

# IDT Committee – ICAI

## TIME OF SUPPLY OF GOODS/SERVICE

[INCL. TRANSITIONAL PROVISIONS]

(18.01.2017)

# Time of Supply of Goods/Services

# Relevant Sections

## Section 2

- Section 2(30) – Continues Supply of Goods
- Section 2(31) – Continues Supply of Services
- Section 2(81) – Recipient
- Section 2(85) – Removal
- Section 2(87) – Reverse Charge
- Section 2(94) – Supplier
- Section 2(104) – Time of Supply of Goods
- Section 2(105) – Time of Supply of Services

## Section 12 – Time of Supply of Goods

## Section 13 – Time of Supply of Services

## Section 14 – Change in rate of Tax

## Section 28 – Tax Invoice



-: Section 12 :-  
**Time of Supply of Goods**

# Section 12 – Time of Supply of Goods

Normal  
(2)

- Earliest of the Following :
  - Date of issue of Invoice by the supplier; or
  - Last date on which he is required to issue the invoice with respect to supply; or
  - Date of receipt of the payment with respect to supply  
*If excess receive up to Rs. 1,000/, Time of supply at the option of supplier.*

# Supplier – Section 2(94)

“*supplier*” in relation to any goods and/or services shall mean the person supplying the said goods and/or services and shall include an agent acting as such on behalf of such supplier in relation to the goods and/or services supplied;

# Tax Invoice – Section 28 (1)

Invoice Shall be issued before or at the time of

Removal of Goods for Supply to the recipient, where movement is involved; or

Delivery of goods or making available, in any other case

# Recipient – Section 2 (81)

(a) where a consideration is payable for the supply of goods and/or services, the person who is liable to pay that consideration,

(b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available, and

(c) where no consideration is payable for the supply of a service, the person to whom the service is rendered,

and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply;

*Explanation.-* The expression “recipient” shall also include an agent acting as such on behalf of the recipient in relation to the goods and/or services supplied.



# Making Available

- Means goods are placed at the disposal of recipient
- Physically not capable of being moved – M/c embed to earth
- Supplied in assembled or installed form – Life
- Supplier to his agent or his principal

# Tax Invoice – Section 28 (4)

In case of Continuous supply of goods

Where successive statement of accounts or payment are involved, Invoice shall be issued before or at the time of issuance of each such statement or at the time of receipt of each such payment.

Where successive statement of accounts or payment are not involved

?

# Continuous supply of Goods – Section 2 (30)

“continuous supply of goods” means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis;

# Tax Invoice – Section 28 (4)

In case of *Continuous supply of goods*

Where successive statement of accounts or payment are involved, Invoice shall be issued before or at the time of issuance of each such statement or at the time of receipt of each such payment.

Where successive statement of accounts or payment are not involved

?

# Goods sent on approval – Section 28 (8)

In case of Goods sent on approval or sale or returned or similar terms.

Where goods are removed before it is known whether supply will take place.

Invoice shall be issued at the earliest of the following

6 months from the date of removal

Before or at the time when it becomes known that supply has taken place

# Section 12 – Time of Supply of Goods

Normal  
(2)

- Earliest of the Following :
  - Date of issue of Invoice by the *supplier*; or
  - *Last date* on which he is required to issue the invoice with respect to supply; or
  - Date of receipt of the payment with respect to supply  
*If excess receive up to Rs. 1,000/, Time of supply at the option of supplier.*

Reverse  
Charge  
(3)

## Reverse Charge – Section 2 (87)

“reverse charge” means the liability to pay tax by the recipient of supply of goods or services instead of the supplier of such goods or services in respect of such categories of supplies as notified under sub-section (3) of section 8;

# Section 12 – Time of Supply of Goods

Normal  
(2)

- Earliest of the Following :
  - Date of issue of Invoice by the *supplier*; or
  - *Last date* on which he is required to issue the invoice with respect to supply; or
  - Date of receipt of the payment with respect to supply  
*If excess receive up to Rs. 1,000/, Time of supply at the option of supplier.*

Reverse  
Charge  
(3)

- Earliest of the following :
  - Date of Receipt of Goods
  - Date on which Payment is made
  - Date immediately following 30 days of invoice

Where not determinable as per above, TOS shall be date of entry in books of account of recipient



# Section 12 – Time of Supply of Goods

## Vouchers (4)

- If Supply identifiable at that point – Date of Issue
- In other cases – Date of redemption

