

Summary of Notifications, Circulars from 16thMarch2015 to 15thApril 2015

SERVICE TAX

1. Exemption to taxable services provided against scrip issued under SEIS/ MEIS under FTP 2015-2020

CBEC vide *Notification No. 10/2015-ST and 11/2015-ST, Dated: April 8, 2015* has exempted the taxable services provided or agreed to be provided by a person, located in the taxable territory from the whole of the service tax leviable thereon under section 66B, against a duty credit scrip issued to an exporter by the Regional Authority under Merchandise Exports from India Scheme (MEIS) or Service Exports from India Scheme (SEIS) of the Foreign Trade Policy 2015, subject to the conditions listed in the notification. Any amount due to the Central Government under this notification shall be recoverable under the provisions of the said Act and the rules made there under.

[Notification No. 10/2015-ST, Dated: April 8, 2015 & Notification No. 11/2015-ST, Dated: April 8, 2015]

2. Change in Rate of Service Tax to be effective from date to be Notified after enactment of Finance Bill, 2015

Finance Bill, 2015 has proposed to increase effective rate of Service Tax from 12.36% to 14%. The 'Education Cess' and 'Secondary and Higher Education Cess' shall be subsumed in the revised rate of Service Tax. CBEC vide *Circular No. 183/02/2015-ST, Dated: April 10, 2015* has clarified that the effective increase in Service Tax rate will be from a date to be notified by the Government after the enactment of the Finance Bill, 2015.

[Circular No. 183/02/2015-ST, Dated: April 10, 2015]

EXCISE DUTY

3. Exemption to goods cleared against scrip issued under FTP 2015-20

CBEC vide *Notifications No. 18-21/2015-CE, Dated: April 8, 2015* has exempted the goods cleared against a duty credit scrip/post export EPCG duty scrip issued by the Regional Authority under the Foreign Trade Policy 2015-20 from

- (i) the whole of the duty of excise leviable thereon under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985;

- (ii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957; and
- (iii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978.

The exemption is subject to the conditions listed in the notification. Any amount due to the Central Government under this notification shall be recoverable under the provisions of the said Act and the rules made there under.

[Notifications No. 18-21/2015-Central Excise, Dated :April 8, 2015]

CUSTOMS

1. Exemption to goods imported against scrips/authorisation issued under FTP 2015-2020

CBEC vide Notifications No. 16-22/2015-CUS, Dated: April 1, 2015 & 24 & 25 -CUS, Dated: April 8, 2015 has exempted the goods specified therein imported against a duty credit scrip/post export EPCG duty scrip /valid authorisation issued etc. under the Foreign Trade Policy 2015-20 from duties specified therein. The various conditions for availing said exemptions have also been specified.

[Notifications No. 16-22/2015-CUS, Dated: April 1, 2015 & 24 & 25 -CUS, Dated: April 8, 2015]

2. Facility of Online Message Exchange between Customs and other regulatory agencies to implement 'Indian Customs Single Window Project'

CBEC vide Circular No. 09/2015-Cus, Dated: March 31, 2015 has made a beginning towards implementing 'Indian Customs Single Window Project' by executing an electronic online message exchange between the Food Safety and Standards Authority of India (FSSAI) and the Department of Plant Protection, Quarantine and Storage (PQIS) with the Customs with effect from 01.04.2015 at JNPT (NhavaSheva), ICD, Tughlakabad and ICD, Patparganj. Under the new online message exchange system for import goods between these two agencies viz. FSSAI and PQIS and the Customs, there will be seamless online exchange in real time of the Customs Bill of Entry (Import declaration) with these agencies and Release Order (RO) from both the agencies will be received by the Customs in electronic message format.

As the electronically received RO in regard to Bs /E referred to FSSAI/PQIS shall be accepted by the Customs for clearance of the imported foods items/plant materials,

the Customs shall not insist that a physical copy of the RO shall be issued by these agencies. For the cases where details required for other regulatory agencies are not captured in the current B/E format, the importers would continue to furnish these additional details to the respective agency.

[Circular No. 09/2015-Cus, Dated: March 31, 2015]

3. Usage of Digital Signature Certificates in Remote EDI filing (RES) of Customs Documents

In order to prioritize trade facilitation and creating an environment for ease of doing business CBEC vide *Circular No. 10/2015-Cus dated March 31, 2015* has allowed the electronic submission of digitally signed Customs process documents viz. Bills of Entry, Shipping Bills, Import General Manifest (IGM), Export General Manifest (EGM) and Consol General Manifest (CGM) with effect from 1st April 2015 by importers, exporters, customs brokers, shipping lines, airlines or their agents. This facility of digitally signing the documents that are filed electronically would provide the necessary assurance regarding the integrity and non-repudiation of these documents. This shall also enhance the acceptability of such documents by other agencies. It has also been clarified that when Customs process documents are digitally signed, the Customs will not insist on the user physical signing the said documents thereby reducing the need of hard copies.

