

GOODS & SERVICES TAX / IDT UPDATE – 33

Return Filing

The Central Government vide *Notification No. 71/2017 dated 29th December,2017* has provided the schedule for filing **FORM GSTR-1** (The return of outward supplies) by Taxpayers with annual aggregate turnover *upto Rs. 1.5 crore*. Such Taxpayers need to file GSTR-1 on **quarterly** basis as per following frequency:

SI No.	Quarter for which the details in FORM GSTR-1 are furnished	Time period for furnishing the details in FORM GSTR-1
1	July - September, 2017	10th January, 2018
2	October - December, 2017	15th February, 2018
3	January - March, 2018	30th April, 2018

[Notification No. 71/2017 dated 29th December,2017]

The Central Government vide *Notification No. 72/2017 dated 29th December,2017* has provided the schedule for filing **FORM GSTR-1** (The return of outward supplies) by Taxpayers with annual aggregate turnover *upto Rs. 1.5 crore*. Such Taxpayers need to file GSTR-1 on **monthly** basis as per following frequency:

SI No.	Months for which the details in FORM GSTR-1 are furnished	Time period for furnishing the details in FORM GSTR-1
1	July - November, 2017	10th January, 2018
2	December, 2017	10th February, 2018
3	January, 2018	10th March, 2018
4	February, 2018	10th April, 2018
5	March, 2018	10th May, 2018

[Notification No. 72/2017 dated 29th December,2017]

Waiver of late fee payable for failure to furnish the Return in Form GSTR 4

The Central Government vide *Notification No. 73/2017 – Central Tax dated 29th December, 2017* has waived off the late fee payable by any registered person for failure to furnish the return in **Form GSTR 4** (Return by compounding tax payers) by the due date, which is in excess of an amount of Rs. 25 per day during which such failure continues.

Provided that where the total amount payable in lieu of central tax in the said return is nil, the amount of late fee payable by any registered person for failure to furnish the said return by the due date shall stand waived to the extent which is in excess of an amount of Rs. 10 per day during which such failure continues.

[Notification No. 73/2017 – Central Tax dated 29th December, 2017]

E-way bill Mechanism

The Central Government vide *Notification no.74/2017 dated 29th December, 2017* has notified 1st day of February, 2018, as the date from which the provisions of E-way bill system as notified in *Notification No. 27/2017 – Central Tax dated 30th August, 2017* shall come into force.

Following decisions were taken by the GST council in its 24th meeting held on 16th December, 2017 for implementation of nationwide e-way Bill system :

- i) The nationwide e-way Bill system will be ready to be rolled out on a trial basis latest by 16th January, 2018. Trade and transporters can start using this system on a voluntary basis from 16th January, 2018.
- ii) The Rules for implementation of nationwide e-way Bill system for **Inter-State movement of goods** on a compulsory basis will be notified with effect from 1st February, 2018. This will bring uniformity across the States for seamless inter-State movement of goods.
- iii) While the System for both inter-State and intra-State e-way Bill generation will be ready by 16th January, 2018, the States may choose their own timings for implementation of e-way Bill for intra-State movement of goods on any date before 1st June, 2018. There are certain States which are already having system of e-way Bill for intra-State as well as inter-State movement and some of those States can be early adopters of national e-way Bill system for intra-State movement also. But in any case, the Uniform System of e-way Bill for inter-State as well as intra-State movement will be implemented across the country by 1st June, 2018.

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[Notification no.74/2017 dated 29th December, 2017]

Amendment in CGST Rules, 2017

Central Government vide *Notification No. 75/2017 – Central Tax dated 29th December, 2017* has made following amendments in the CGST Rules, 2017:

Insertion in Rule 19(Amendment of Registration):

Rule 19 sub-rule (1) of CGST Rules,2017 provides for the amendment of registration through application in FORM GST REG-14 (where there is any change in any of the particulars furnished in the application for registration). In which sub-rule (1A) has been inserted which provides that “*Notwithstanding anything contained in sub-rule (1), any particular of the application for registration shall not stand amended with effect from a date earlier than the date of submission of the application in FORM GST REG-14 on the common portal except with the order of the Commissioner for reasons to be recorded in writing and subject to such conditions as the Commissioner may, in the said order, specify.*”

Substitution in Rule 89 (Application for Refund of Tax,Interest, Penalty, Fees or any other amount) :

Rule 89 sub-rule (4) of CGST Rules,2017 provides the formula to calculate the refund amount in the case of zero rated supply of goods or services. Refund of input tax credit shall be as per the following formula:

$$\text{Refund Amount} = (\text{Turnover of zero-rated supply of goods} + \text{Turnover of zero-rated supply of services}) \times \text{Net ITC} \div \text{Adjusted Total Turnover}$$

With effect from 23rd October, 2017, in Rule 89 some substitutions has been made to provide that “Net ITC” should be other than the input tax credit availed in the case of supplies received on which the supplier has availed the benefit of notification No. 48/2017- -Central Tax dated 18th October, 2017, , notification No. 40/2017-Central Tax (Rate) dated 23rd October, 2017 or notification No. 41/2017-Integrated Tax (Rate) dated 23rd October, 2017, or both.

Further, “Turnover of Zero rated supply of goods “and “Adjusted Total turnover” should not include such turnover of supplies in respect of which refund of input tax credit has been availed in respect of inputs or input services used in making zero-rated supply of goods or services or both.

Comment: Now Input Tax credit of such inward supplies on which refund has been claimed under specified notification are not eligible for Refund under this Rule.

Omission in Rule 95 (Refund of Tax to certain Persons):

Rule 95 of CGST Rules,2017 provides that eligible person can claim refund of tax paid on inward supplies as per notification issued under section 55 once in every quarter through filing FORM GST RFD-10 along with statement of inward supplies of goods or services or both in FORM GSTR-11.Earlier this statement was required to prepared on the basis of statement of outward supplies furnished by corresponding suppliers in FORM GSTR 1 but now such condition to claim has been omitted from the said rule.

Also, refund of tax paid by the applicant was available only if the price of supply covered under a

single tax invoice exceeds Rs. 5000. Now, this condition has been omitted from the said rule therefore, no condition of amount of invoice to claim refund.

[*Notification No. 75/2017 – Central Tax dated 29th December, 2017*]

Uniform rate of tax @ 0.5% for manufacturers and traders

Earlier in case of Manufacturer, 1% composition rate was applicable However, The Central Government vide. *Notification No. 1/2018- Central Tax dated 1st, January, 2018* has reduced the composition rate to 0.5%.

SI No.	Category of registered persons	Rate of Tax
1.	Manufacturers	0.5% (CGST) + 0.5%(SGST/UTGST)

Further, in case of Traders, turnover only for supply of **taxable goods** will be considered for the tax liability.

Comment: Now in case of Traders ,turnover of exempted goods will not be considered in Total Turnover

[*Notification No. 1/2018- Central Tax dated 1st, January, 2018*]

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