## Other than above 3 (5)

- Where periodical return has to be filed – Date when such return is to be filed
- In any other case – Date on which CGST/SGST paid

-: Section 13 :-  
**Time of Supply of Service**

# Section 13 – Time of Supply of Service

Normal  
(2)

- Earliest of the Following :
  - Date of issue of Invoice by the *supplier*; or
  - Last date on which he is required to issue the invoice with respect to supply; or
  - Date of receipt of the payment with respect to supply  
*If excess receive up to Rs. 1,000/, Time of supply at the option of supplier.*

# Tax Invoice – Section 28 (2)

Invoice Shall be issued before or after the provision of service

But within prescribed period in this behalf

CG/SG on recommendation by notification may specify category of services for which any other document issued shall be deemed to be a Tax Invoice

# Tax Invoice – Section 28 (5)

In case of Continuous supply of services

where the due date of payment is ascertainable from the contract

the invoice shall be issued before or after the payment is liable to be made by the recipient but within a period prescribed in this behalf whether or not any payment has been received by the supplier of the service

where the due date of payment is not ascertainable from the contract

the invoice shall be issued before or after each such time when the supplier of service receives the payment but within a period prescribed in this behalf;

where the payment is linked to the completion of an event

the invoice shall be issued before or after the time of completion of that event but within a period prescribed in this behalf.

# Continuous supply of Service – Section 2 (31)

“continuous supply of Service” means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes supply of such service as the Central or a State Government may, whether or not subject to any condition, by notification, specify;

# Tax Invoice – Section 28 (5)

In case of Continuous supply of services

where the due date of payment is ascertainable from the contract

the invoice shall be issued before or after the payment is liable to be made by the recipient but within a period prescribed in this behalf whether or not any payment has been received by the supplier of the service

where the due date of payment is not ascertainable from the contract

the invoice shall be issued before or after each such time when the supplier of service receives the payment but within a period prescribed in this behalf;

where the payment is linked to the completion of an event

the invoice shall be issued before or after the time of completion of that event but within a period prescribed in this behalf.

# Tax Invoice – Section 28 (6)

In a case where the supply of services ceases under a contract before the completion of the supply



the invoice shall be issued at the time when the supply ceases and such invoice shall be issued to the extent of the supply effected before such cessation.



# Section 13 – Time of Supply of Service

Normal  
(2)

- Earliest of the Following :
  - Date of issue of Invoice by the *supplier*; or
  - *Last date* on which he is required to issue the invoice with respect to supply; or
  - Date of receipt of the payment with respect to supply  
*If excess receive up to Rs. 1,000/, Time of supply at the option of supplier.*

Reverse  
Charge  
(3)

- Earliest of the following :
  - Date on which Payment is made
  - Date immediately following 60 days of invoice

Where not determinable as per above, TOS shall be date of entry in books of account of recipient

In case of 'associated enterprises', where the supplier of service is located outside India, TOS shall be date of entry in books of account of recipient or date of payment which ever is earlier

# Section 13 – Time of Supply of Service

## Vouchers (4)

- If Supply identifiable at that point – Date of Issue
- In other cases – Date of redemption

## Other than above 3 (5)

- Where periodical return has to be filed – Date when such return is to be filed
- In any other case – Date on which CGST/SGST paid

-: Section 14 :-  
**Change in Rate of Tax**

# Section 14 – Change in Rate of Tax

| Supplied | Issue of Invoice | Receipt of Payment | Time of Supply   |
|----------|------------------|--------------------|--|
| Before   | After            | After              | Date of Invoice or Receipt of Payment, which ever is earlier |
| Before   | Before           | After              | Date of Issue of Invoices                                    |
| Before   | After            | Before             | Date of Receipt of Payment                                   |
| After    | Before           | Before             | Date of Invoice or Receipt of Payment, which ever is earlier |
| After    | Before           | After              | Date of Receipt of Payment                                   |
| After    | After            | Before             | Date of Issue of Invoices                                    |