It is important to note that the importers recognized under the Accredited Client Programme (ACP), shall be required to mandatorily file Bills of Entry with digital signature w.e.f. 01.05.2015 in line with *Circular No.42/2005-Cus., dated 24.11.2005* which emphasises the same.

The process for operationalizing the facility to use Digital Signature Certificate for filing the Customs process documents has been given on <https://www.icegate.gov.in> & <http://www.cca.gov.in>. In case of any technical difficulty in digitally signing the said documents, the users may contact (i) icegate.helpdesk@icegate.gov.in (phone no. 1800 301 1000) and (ii) dscsupport@ncode.in from 10 a.m. to 6 p.m. on working days (phone no. 1800 233 1010).

[Circular No. 10/2015-Cus dated March 31, 2015]

4. Facility for suo moto payment of customs duty in case of bona fide default in export obligation under Advance/ EPCG authorizations

CBEC vide *Circular No. 11/2015- Cus., Dated: April 01, 2015* has provided a procedure to enable quicker payment of duty to curb the issue of increased interest cost for authorization holders (AH) who come forward to the Regional Authority (RA) of DGFT for regularization of their cases of bona fide default in export obligation (EO) under the Advance Authorization or EPCG Schemes but have to wait for the detailed calculations in this regard before being able to deposit the duty involved.

Under this procedure, the application must show, inter alia, the AH's own/self-calculation of the duty payable for the default in EO and interest thereon. During pendency of detailed calculation by the RA, AH may;

- (i) Deposit, in cash, the own/self-calculated duty amount, along with interest in cash by challan (showing relevant particulars) in the designated bank at the port where the authorization is registered. One copy of the paid challan shall be submitted to the Customs Authority at the said port which shall update its records; and/or
- (ii) Produce valid duty credit scrip before the Customs Authority at the port where the authorization is registered for debit of the own/self-calculated duty amount. The debit shall only be in respect of goods that are permitted to be imported under the relevant scrip. However, the AH shall pay the interest in cash in the designated bank at the port where the authorization is registered. One copy of the paid challan shall be submitted to the Customs Authority at the said port which shall update its records.

On receipt of the excess import letter issued by RA after its detailed calculations, the Customs would confirm the actual amount of duty payable for the default in EO and interest thereon. On receipt of the redemption from RA, the Customs Authority shall reconcile and initiate the prescribed actions for releasing the Bond / BG.

[Circular No. 11/2015- Cus., Dated: April 01, 2015]

5. Khurja notified as an ICD

CBEC vide *Notification No. 36/2015-Cus., (NT), Dated: April 7, 2015* has notified the following as an ICD for the purpose mentioned against it:

Inland Customs Depot	Purpose
Khurja, District Bulandshahr, Uttar Pradesh	"Unloading of imported goods and loading of export goods"

[Notification No. 36/2015-Cus., (NT), Dated: April 7, 2015]

6. Refund Claim of 4% SAD under Notification No. 102/2007-Customs dated 14.09.2007

CBEC vide Circular No. 12/2015- Cus., Dated: April 09, 2015 has amended Circular No. 6/2008-Customs dated 28.04.2008 to provide that importers may file refund claim of 4% SAD refund in terms of Notification No. 102/2007- Customs dated 14.09.2007 at the Customs stations where imports are made. However, the number of such claims at a Customs station shall be limited to one in a particular month.

[Circular No. 12/2015- Cus, Dated: April 09, 2015]

VALUE ADDED TAX (VAT)

Rajasthan VAT

7. Liability to furnish information by certain persons

Section 80A of the Act has been inserted which mandate person, to furnish information as may be notified by the Commissioner, who does the following activity within the State of Rajasthan through electronic media:

- (i) effects sale or purchase or places offer for sale or purchase; or
- (ii) transports, receives for transportation or delivers goods in pursuance of sale or purchase effected; or
- (iii) receives any amount in connection with the goods sold or purchased, whether for himself or on behalf of the seller or purchaser.

In case of default in furnishing information, he shall be liable to pay penalty not exceeding Rs. 1 lac, and in case of a continuing default, a further penalty of Rs. 1 thousand for every day of such continuance.

