

GOODS & SERVICES TAX UPDATE – 2

CENTRAL GOODS & SERVICES TAX (CGST)

Amendments in CGST Rules, 2017 on Registration and Composition levy

Central Government vide [Notification No. 07/2017-Central Tax, dt. 27-06-2017](#) has amended the CGST Rules, 2017 as follows:

Rule No.	Existing Provision	Revised Provision	Impact
1 - Short title, Extent and Commencement	Short title, Extent and Commencement	in the heading, the word “Extent” shall be omitted	The Rules are generic and applicable to all hence extent is omitted
10(4) - Issue of registration certificate	Every certificate of registration shall be <u>digitally signed</u> by the proper officer under the Act	Every certificate of registration shall be <u>duly signed or verified through electronic verification code</u> by the proper officer under the Act	The mandate of digital signature has been removed and option of verification through electronic verification code is additionally provided. This is done to support smooth registration under GST as all the proper officers may or may not be in possession of digital signatures which may create a hassle for tax payers.
13(4) - Grant of registration to non-resident taxable person	The application for registration made by a non-resident taxable person shall be <u>signed</u> by his authorised signatory	The application for registration made by a non-resident taxable person shall be <u>duly signed or verified through electronic verification code</u> by his authorised signatory	This is done to support smooth registration under GST non-resident taxable person by giving an option to authorised signatory in this regard.
19(1) - Amendment of registration	Provided further that any change in the mobile number or e-mail address of the authorised signatory submitted under this rule, as amended from time to time, shall be carried out only after online verification through the common	Provided further that any change in the mobile number or e-mail address of the authorised signatory submitted under this rule, as amended from time to time, shall be carried out only after online verification through the	The amendment is made to provide correct reference. The manner of verification of mobile no. and email id is provided in Rule 8. The words “said rule” would have implied rule 19 itself thus creating interpretational issues,

	portal in the manner provided under the <u>said rule</u>	common portal in the manner provided under the <u>sub-rule (2) of rule 8</u>	
21(b) - Registration to be cancelled in certain cases	(b) Registration should be cancelled if the said person issues invoice or bill without supply of goods or services in violation of the provisions of this Act, or the rules made there under	Registration should be cancelled if the said person: (b) issues invoice or bill without supply of goods or services in violation of the provisions of the Act, or the rules made thereunder; or (c) violates the provisions of section 171 of the Act or the rules made thereunder	An additional condition for cancellation of registration is provided that if a registered person violates Anti-Profitteering measures as provided in Sec 171 his registration may be cancelled.
22(3) - Cancellation of registration	Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in FORM GST REG-19, within a period of thirty days from the date of application submitted under <u>sub-rule (1) of rule 20</u> or, as the case may be, the date of the reply to the show cause issued under sub-rule (1)	Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in FORM GST REG-19, within a period of thirty days from the date of application submitted <u>under rule 20</u> or, as the case may be, the date of the reply to the show cause issued under sub-rule (1)	There is no sub-rule 1 under Rule 20 hence the reference has been omitted.
24(1) 2 nd Proviso - Migration of persons registered under the existing law	Provided further that a person having centralized registration under the provisions of Chapter V of the Finance Act, 1994 shall be granted only one provisional registration in the State or Union territory in which he is registered under the existing law	Omitted	Omission of this proviso would enable an assessee having centralized registration under existing law to have multiple state provisional registration as against grant only one provisional registration in the State or Union territory in which he is registered under the existing law.
24(3A) - Migration of	New Sub-Rule inserted: (3A) Where a certificate of registration has not been made available to the		

