that such person does not have any financial or other interests.</p> <p>(8) The salary, allowances and other terms and conditions of service of the President, State President and the Members of the Appellate Tribunal shall be such as may be prescribed.</p> <p>(9) The President of the Appellate Tribunal shall hold office for a term of 3 years from the date on which he enters upon his office, or until he attains the age of seventy years, whichever is earlier and shall be eligible for reappointment.</p> <p>(10) The Judicial Member of the Appellate Tribunal and the State President shall hold office for a term of 3 years from the date on which he enters upon his office, or until he attains the age of 65 years, whichever is earlier and shall be eligible for reappointment.</p> <p>(11) The Technical Member (Centre) or Technical Member (State) of the Appellate Tribunal shall hold office for a term of 5 years from the date on which he enters upon his office, or until he attains the age of 65 years, whichever is earlier and shall be eligible for reappointment.</p> <p>(12) The President, State President or any Member may, by notice in writing under his hand addressed to the Central Government or, as the case may be, the State Government resign from his office.</p> <p>(13) The Central Government may, after consultation with prescribed members, may remove from the office such President or Member, who adjudged an</p>
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		<p>insolvent; convicted of an offence, physically or mentally incapable, has acquired such financial interest, abused his position.</p> <p>(15) The Central Government, with the concurrence of the Chief Justice of India, may suspend from office, the President or a Judicial or Technical Members of the National Bench or the Regional Benches or the Technical Member (Centre) of the State Bench or Area Benches in respect of whom a reference has been made to the Judge of the Supreme Court under sub-section (14).</p> <p>(16) The State Government, with the concurrence of the Chief Justice of the High Court, may suspend from office, a Judicial Member or Technical Member (State) of the State Bench or Area Benches in respect of whom a reference has been made to the Judge of the High Court under sub-section (14).</p> <p>(17) The President, State President or other Members, on ceasing to hold their office, shall not be eligible to appear, act or plead before the National Bench and the Regional Benches or the State Bench and the Area Benches thereof where he was the President or, as the case may be, a Member.</p>	
34.	Appeals to Appellate Tribunal	<p>Section 102 The Appellate Tribunal may, in its discretion, refuse to admit any such appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined by such order, does not exceed Rs 1 lakh.</p>	<p>Section 112 The Appellate Tribunal may, in its discretion, refuse to admit any such appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined by such order, does not exceed Rs 50,000.</p>
35.	Pre- deposit amount in case of Appeal to Appellate Tribunal	<p>No appeal shall be filed under sub-section (1) unless the appellant has deposited –</p> <p>(i) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and</p> <p>(ii) a sum equal to 10% of the remaining amount of tax in dispute, in addition to the amount deposited under sub-section (6) of the section 98, arising from the said order, in relation to which the appeal has been filed</p>	<p>No appeal shall be filed under sub-section (1), unless the appellant has paid—</p> <p>(i) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and</p> <p>(ii) a sum equal to 20% of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of section 107, arising from the said order, in relation to which the appeal has been filed.</p>
36.	Financial and administrative powers of President.	<p>New Section 114 inserted The President shall exercise such financial and administrative powers over the National Bench and Regional Benches of the Appellate Tribunal as may be prescribed: Provided that the President shall have the authority to delegate such of his financial and administrative powers as he may think fit to any other Member or any officer of the National Bench and Regional Benches, subject to the condition that such Member or officer shall, while exercising such delegated powers, continue to act under the direction, control and supervision of the President.</p>	

