

GOODS & SERVICES TAX UPDATE – 24

CENTRAL GOODS & SERVICES TAX

Clarification on movement of goods on approval basis

The Central Board of Excise & Customs vide [Circular No. F. No. 10/10/2017-GST dated 18th October, 2017](#) clarified that goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier to another place within the same State or to a place outside the State on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice once the supply is fructified.

It is further clarified that all such supplies, where the supplier carries goods from one State to another and supplies them in a different State, will be inter-state supplies and attract integrated tax in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017.

It is also clarified that this clarification would be applicable to all goods supplied under similar situations.

[\[Refer sub-rule \(1\) \(2\) & \(3\) of rule 55 of the Central Goods and Services Tax Rules, 2017\]](#)

Waiver of late fee on filing of GSTR-3B for August and September, 2017

In view of the difficulties being faced during the return filing process and in order to further facilitate taxpayers, the CBEC vide [Notification No. 50/2017 – Central Tax](#) waived the late fee on filing of GSTR- 3B for the months of August and September, 2017.

The necessary software changes are being carried out in the IT system. Electronic cash ledger of the taxpayers who have already paid the late fee on filing of GSTR-3B either for the month of August or September, 2017 or those who pay such fee before the necessary changes are carried out in the IT system will be credited with the amount of late fee so paid by them.

[\[Press Release dated 24th October, 2017 and Notification No. 50/2017 – Central Tax Dated 24th Oct, 2017\]](#)

Comment : Late fee was paid by the assessee from fee cash ledger, if it would be returned into the fees cash ledger it would not be available to set off against tax liability.

Authorized officer for enrollment of Goods and Services Tax Practitioner

The Central Board of Excise & Customs vide [Circular No. F. No. 349/75/2017-GST dated 18th October, 2017](#) clarified that Assistant Commissioner/Deputy Commissioner, having jurisdiction over the place as the officer authorized to approve or reject the said application for enrolment as Goods and Service Tax Practitioner submitted by applicant in FORM GST PCT-1 in terms of sub-section (1) of section 48 of the Central Goods and Services Tax Act, 2017 read with sub-rule (2) of rule 83 of the Central Goods and Service Tax Rules, 2017.

It is also clarified than the applicant shall be at liberty to choose either the Centre or the State as the enrolling authority. The choice will have to be specified by the applicant in Item 1 of Part B of FORM

GST PCT-1.

[\[Circular No. F. No. 349/75/2017-GST dated 18th October, 2017\]](#)

Clarification on taxability of printing contracts

The Central Board of Excise & Customs vide [Circular No. F. No. 354/263/2017-TRU dated 20th October 2017](#) clarifies the taxability of printing contracts e.g. books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc., printed with design, logo, name, address or other contents supplied by the recipient of such supplies.

Taxability in the case of printing of books, pamphlets, brochures, annual reports, and the like, **where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs** while the physical inputs including paper used for printing belong to the printer, supply of printing [of the content supplied by the recipient of supply] **is the principal supply** and therefore such supplies would constitute supply of service falling under heading 9989 of the scheme of classification of services.

Taxability in case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc. falling under Chapter 48 or 49, printed with design, logo etc. **supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content** [supplied by the recipient of supply] **is ancillary to the principal supply** of goods and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.

[\[Circular No. F. No. 354/263/2017-TRU dated 20th October 2017\]](#)

CBEC to Redistribute Cases in Jurisdictions to Reduce Pendency of Cases With Commissioners (Appeal)

In order to clear the pendency of cases as on 30th June 2017 before the Commissioners of Central Excise and Service Tax (Appeals), the CBEC will redistribute the cases pending in the jurisdiction of a Principal Chief/ Chief Commissioner of Central Excise and Service Tax, among other Commissioner rank officers posted in that jurisdiction.

[\[Press Release dated 17th October, 2017\]](#)

Reduction in GST Rate on Food preparations for free distribution to economically weaker sections

The Central Government vide [Notification No. 39/2017-Central Tax \(Rate\) dated 18th October, 2017](#) has notified the central tax rate @**2.5 %** on intra-State supplies of goods in case of food preparations which put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government with effect from 18th October, 2017.

When the supplier of such food preparations produces a certificate from an officer not below the rank

of the Deputy Secretary to the Government of India or the Deputy Secretary to the State Government or the Deputy Secretary in the Union Territory concerned to the effect that such food preparations have been distributed free to the economically weaker sections of the society under a programme duly approved by the Central / State Government concerned, within a period of **5 months** from the date of supply of such goods or within such further period as the Jurisdictional commissioner of the Central/ State/ Union Territory tax as the case maybe, may allow in this regard. Similar notification has been brought under **UTGST Act, 2017** vide [Notification No. 39/2017-Union Territory Tax \(Rate\) dated 18th October, 2017.](#)

[[Notification No. 39/2017-Central Tax \(Rate\) dated 18th October, 2017,](#) [Notification No. 39/2017-Union Territory Tax \(Rate\) dated 18th October, 2017\]](#)