persons registered under the existing law	applicant on the common portal within a period of fifteen days from the date of the furnishing of information and particulars referred to in clause (c) of sub-rule (2) and no notice has been issued under sub-rule (3) within the said period, the registration shall be deemed to have been granted and the said certificate of registration, duly signed or verified through electronic verification code, shall be made available to the registered person on the common portal		
26(3) – Method of Authentication	All notices, certificates and orders under the provisions of this Chapter shall be issued electronically by the proper officer or any other officer authorised to issue such notices or certificates or orders, through digital signature certificate <u>specified under the provisions of the Information Technology Act, 2000 (21 of 2000).</u>	All notices, certificates and orders under the provisions of this Chapter shall be issued electronically by the proper officer or any other officer authorised to issue such notices or certificates or orders, through digital signature certificate <u>or through e-signature as specified under the provisions of the Information Technology Act, 2000 (21 of 2000) or verified by any other mode of signature or verification as notified by the Board in this behalf.</u>	The proper officer has now been provided multiple means for electronic issue of notices certificates as against only digital signature certificate through: a) digital signature certificate b) e-signature as specified under the provisions of the Information Technology Act, 2000 c) any other mode of signature or verification as notified by the Board in this behalf
Form GST CMP-04 – Sr. No. 5	Category of Registered Person (iv) Manufacturers, other than manufacturers of such goods as may be notified by the Government (v) Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II (vi) Any other supplier eligible for composition levy.	Category of Registered Person (i) Manufacturers, other than manufacturers of such goods as may be notified by the Government (ii) Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II (iii) Any other supplier eligible for composition levy.	Wrong Numbering Corrected
GST CMP-07 (heading)	“[See rule 6(6)]”	“[See rule 6(5)]”	Reference to correct rules given
GST REG-12 (Order of Grant of Temporary Registration/	<<You are hereby directed to file application for proper registration within 30	<<You are hereby directed to file application for proper registration within 90	The limit to file application for proper registration as per Rule 16 is 90 days which was

Suo Moto Registration)	<u>days</u> of the issue of this order>>	<u>days</u> of the issue of this order>>	not updated in this form. The anomaly has now been corrected.
GST REG-25 (Certificate of Provisional Registration)	1. Provisional ID Place <State>	1. GSTIN Place <State> omitted	The change has been made to get the form at par with Rule 24(1)(b) which provides for incorporating GSTIN in Certificate of Provisional Registration.

[\[Notification No. 07/2017-Central Tax, dt. 27-06-2017\]](#)

Comment: To enable smooth transition and preparedness for GST w.e.f 1st July 2017.

Turnover Limit for Composition Levy for CGST revised

Central Government vide [Notification No. 08/2017-Central Tax, dt. 27-06-2017](#) has revised the turnover limit for Composition Levy from Rs. 50 lakhs to Rs. 75 lakhs. Thus, an eligible registered person, whose aggregate turnover in the preceding financial year did not exceed Rs. 75 lakh, may opt to pay, in lieu of the central tax payable by him, an amount calculated at the rate of, —

S. No.	Rate	Eligible Assessee
(i)	1% of the turnover in State	Manufacturer
(ii)	2.5% of the turnover in State	Supplier making a supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration
(iii)	0.5% of the turnover in State	In case of other supplies

However, for the following states turnover limit for composition levy will be Rs. 50 lakhs in the case of an eligible registered person:

Arunachal Pradesh	Assam
Manipur	Meghalaya
Mizoram	Nagaland
Sikkim	Tripura
Himachal Pradesh	

Further a person will not be eligible to opt for the composition scheme if he is involved in **manufacturing** of the following goods:

- i) Ice cream and other edible ice, whether or not containing cocoa
- ii) Pan masala
- iii) All goods, i.e. Tobacco and manufactured tobacco substitutes

Similar provision has also been issued under UTGST vide [Notification No. 2/2017-Union Territory Tax dt. 27-06-2017](#)

[\[Notification No. 08/2017-Central Tax, dt. 27-06-2017 & Notification No. 2/2017-Union Territory Tax dt. 27-06-2017\]](#)

Comment: The upward revision of turnover limit for composition levy to Rs. 75 lakhs will work in favour of small assesseees who may now get covered in the prescribed limit and avail the benefit of composition scheme.