# Date of Receipt of Payment

Normal  
Course  
Earliest of

Date of Entry in  
BOAs

Date of Credit in  
Bank

Change in  
rate of  
Tax

Date of Cr. In  
Bank, in not  
within 4 working  
days

Otherwise date  
of deposit

# Transitional Provisions

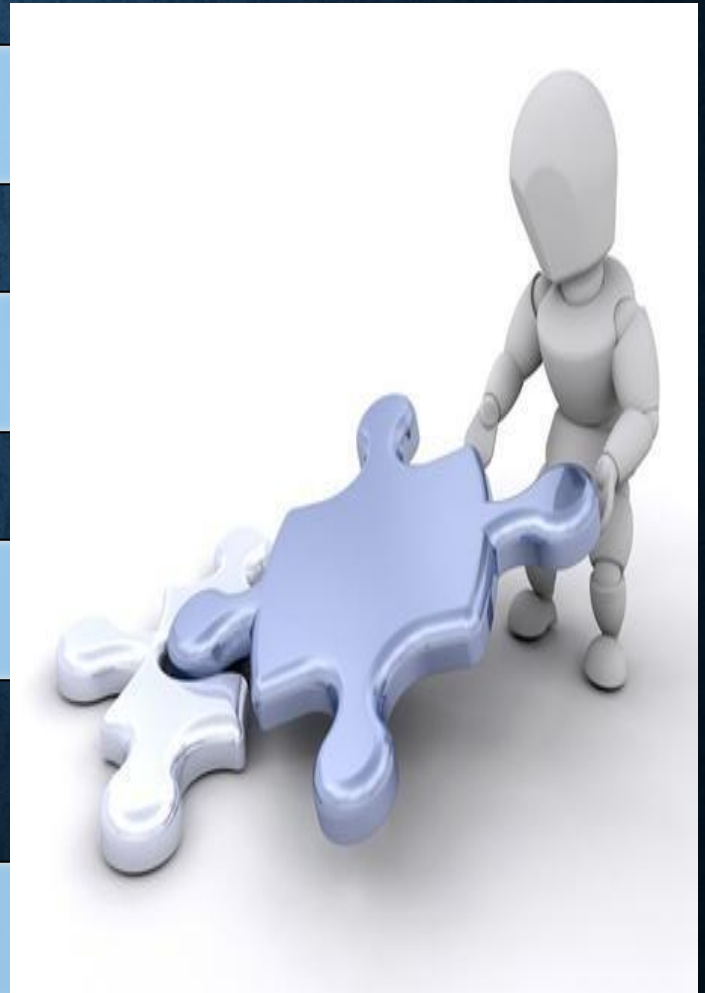
# Relevant Sections

Section 187 – Progressive/periodic supply of goods/services

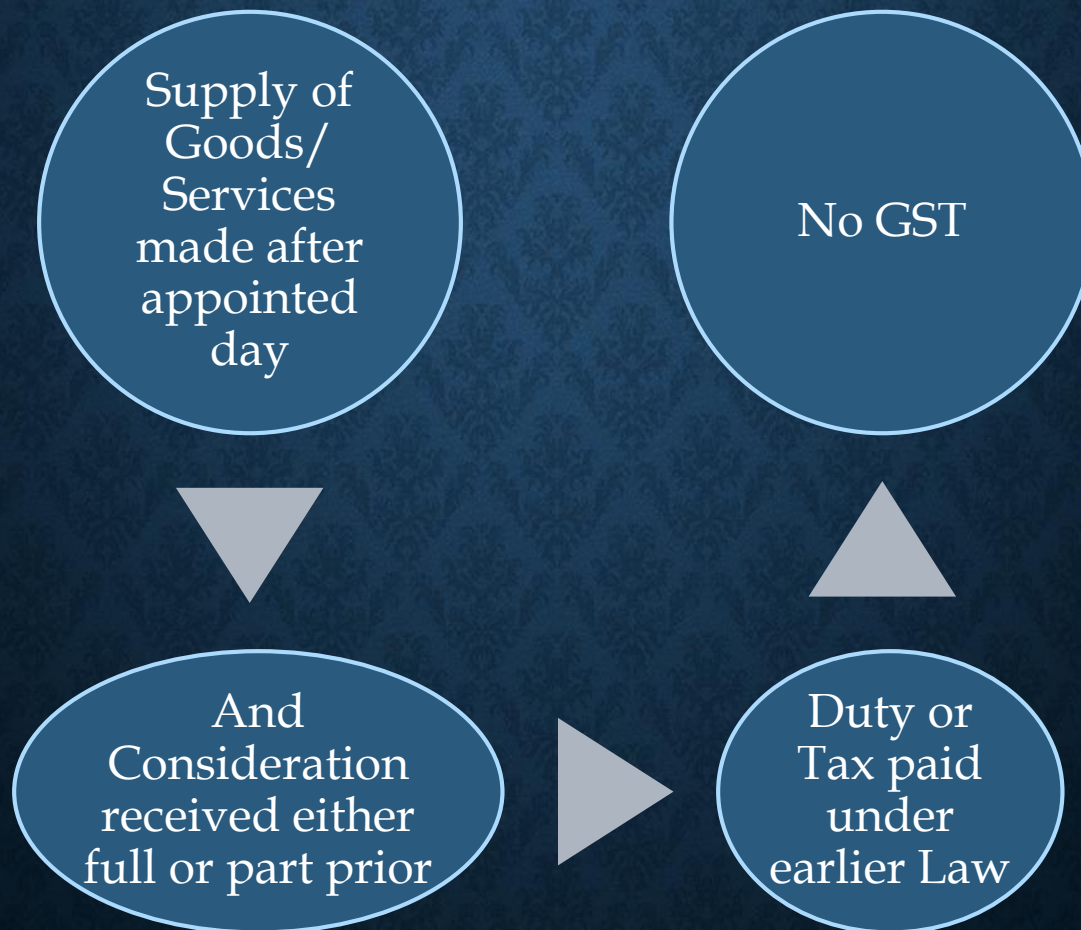
Section 188 – Taxability of supply of services in certain cases