37.	Penalty for Certain Offences	<p><u>New sub-clause (b) in clause 2 of section 122 inserted</u> (b) for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to Rs 10,000 or the tax due from such person, whichever is higher.</p>	
38.	Penalty for failure to furnish information return.	<p><u>New Section 123 inserted</u> 123. If a person who is required to furnish an information return under section 150 fails to do so within the period specified in the notice issued under sub-section (3) thereof, the proper officer may direct that such person shall be liable to pay a penalty of Rs 100 for each day of the period during which the failure to furnish such return continues: Provided that the penalty imposed under this section shall not exceed Rs 5,000.</p>	
39.	Fine for failure to Furnish statistics.	<p><u>New Section 124 inserted</u> If any person required to furnish any information or return under section 151,— (a) without reasonable cause fails to furnish such information or return as may be required under that section, or (b) wilfully furnishes or causes to furnish any information or return which he knows to be false, he shall be punishable with a fine which may extend to Rs 10,000 and in case of a continuing offence to a further fine which may extend to Rs 100 for each day after the first day during which the offence continues subject to a maximum limit of Rs 25,000.</p>	
40.	Power to waive penalty or fee or both.	<p><u>New Section 128 inserted</u> The Government may, by notification, waive in part or full, any penalty referred to in section 122 or section 123 or section 125 or any late fee referred to in section 47 for such class of taxpayers and under such mitigating circumstances as may be specified therein on the recommendations of the Council.</p>	
41.	Detention, seizure and release of goods and conveyances in transit.	<p>(a) on payment of the applicable tax and penalty equal to 100% of the tax payable on such goods, where the owner of the goods comes forward for payment of such tax and penalty;</p> <p>(b) on payment of the applicable tax and penalty equal to the 50% of the value of the goods reduced by the tax amount paid thereon, where the owner of the goods does not come forward for payment of such tax and penalty.</p> <p>(c) the proper officer detaining or seizing goods and/or conveyances shall issue a notice specifying the tax payable and thereafter, pass an order for payment of tax and penalty under clause (a) or (b), as the case may be.</p>	<p>(a) on payment of the applicable tax and penalty equal to 100% of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to 2% of the value of goods or Rs 25,000 whichever is less, where the owner of the goods comes forward for payment of such tax and penalty;</p> <p>(b) on payment of the applicable tax and penalty equal to the 50% of the value of the goods reduced by the tax amount paid thereon and, in case of exempted goods, on payment of an amount equal to 5% of the value of goods or Rs 25,000 whichever is less, where the owner of the goods does not come forward for payment of such tax and penalty;</p> <p><u>New Sub-clause Inserted</u> (c) upon furnishing a security equivalent to the amount payable</p>

			<p>under clause (a) or clause (b) in such form and manner as may be prescribed:</p> <p>Provided that no such goods or conveyance shall be detained or seized without serving an order of detention or seizure on the person transporting the goods.</p> <p>(2) The provisions of sub-section (6) of section 67 shall, <i>mutatis mutandis</i>, apply for detention and seizure of goods and conveyances.</p> <p>(3) The proper officer detaining or seizing goods or conveyances shall issue a notice specifying the tax and penalty payable and thereafter, pass an order for payment of tax and penalty under clause (a) or clause (b) or clause (c).</p> <p>(4) No tax, interest or penalty shall be determined under sub-section (3) without giving the person concerned an opportunity of being heard.</p>
42.	Confiscation or penalty not to interfere with other punishments.	No confiscation made or penalty imposed under the provisions of this Act or the rules made thereunder shall prevent the infliction of any other punishment to which the person affected thereby is liable under the provisions of this Act or under any other law.	Without prejudice to the provisions contained in the Code of Criminal Procedure, 1973 , no confiscation made or penalty imposed under the provisions of this Act or the rules made thereunder shall prevent the infliction of any other punishment to which the person affected thereby is liable under the provisions of this Act or under any other law for the time being in force.
43.	Punishment for certain offences.	RMGST Law	CGST Bill
	(i) In case tax amount evaded or input tax credit wrongly availed or utilized or wrongly taken of refund.	Exceeds Rs 250 lakhs with imprisonment for a term which may extend to 5 years and with fine	exceeds Rs 500 lakhs with imprisonment for a term which may extend to 5 years and with fine;
	(ii)	exceeds Rs 100 lakhs but does not exceed Rs 250 lakhs , with imprisonment for a term which may extend to 3 years and with fine	exceeds Rs 200 lakhs but does not exceed Rs 500 lakhs , with imprisonment for a term which may extend to 3 years and with fine