Postponement of provision relating to TDS (Section 51) and TCS (Section 52) of the CGST / SGST Act 2017

With the objective of ensuring smooth rollout of GST and taking into account the feedback received from the trade and industry regarding the provisions of deduction of tax at Source under Section 51 of the CGST / SGST Act 2017 and collection of tax at source under Section 52 of the CGST / SGST Act 2017, the following has been decided:-

1. The provisions of Tax Deduction at Source (Section 51 of the CGST / SGST Act 2017) and Tax Collection at Source (Section 52 of the CGST/SGST Act, 2017) will be brought into force from a date which will be communicated later.
2. Persons who will be liable to deduct or collect tax at source will be required to take registration, but the liability to deduct or collect tax will arise from the date the respective sections are brought in force.
3. The persons who were liable to be registered under clause (ix) of Section 24 of the CGST / SGST Act, 2017 (as they were supplying goods or services through electronic commerce operator who is required to collect tax at source under Section 52) will not be liable to register till the provision of Tax Collection at Source is brought under force. In other words, persons supplying goods or services through electronic commerce operator liable to collect tax at source would not be required to obtain registration immediately, unless they are so liable under Section 22 or any other category specified under Section 24 of the CGST / SGST Act, 2017.

This step has been taken to provide more time for persons liable to deduct tax at source / E-Commerce Companies and their suppliers to prepare for the historic tax reform

[\[Source: pib.nic.in; Release ID 166896\]](#)

Advisory Issued by the GST POLICY WING DATED – 20th June 2017

- 1) Central Excise and Service taxpayers migrating to GST -
- a) Provisional ID which can't be used to migrate as they are showing 'RC cancelled', are being reactivated. Please use these to enroll on GST portal beginning 25 June. Once enrolled, you get three months to submit your registration form.

b) Migrating taxpayers can use enrolled provisional ID as their GSTIN for conducting their business from 01/07/2017 for 3 months without waiting for issue of certificate of registration (GSTIN).

c) Taxpayers who have obtained central excise and service tax registration in June 2017 would be issued provisional ID in the first week of July 2017.

2) Application for new registration under GST can be filed beginning from 25 June 2017. The application for registration can be submitted within a month of the date of liability to get registered. So, taxpayers liable for registration on July 1, 2017 can submit registration application till July 31, 2017 on GST portal. Therefore, there is ample time period for applying for fresh registration.

It is Important to Note:

Situation: RC is cancelled or Provisional ID is cancelled

Assessees who are not able to migrate to GST due to RC cancelled (PID cancelled) error are requested to share the below details.

Registration No	Provisional ID

Situation: PID is awaited or not available:

Assessees who are not having a provisional ID, share the following data for each state for which provisional ID is needed.

Registration No	PAN No.	Legal Name on PAN	Trade Name of Assesses	State

If you have already shared the above details at cbecmitra.helpdesk@icegate.gov.in, please wait for 10 days to get the issue resolved.

***Note:** Provisional ID will be made available on your ACES account. You can log in to see the Provisional ID and password. In addition to that, information will be sent to Zonal Chief Commissioner's office for further dissemination.*

SERVICE TAX

Service Tax Rules, 1994 amended to allow filing of return for the period from 01.04.2017 to 30.06.2017 by 15th August 2017

Central Government vide *Notification No. 18/2017-Service Tax, dated: June 22, 2017* has amended the Rule 7 (Service Tax Return) and & 7B (Revised Return) of the Service Tax Rules 1994 so as to provide that the service tax return for the period from 01.04.2017 to 30.06.2017 needs to be submitted by 15.08.2017.

[*Notification No. 18/2017-Service Tax, dated: June 22, 2017*]

Comment: Presently service tax returns need to be filed by 25th of the month following the half year completed i.e. 25th October for April- September and 25th April for October-March. With GST to be implemented from 1st July 2017 the service tax return for the period April- June 2017 will need to be submitted by 15th August 2017.

Source: www.cbec.gov.in

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Secretary

Indirect Taxes Committee

The Institute of Chartered Accountants of India

ICAI Bhawan A-29, Sector -62,

NOIDA (U.P.) India

Website: www.idtc.icai.org