Section 189 – Taxability of supply of goods in certain cases

Section 21 of IGST Act – Import of services or inter-State supply of goods and/or services made on or after the appointed day

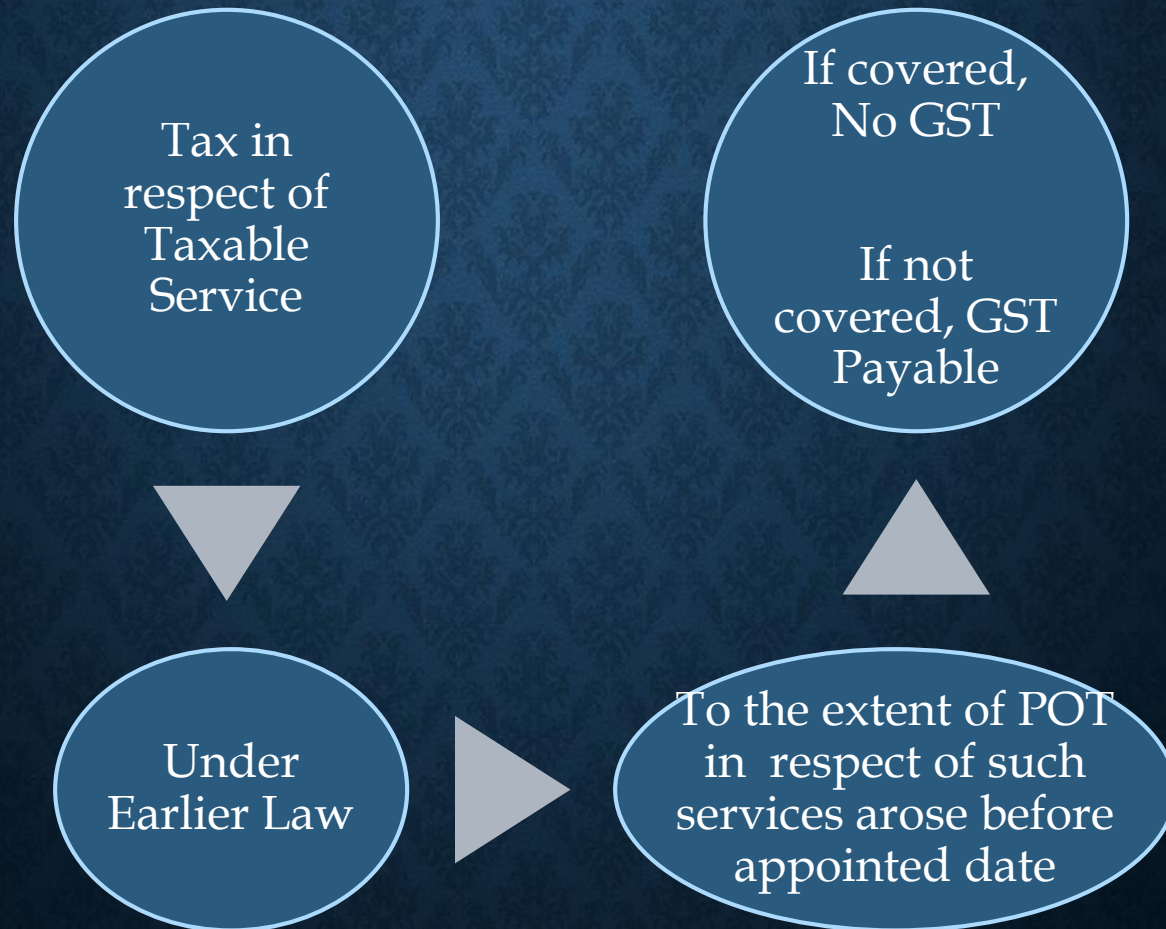


