

Summary of Notifications, Circulars from 16th December, 2016 to 15th January, 2017

GST

1. Migration of Existing Central Excise and Service Tax Assesseees to GST

For the smooth implementation of GST in India, GSTN has started the migration process of existing VAT Taxpayers to GSTN from 8th November, 2016 of various states. It has launched the website “www.gst.gov.in” for the migration of existing assesseees to GST.

Now, GSTN has provided the enrolment schedule of existing taxpayers of Central Excise and Service Tax which are not registered under the VAT. The enrolment schedule of such assesseees are mentioned below: -

TAXPAYER	START DATE	END DATE
Enrolment of Taxpayers who are registered under Central Excise Act but not registered under State VAT	05/01/2017	31/01/2017
Enrolment of Taxpayers who are registered under Service Tax Act but not registered under State VAT	09/01/2017	31/01/2017
Delta All Registrants (All Groups)	01/02/17	20/03/17

However, if the assessee has already initiated the process of migration to GST as a VAT assessee under State Commercial Tax department, no further action is necessary.

PAN is mandatory for migration to GST. Hence, if the existing Central Excise/Service Tax Registration Code does not have PAN, then PAN has to be obtained from Income Tax Department and the Registration details have to be updated in the ACES Portal www.aces.gov.in.

CBEC has made available a 24x7 helpdesk (Tollfree No 18001200232, email: cbecmitra.helpdesk@icegate.gov.in) for the purpose of assisting existing Central Excise/ Service Tax assesseees. GSTN also has a Help Desk number: 01244688999 and GSTN email address is: help@gst.gov.in. A Step by Step Taxpayers User guide for Migration is available at www.aces.gov.in and at www.cbec.gov.in.

SERVICE TAX

2. Central Government vide *Notification No. 1/2017-ST dated: January 12, 2017* has amended Mega Exemption *Notification No.25/2012-Service Tax, dated the 20th June, 2012* so as to

- (i) exempt services provided by a business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch. {entry 29(g)}
- (ii) Withdraw the exemption of service tax w.e.f. 22.01.2017 for services by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India to the customs station of clearance in India. {entry 29(g)}

[Notification No. 1/2017-ST, Dated: January 12, 2017]

3. Central Government vide *Notification No. 2&3/2017-ST, Dated: January 12, 2017* has:

- (i) amended the definition of Aggregator provided in rule 2(1) (aa) Service Tax Rules, 1994 so as to exclude such person from the aggregator who enables a potential customer to connect with persons providing services by way of renting of hotels, inns, guest houses, clubs, campsites or other

commercial places meant for residential or lodging purposes subject to the conditions specified therein.

- (ii) specified that the person complying with the sections 29, 30 or 38 read with section 148 of the Customs Act, 1962 as the person liable for paying service tax in case of services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India.

Similarly, for reverse charge, *Notification No. 30/2012-ST* has been amended w.e.f. 22.01.2017 so as to specify that the person complying with the sections 29, 30 or 38 read with section 148 of the Customs Act, 1962 as the person liable for paying service tax in case of services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India.

[Notification No. 2/2017 and 3/2017 - ST, Dated: January 12, 2017]

4. Abatement for tour operator services rationalised and reduced to 40%

Central Government vide *Notification No. 4/2017-ST, Dated: January 12, 2017* has rationalised the abatement provision w.e.f. 22.01.2017 for all classes of tour operator services by reducing the abatement rate to 40%.

For availing the abatement, the CENVAT credit of inputs and capital goods used for providing the said taxable service would not to be allowed. It can be inferred that, now all inputs services are freely eligible for the CENVAT credit.

Further, the bill issued should indicate that it is inclusive of charges of accommodation and transportation required for such a tour and the amount charged in the bill is the gross amount charged for such a tour including the charges of accommodation and transportation required for such a tour.

Rule 4 of Point of Taxation Rules, 2011 may be referred for determining the Point of Taxation in case of change in effective rate of tax.

[Notification No. 4/2017-ST, Dated: January 12, 2017]

5. Relaxation to issue online invoice without digital signature

Central Government vide *Notification No. 53/2016-Service Tax, Dated: December 19, 2016* has inserted a proviso in Rule 4C(1) of the Service Tax Rules, 1994 allowing a person located in non-taxable territory providing online information and database access or retrieval services[OIDAR] to a non-assessee online recipient located in taxable territory to issue online invoices not authenticated by means of a digital signature for a period upto 31st January, 2017.