[Notification No.F.2(24) Vidhi/2/2015]

8. Facility to create sub-user for issuance of Declaration Forms for Import/Export of Notified Goods

A new facility to create sub-user has been provided on www.rajtax.gov.in in order to facilitate use of e-declaration forms VAT-47A /VAT-49A for import/export of notified goods by registered dealers. The detailed procedure has been prescribed in the circular.

[Circular- No. 24- No. F.16 (95)/Tax/CCT/14-15/5356 Dated 23rd March, 2015]

Andhra Pradesh VAT

9. Builders of Residential Apartments, houses, buildings, Commercial Complexes- unregistered builders to be registered

The Assistant Commercial Tax Officers are directed to conduct street survey programme in the division exclusively for registering the builders, who are not registered with the department.

[Circular No. CCT's Ref. No.E3/356/2015, dated 17th March, 2015]

10. Transit Pass must be surrendered within five days from the date of Entry

As per Section 47 of AP VAT Act, person in-charge of vehicle passing through the state in transit is required to obtain and surrender the Transit pass. A provision has been made to Blacklist and block the vehicle in VATIS-GIS, where the Transit pass is not surrendered within 5 days from the date of entry unless delay is for genuine reason.

[Circular No. CCT's Ref. No.Enft/E3/357/2015, dated 20th March, 2015]

11. The Check post officials are not permitted to collect tax and penalty from the owner of the goods or the in-charge of the goods vehicle.

It has been reiterated that the Check post officials can collect user fee only related to Transit Passes and are not permitted to collect tax and penalty from the owner of the goods or the in-charge of the goods vehicle for any irregularity noticed. The Commercial Tax Officer having the jurisdiction of the Check post or the assessing authority of the dealer is directed to collect tax and penalty if any. Further, Commercial Tax Officer and assessing authority of the dealer has been advised to impose penalty in the fit cases.

[Circular No. CCT's Ref. No.Enft /D2/611/2015, dated 4th April, 2015]

West Bengal VAT

12. Settlement of dispute relating to tax, penalty or interest arising out of an assessment.

- The application is to be filed in Form 1 of the West Bengal Sales Tax (Settlement of Dispute) Rules, 1999, before the appropriate Senior Joint Commissioner in respect of any period ending on or before 31st March, 2010, for which an application for appeal or revision has been filed on or before 31st January, 2015 and which has not been finally heard and is still pending.
- The last date for filing application for settlement is 31st July, 2015.
- The dispute can be settled upon payment of a fraction of disputed tax as specified below:

SI. No.	Dispute related to:	Amount to be paid for settlement:
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1	Arrear tax for non-furnishing/non-production of statutory Certificates/Declarations	100 % of remaining balance amount of arrear tax in dispute after adjusting Certificates/Declarations in possession of applicant, or the amount already paid towards such arrear, whichever is higher;
2	Arrear tax for disallowance of any claim of input tax credit	15 % of arrear tax in dispute or the amount already paid towards such arrear, whichever is higher;
3	Any other arrear tax not covered by serial Nos. 1 and 2 above	55 % of arrear tax in dispute or the amount already paid towards such arrear, whichever is higher;
4	Any arrear interest related to arrear tax in dispute	Nil;
5	Any arrear penalty related to assessment for the eligible period	Nil;

[Trade Circular No. 01/2015 Dated: 27th March, 2015]

13. Change in the Jurisdiction of Central Registration Unit.

With effect from the 1st April, 2015 all registrations presently being granted by Registration Unit (Howrah), Registration Unit (Bally) and Registration Unit (Behala) will be granted by the Central Registration Unit situated at 14, Beliaghata Road, Kolkata-700015.

All applications for registration remaining pending on the close of 31st March, 2015 will stand transferred to Central Registration Unit.

[Trade Circular No. 02/2015 Dated: 27th March, 2015]

14. E-Appeal for all the dealers registered under WBVAT Act from 01.04.2015

All Dealer registered under WBVAT Act and the CST Act are required to file petition of Appeal / revision / review electronically as per the procedure laid down in Trade Circular No. 14/2013 dated 05.12.2013

[Trade Circular No. 03/2015 Dated: 1st April, 2015]

Delhi VAT

15. Date of Filing of reconciliation return in Form 9 for the year 2013-14 extended to 30th June, 2015

The date of filing of online return in Form 9, containing details of interstate sale at concessional rates against statutory forms C/F/H, has been extended to 30/06/2015.