# Section 187 – Progressive/periodic supply of goods/services

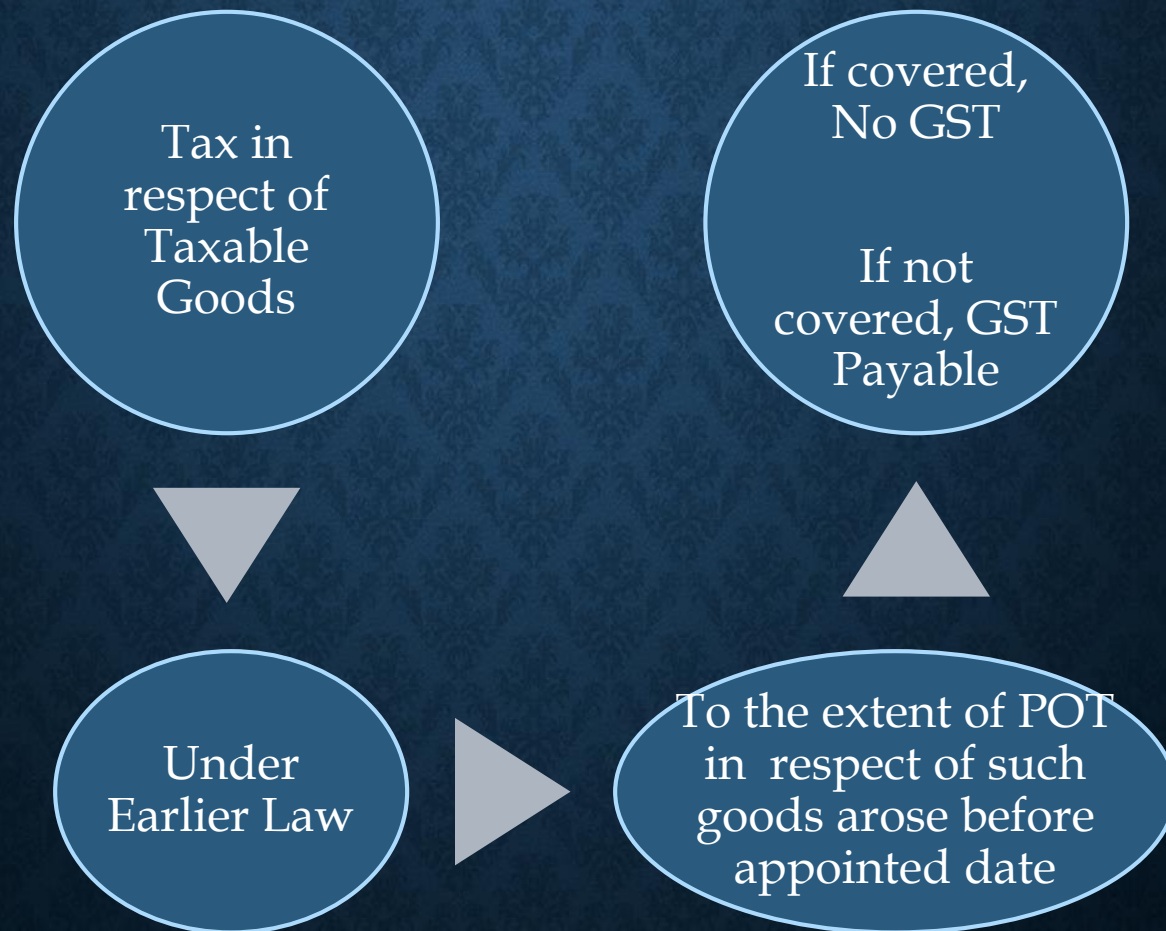




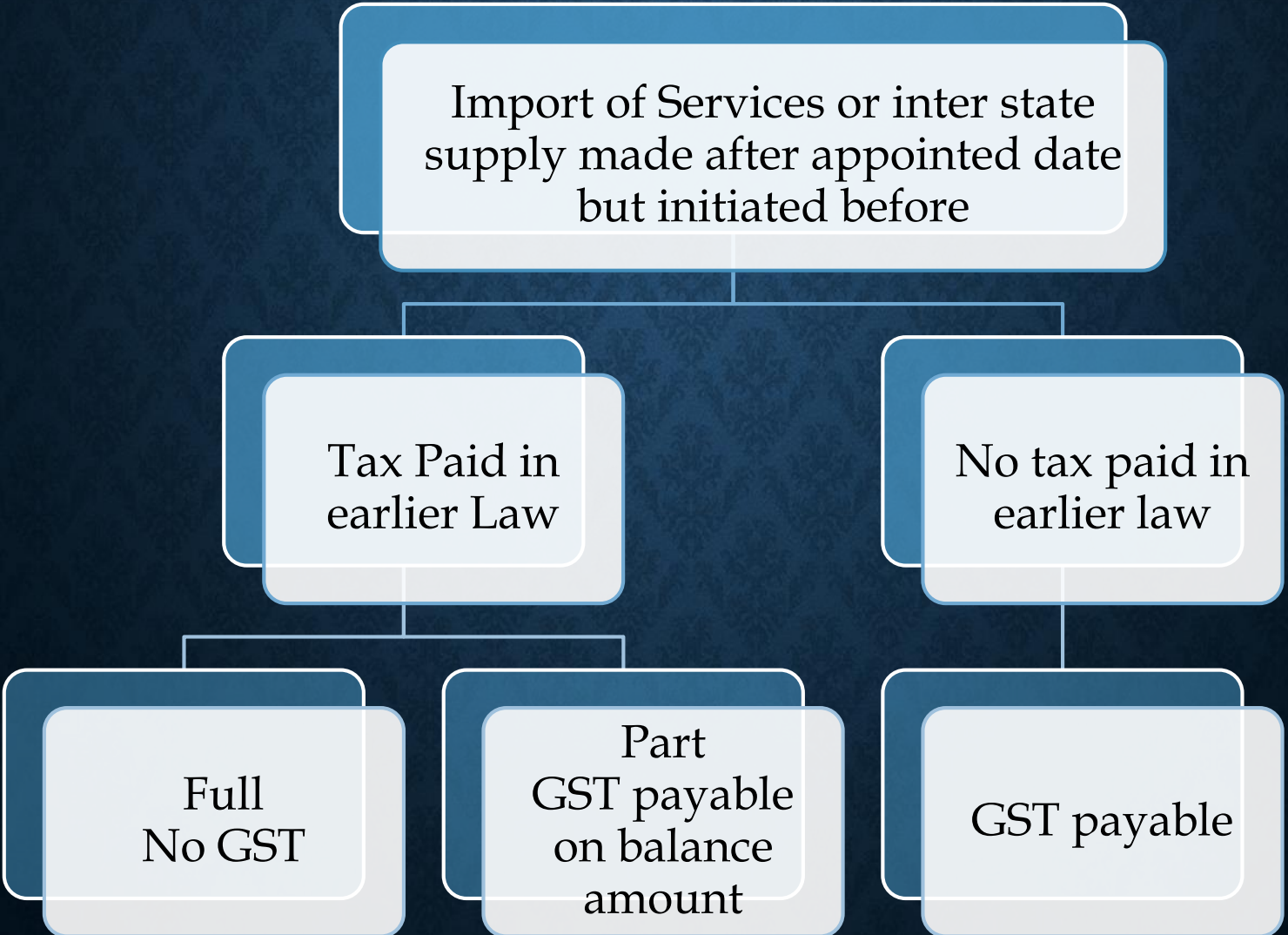
# Section 188 – Taxability of supply of services in certain cases



# Section 189 – Taxability of supply of Goods in certain cases



# Section 21 of IGST Act – Import of services or inter-State supply of goods and/or services made on or after the appointed day



*Thank You*

**CA Avinash Poddar**

***Email - [caavinash@gmail.com](mailto:caavinash@gmail.com)***