	(iii)	In the case of any other offence where tax amount evaded or input tax credit wrongly availed or utilized or wrongly taken of refund.	exceeds Rs 50 lakhs but does not exceed Rs 100 lakh , with imprisonment for a term which may extend to 1 year and with fine	exceeds Rs 100 lakh but does not exceed Rs 200 lakh , with imprisonment for a term which may extend to 1 year and with fine;
	(iv)		In cases where he commits or abets in the commission of an offence specified in clause (h), (k) or (l), with imprisonment for a term which may extend to six months and/or with fine;	In cases where he commits or abets the commission of an offence specified in clause (f) or clause (g) or clause (j), he shall be punishable with imprisonment for a term which may extend to 6 months or with fine or with both .
44.	Punishment for certain offences.	Section 92 (4) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), all offences under this Act, except the offences referred to in sub-section (4) shall be non-cognizable.	Section 132 (4) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act, except the offences referred to in sub-section (5) shall be non-cognizable and bailable .	
45.	Liability of officers and certain other persons.	New Section 133 inserted 133. Where any person engaged in connection with the collection of statistics under section 151 or compilation or computerization thereof or if any officer of central tax having access to information specified under sub-section (1) of section 150, or if any person engaged in connection with the provision of service on the common portal or the agent of common portal, willfully discloses any information or the contents of any return furnished under this Act or rules made thereunder otherwise than in execution of his duties under the said sections or for the purposes of prosecution for an offence under this Act or under any other Act for the time being in force, he shall be punishable with imprisonment for a term which may extend to 6 months or with fine which may extend to Rs 25,000 , or with both. (2) Any person— (a) who is a Government servant shall not be prosecuted for any offence under this section except with the previous sanction of the Government; (b) who is not a Government servant shall not be prosecuted for any offence under this section except with the previous sanction of the Commissioner.		
46.	Compounding of offences.	The amount for compounding of offences under this section shall be as may be prescribed under the rules to be made under sub-section (1), subject to the minimum amount not being less than Rs 10,000 or 50% of the tax involved, whichever is	(2) The amount for compounding of offences under this section shall be such as may be prescribed, subject to the minimum amount not being less than Rs 10,000 or 50% of the tax involved, whichever is higher, and the maximum	

		greater, and the maximum amount not being more than Rs 30,000 or 150% of the tax, whichever is greater.	amount not being less than Rs 30,000 or 150% of the tax, whichever is higher.
47.	Migration of existing taxpayers	<p>On the appointed day, every person registered under any of the earlier laws and having a valid PAN shall be issued a certificate of registration on a provisional basis in such form and manner as may be prescribed.</p> <p>(2) The certificate of registration issued under sub-section (1) shall be valid for a period of six months from the date of its issue:</p> <p>PROVIDED that the said validity period may be extended for such further period as the Central/State Government may, on the recommendation of the Council, notify.</p>	<p>(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.</p> <p>(2) The final certificate of registration shall be granted in such form and manner and subject to such conditions as may be prescribed.</p> <p>(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.</p>
48.	Transitional arrangements for input tax credit	<p>A registered taxable person, other than a person opting to pay tax under section 9, shall be entitled to take, in his electronic credit ledger, the amount of cenvat credit carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished, by him under the earlier law in such manner as may be prescribed:</p> <p>PROVIDED that the registered taxable person shall not be allowed to take credit unless the said amount is admissible as input tax credit under this Act.</p>	<p>A registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electronic credit ledger, the amount of CENVAT credit carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law in such manner as may be prescribed:</p> <p>Provided that the registered person shall not be allowed to take credit in the following circumstances, namely: —</p> <p>(i) where the said amount of credit is not admissible as input tax credit under this Act; or</p> <p>(ii) where he has not furnished all the returns required under the existing law for the period of 6 months</p>