IGST Rate in case Export on supply of taxable goods by a registered supplier to a registered recipient

W.e.f. 23rd October, 2017, The Central Government vide [Notification No. 40/2017-Central Tax \(Rate\) dated 23rd October, 2017](#) exempts the **intra-State supply and inter state supply** of taxable goods in excess of the amount calculated @**0.05 % and @ 0.1%** respectively by a registered supplier i.e Merchant Exporter to a registered recipient i.e Ultimate Exporter for export is subject to fulfilment of the following conditions namely:

- i. Supplier shall supply the goods to the Recipient on a **tax invoice**.
- ii. Recipient shall export the said goods within a period of **90 days** from the date of issue of a tax invoice by the Supplier.
- iii. Recipient shall indicate the **GSTIN** of the Supplier and the **tax invoice number** issued by the Supplier in respect of the said goods in the shipping bill or bill of export i.e Merchant exporter details should come in shipping bill.
- iv. Recipient shall be registered with an **Export Promotion Council** or a **Commodity Board** recognized by the Department of Commerce.
- v. Recipient shall place an order on Supplier for procuring goods at **concessional rate** and a copy of the same shall also be provided to the jurisdictional tax officer of the Supplier.
- vi. When goods have been exported, the Recipient shall provide copy of shipping bill or bill of export containing details of Goods and Services Tax Identification Number (GSTIN) and tax invoice of the Supplier along with proof of export general manifest or export report having been filed to the Supplier as well as jurisdictional tax officer of such supplier.

Further, the Supplier shall not be eligible for the above-mentioned exemption if the registered recipient fails to export the said goods within a period of **90 days** from the date of issue of tax invoice.

Similar notification has been brought under **UTGST Act, 2017** vide [Notification No. 40/2017-Union Territory Tax \(Rate\) dated 23rd October, 2017](#) and under **IGST Act, 2017** vide [Notification No. 41/2017--Integrated Tax \(Rate\) dated 23rd October, 2017.](#)

[[Notification no 40/2017- Central Tax \(Rate\) dated 23rd October, 2017,](#) [Notification No. 40/2017-Union Territory Tax \(Rate\) dated 23rd October, 2017,](#) [Notification No. 41/2017--Integrated Tax \(Rate\) dated 23rd October, 2017\]](#)

Amendment in CGST Rules

The Central Government vide [Notification No. 47/2017 – Central Tax dated 18th October, 2017](#) hereby makes the following rules further amend of the Central Goods and Services Tax Rules, 2017, namely:-

1. Earlier in 3rd proviso sub-rule (1) of rule 89 of CGST Rules, 2017 only recipient may file the application for claiming refund in case deemed exports supplies. Now supplierie. Merchant Exporter may also file application for claiming refund subject to condition as specified in notification. Central Government vide [Notification No. 47/2017 – Central Tax dated 18th October, 2017](#) substituted the 3rd proviso in the following manner namely: -

“Provided also that in respect of supplies regarded as deemed exports, the application may be filed by

- a. the recipient of deemed export supplies; or
- b. **the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund”**

2. In rule 96A, in sub-rule (1), in clause (a), after the words “after the expiry of three months”, the words “, or such further period as may be allowed by the Commissioner, “shall be inserted.

3. In FORM GST RFD-01, Cess column has been added appropriately.

[\[Notification No. 47/2017 – Central Tax dated 18th October, 2017\]](#)

Supplies as Deemed Exports

The Central Government vide [Notification No. 48/2017 – Central Tax dated 18th October, 2017](#) notified the following supplies of goods as deemed exports :-

1. Supply of goods by a registered person against Advance Authorisation.
2. Supply of capital goods by a registered person against Export Promotion Capital Goods Authorisation.
3. Supply of goods by a registered person to Export Oriented Unit.
4. Supply of gold by a bank or Public Sector Undertaking specified in the notification No. 50/2017-Customs, dated the 30th June, 2017 (as amended) against Advance Authorisation.

[\[Refer Notification No. 48/2017-Central tax dated 18th October, 2017\]](#)

Evidences for Claiming Refund under Deemed Export

The Central Government vide [Notification No. 49/2017 – Central Tax dated 18th October, 2017](#) notifies the following as evidences which are required to be produced by the supplier of deemed export supplies for claiming refund, namely:-

1. Acknowledgment by the jurisdictional Tax officer of the Advance Authorisation holder or Export Promotion Capital Goods Authorisation holder, as the case may be, that the said deemed export supplies have been received by the said holder, or a copy of the tax invoice under which such supplies have been made by the supplier, duly signed by the recipient Export Oriented Unit that said deemed export supplies have been received by it.
2. An undertaking by the recipient of deemed export supplies that no input tax credit on such supplies has been availed of by him.

3. An undertaking by the recipient of deemed export supplies that he shall not claim the refund in respect of such supplies and the supplier may claim the refund.

[[Notification No. 492017 – Central Tax dated 18th October, 2017](#)]

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