[Notification No. 53/2016-Service Tax, Dated: December 19, 2016]

EXCISE

6. Monetary limit of Rs.20,00,000/- prescribed for filing appeal in the High Court

Central Board of Excise & Customs vide *Circular F.No.390/Misc./163/2010-JC/Pt, Dated: December 30, 2016*, has fixed the monetary limit of Rs. 20,00,000/- below which appeal shall not be filed in the High Court by the department.

[Circular F.No.390/Misc./163/2010-JC/Pt, Dated: December 30, 2016]

CUSTOMS

7. CBEC amends list of Land Customs Stations on Bhutan border

The Central Board of Excise and Customs vide *Notification No. 02/2017- Customs (N.T.) dated January 6, 2017* has removed 'Loksan' as Land Customs Station.

It has specified 'Kamardwisa (Rangapani)' in Baksa District of Assam in India and 'Birpara' in the Alipurduar District of West Bengal as Land Customs Stations. Further, road connecting Bokajuli in Assam to Motanga Industrial Estate in Bhutan has been prescribed as route for passing of goods into or out of India to the land frontier of Bhutan.

[*Notification No.2/2017-Customs (N.T), Dated: January 6, 2017*]

8. Extending the Single Window Interface for Facilitation of Trade (SWIFT) to Exports

With the successful implementation of Single Window Interface for Facilitation of Trade (SWIFT) for import, CBEC proposed to implement online-release from Partner Government Agencies (PGAs) for exports from 05/1/2017 onwards as a pilot at Chennai, Delhi and Mumbai Air cargo complexes for CITES/ wildlife items. The detailed scheme may be referred in *Circular No. 01/2017-Customs, Dated: January 4, 2017*.

[*Circular No. 01/2017-Customs, Dated: January 4, 2017*]

9. Change in All Industry Rates of Duty Drawback w.e.f 15.01.2017

The Central Government vide *Notification No. 03/2017-Customs (N.T.) dated 12.01.2017* has notified certain changes to the All Industry Rates (AIR) of Duty Drawback w.e.f 15.01.2017. Further, clarifications have been issued vide *Circular No. 02/2017-Customs, Dated: January 13, 2017*.

The changes made, inter-alia, include –

(a) Tariff entry for 'Surimi Fish Paste' under tariff item 160401 has been shifted to 030402 and description of tariff item 160401 has been amended to read as 'Surimi Analogue Product' to address classification issue;

(b) Drawback cap is being increased for tariff item 500799 (other Silk fabric);

(c) Drawback rates/caps are being changed for Man-made fibre floor coverings covered under tariff items 570104, 570203, 570303, 570402 & 570503 and for babies garments covered under tariff items 611101 & 620901;

(d) Drawback rates are being decreased for Gold jewellery, Silver jewellery and silver articles covered under tariff items 711301, 711302 and 711401.

[*Circular No. 02/2017-Customs, Dated: January 13, 2017*]

10. Declaration form to be filled up by NRIs for depositing Specified Bank Notes (SBNs) on arrival

In pursuance of the Demonetization Scheme, Rs.500 and Rs.1000 denominations of Bank Notes of the existing series issued by Reserve Bank of India ceased to be legal tender with effect from November 09, 2016.

Subsequent to this, President of India has approved the promulgation of the Specified Bank Notes (Cessation of Liabilities Ordinance) Ordinance, 2016 (Ord. 10 of 2016) on 30.12.2016. The ordinance imposes penal liabilities on the holders of SBNs after the specified date.

Pursuant to the Ordinance, the Central Government has specified, in respect of a citizen of India, referred to in clause (i) of sub-section (1) of section 4 of the said Ordinance, the grace period for tendering the SBNs are as below-

S. No.	Category of Person	Grace Period
(a)	Resident in India	On or before 31-March-2017
(b)	Not resident in India	On or before 30-June-2017

Procedure for depositing Specified Bank Notes (SBNs):

- (a) Declaration form to be filled by the said person for depositing these SBNs in the specified offices of RBI in India.
- (b) At the airport/land customs stations etc. on entry, Customs stamp on the said forms shall be affixed and the same shall be submitted along with other documents to RBI offices.

[Circular No. 60/2016-Customs, Dated: December 31, 2016]