			immediately preceding the appointed date; or (iii) where the said amount of credit relates to goods manufactured and cleared under such exemption notifications as are notified by the Government
49.	Common Portal	The common GST electronic portal approved by the Central Government and State Governments, on the recommendation of the Council, for the specified purposes, as may be notified under this Act	The Government may, on the recommendations of the Council, notify the Common Goods and Services Tax Electronic Portal for facilitating registration, payment of tax, furnishing of returns, computation and settlement of integrated tax, electronic way bill and for carrying out such other functions and for such purposes as may be prescribed.
50.	Activities to be treated as supply even if made without consideration	Supply of goods or services between related persons, or between distinct persons as specified in section 10, when made in the course or furtherance of business.	Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business Provided that gifts not exceeding Rs 50,000 in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.
51.	Activities or transactions which shall be treated neither as a supply of goods nor a supply of services	4. Services by a foreign diplomatic mission located in India.	5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building. 6. Actionable claims, other than lottery, betting and gambling.

IGST BILL as introduced in the Lok Sabha- Major Changes

S.No.	Heading	Revised Model IGST Law	IGST Bill
1	Section 1	Section 1 - Short title, extent and commencement - It shall extend to the whole of India	Section 1 - Short title, extent and commencement - It shall extend to the whole of India except the State of Jammu and Kashmir.

2	Definition	<p>New Definition Section 2 (3) inserted</p> <p>“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.</p> <p>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;</p>	
3	Levy And Collection Of Tax	<p>Section 5 (1) There shall be levied a tax called the Integrated Goods and Services Tax on all supplies of goods and/or services made in the course of inter-State trade or commerce on the value determined under section 15 of CGST Act, 2016 and at such rates as may be notified by the Central Government in this behalf, but not exceeding 28 %, on the recommendation of Council and collected in such manner as may be prescribed and shall be paid by every taxable person in accordance with the provisions of this Act.</p> <p>PROVIDED that the Integrated Goods and Services Tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 (51 of 1975) at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962 (52 of 1962), on a value as determined under the first mentioned Act.</p>	<p>Section 5 (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the integrated goods and services tax on all inter-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 40%, as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person:</p> <p>(1) Provided that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of 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.</p> <p>(2) The integrated 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</p>

			with effect from such date as may be notified by the Government on the recommendations of the Council.
4	Inter-State supply	<p>Section 3 Supplies of goods and/or services in the course of inter-State trade or commerce</p> <p>(1) Subject to the provisions of section 7, supply of goods in the course of inter-State trade or commerce means any supply where the location of the supplier and the place of supply are in different States.</p> <p>(2) Subject to the provisions of section 9, supply of services in the course of inter-State trade or commerce means any supply where the location of the supplier and the place of supply are in different States.</p> <p>(3) Supply of goods in the course of import into the territory of India till they cross the customs frontiers of India shall be deemed to be a supply of goods in the course of inter-State trade or commerce.</p> <p>(4) Supply of services in the course of import into the territory of India shall be deemed to be a supply of services in the course of inter-State trade or commerce.</p> <p>(5) Supply of goods and/or services, when the supplier is located in India and the place of supply is outside India, shall be deemed to be a supply of goods and/or services in the course of inter-State trade or commerce.</p> <p>(6) Supply of goods and/ or services to or by a SEZ developer or an SEZ unit, shall be deemed to be a supply</p>	<p>Section 7 (1) Subject to the provisions of section 10, supply of goods, where the location of 45 the supplier and the place of supply are in—</p> <p>(a) two different States;</p> <p>(b) two different Union territories; or</p> <p>(c) a State and a Union territory,</p> <p>shall be treated as a supply of goods in the course of inter-State trade or commerce.</p> <p>(2) Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.</p> <p>(2) Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.</p> <p>(3) Subject to the provisions of section 12, supply of services, where the location of the supplier and the place of supply are in—</p> <p>(a) two different States;</p>