[Circular No 30 of 2014-15 No.F.7(420)/Policy/2011/PF/948-954 Dated 31st March, 2015]

16. Date of Filing of online information in Form DP-1 extended to 30th June, 2015

The date of filing of online information in Form DP-1 has been extended to 30/06/2015. The purpose of Form DP-1 is to facilitate the registered dealers to update the details and make necessary amendments in their registration records.

[Notification No. F.3(352)/Policy/VAT/2013/936-947 Dated 31st March, 2015]

17. The Net Tax amount can be carried forward to next calendar month or tax period or refund can claimed at the end of tax period

A Dealer shall be entitled to carry forward the Net Tax amount to the next calendar month or tax period or to claim a refund after adjusting the CST amount payable at the end of tax period.

[Notification No. F.14(2)/LA-2015/ cons21aw/40-54 Dated 30th March, 2015]

Puducherry VAT

18. Amendment in Puducherry VAT Act

Following amendments have been made in Puducherry VAT Act vide *Notification No. 68/Leg/2015-LD, dated 30th March, 2015*:

- A proviso in sub-section (2) in Section 8 has been inserted to provide that any dealer can pay the registration fee for three years in advance by remitting a sum equal to three times of the fees specified under sub-section (2).
- The Composition tax rate has been increased from 4% to 5 % in case of dealer executing works contract as defined in Section 15.
- The limit of turnover for audit of accounts by Chartered Accountant or Cost Accountants under Section 54 has been enhanced to Rs. 1 crore from Rs. 50 Lacs.

[Notification No. 68/Leg/2015-LD, dated 30th March, 2015]

Maharashtra VAT

19. Amendment in Maharashtra VAT Act

Following amendments have been made in Maharashtra VAT Act:

- An explanation 1A has been inserted in clause (20) in Section 2 to clarify that purchase price shall not include the amount of service tax levied or leviable under the Finance Act, 1994 and collected separately by the seller.
- An explanation 1A has been inserted in clause (25) in Section 2 to clarify that sale price shall not include the amount of service tax levied or leviable under the Finance Act, 1994 and collected separately from the purchaser.
- A proviso in sub-section (2) in Section 30 has been inserted that in case a dealer files an annual revised return, then the interest shall be payable on the excess amount of tax, as per such annual revised return, from the dates mentioned in column (2) of the Table, till the date of payment of such excess amount of tax.

Registration status in the year for which annual revised return is filed	Interest to be computed from
(a) Dealer, holding certificate of registration for whole year.	1 st October of the year, to which the annual revised return relates.
(b) Certificate of registration granted, effective from any date up to the 30 th September of the year to which revised return relates.	
(c) Certificate of registration cancelled, effective on any date after the 30 th September of the year to which revised return relates.	
(d) Certificate of registration granted, effective from any date after the 30 th September of the year to which revised return relates.	effective date of registration
(e) Certificate of registration cancelled, effective on any date prior to the 30 th September of the year to which revised return relates.	Effective date of cancellation of registration.

Karnataka VAT

20. Major Changes applicable from 1st April, 2015 in Karnataka VAT Act

- The limit of annual taxable turnover for registration has been increased from 7.5 Lacs to 10.0 Lacs.
- Provision for filing single first appeal against re-assessments for several tax periods of one financial year has been introduced.
- The Period for disposal of appeal by Karnataka Appellate Tribunal has been enhanced from 180 days to 365 days from the date of Stay order.
- Provision for claiming input tax credit of previous tax periods in the returns filed during subsequent tax periods has been made (through amendment in sub-section (3) of Section 10).

- The permission for Granting Special Accounting Scheme has brought under "SAKALA".
- The Dealers can file an appeal electronically before the First Appellate Authority and receive orders electronically.
- The Dealers have to upload the details of CST statutory forms which will be linked to the turnover declared by the dealers in their returns.
- The credit of input tax would be allowed to the extent of output tax paid on commodities when it is sold at a price lower than the purchase price.
- TDS at applicable rate, on the goods purchased by Government department/Local Bodies/other bodies should be deducted with effect from the date to be notified.

Tamil Nadu VAT

21. The Manual "C" and "F" forms can be issued to dealer till 31/05/2015

Circular No.10/2015 CC4/678/2012 Dated 7th April, 2015 provides that manual C and F Forms can be issued to dealers after providing details like Tin No., Form Code, Dealer name etc. till 31/05/2015. Further, the manual forms can be issued for all the missed out invoices and for any mistake in already generated online forms.

[Circular No.10/2015 CC4/678/2012 Dated 7th April, 2015]