		<p>of goods and/or services in the course of inter-State trade or commerce.</p> <p>(7) Any supply of goods and/or services in the taxable territory, not being an intra-State supply and not covered elsewhere in this section, shall be deemed to be a supply of goods and/or services in the course of inter-State trade or commerce.</p>	<p>(b) two different Union territories; or</p> <p>(c) a State and a Union territory,</p> <p>shall be treated as a supply of services in the course of inter-State trade or commerce.</p> <p>(4) Supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter-State trade or commerce.</p> <p>(5) Supply of goods or services or both,—</p> <p>(a) when the supplier is located in India and the place of supply is outside India;</p> <p>(b) to or by a Special Economic Zone developer or a Special Economic Zone unit; or</p> <p>(c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section, shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.</p>
5	Intra-State supply	<p>Section 4 Supplies of goods and/or services in the course of intra-State trade or commerce</p> <p>(1) Subject to the provisions of section 7, intra-State supply of goods means any supply of goods where the location of the supplier and the place of supply are in the same State:</p> <p style="text-align: center;">PROVIDED that the intra-State supply of goods shall not include:</p>	<p>Section 8 (1) Subject to the provisions of section 10, supply of goods where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply:</p> <p>Provided that the following supply of goods shall not be treated as intra-State supply, namely:—</p> <p>(i) supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;</p>

		<p>(i) supply of goods to or by a SEZ developer or to or by an SEZ unit;</p> <p>(ii) supply of goods brought into India in the course of import till they cross the customs frontiers of India.</p> <p>(2) Subject to the provisions of section 9, intra-State supply of services means any supply of services where the location of the supplier and the place of supply are in the same State:</p> <p>PROVIDED that the intra-State supply of services shall not include supply of services to or by a SEZ developer or to or by an SEZ unit.</p>	<p>(ii) goods imported into the territory of India till they cross the customs frontiers of India; or</p> <p>(iii) supplies made to a tourist referred to in section 15.</p> <p>(2) Subject to the provisions of section 12, 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:</p> <p>Provided that the 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.</p> <p>Explanation 1.—For the purposes of this Act, where a person has,—</p> <p>(i) an establishment in India and any other establishment outside India;</p> <p>(ii) an establishment in a State or Union territory and any other establishment outside that State; or</p> <p>(iii) an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory, then such establishments shall be treated as establishments of distinct persons.</p> <p>Explanation 2.—A person carrying on a business through a branch or an agency or a representational office in any territory shall be treated as having an establishment in that territory.</p>
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6	Supplies in Territorial Water	<p><u>New section 9 inserted</u></p> <p>Section 9 Notwithstanding anything contained in this Act,—</p> <p>(a) where the location of the supplier is in the territorial waters, the location of such supplier; or</p> <p>(b) where the place of supply is in the territorial waters, the place of supply,</p> <p>shall, for the purposes of this Act, be deemed to be in the coastal State or Union territory</p> <p>where the nearest point of the appropriate baseline is located.</p>	
7	Power to make rules	<p>Section 18 (1) The Central Government may, on the recommendation of the Council, by notification, make rules for carrying out the purposes of this Act.</p> <p>(2) In particular and without prejudice to the generality of the foregoing power, such rules may</p> <p>(a) provide for settlement of cases in accordance with Chapter XII of this Act;</p> <p>(b) provide for all or any of the matters which under any provision of this Act are required to be prescribed or to be provided for by rules.</p>	<p>Section 22. (1) The Government may, on the recommendations of the Council, by notification,</p> <p>make rules for carrying out the provisions of this Act.</p> <p>(2) Without prejudice to the generality of the provisions of sub-section (1), the</p> <p>Government may make rules for all or any of the matters which by this Act are required to</p> <p>be, or may be, prescribed or in respect of which provisions are to be or may be made by</p> <p>rules.</p> <p>(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.</p> <p>(4) Any rules made under sub-section (1) may provide that a contravention thereof</p>

			shall be liable to a penalty not exceeding Rs 10,000.
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