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Amendments to GST

CA INTERMEDIATE NOV 23 EXAMS

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BRAINERY
For passionate learners...

Segment – 1

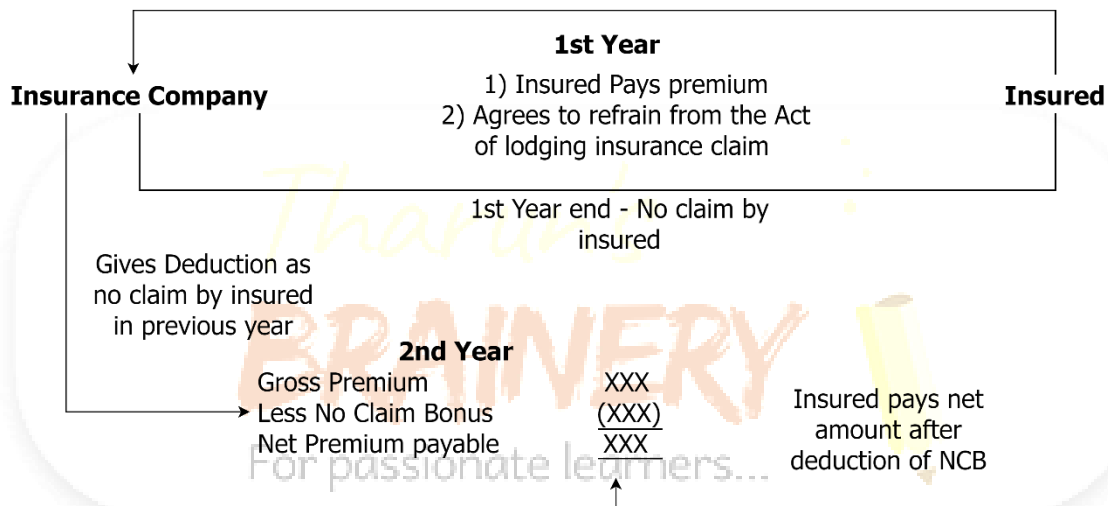
Introduction to GST

No Amendments in this Segment

Segment – 2

Taxable Event under GST

No supply of service by the insured to the insurance company in lieu of 'No Claim Bonus' offered by said insurance company to him - Circular No. 186/18/2022 GST dated 27.12.2022



Issue involved: whether the deduction on account of 'No Claim Bonus' (NCB) allowed by the insurance company from the insurance premium payable by the insured, can be considered as consideration for the supply provided by the insured to the insurance company, for agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s)?

As per practice prevailing in the insurance sector, the insurance companies deduct 'No Claim Bonus' from the gross insurance premium amount, when no claim is made by the insured person during the previous insurance period(s). The customer/ insured procures insurance policy to indemnify himself from any loss/ injury as per the terms of the policy and **is not under any contractual obligation not to claim insurance claim during any period covered under the policy, in lieu of NCB.**

It is, therefore, clarified that **there is no supply provided by the insured to the insurance company** in form of agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s) and **NCB cannot be considered as a consideration for any supply provided by the insured to the insurance company.**

Provisions of reverse charge mechanism (RCM) notification extended to the Courts and Tribunals also - Notification No. 02/2023 CT (R) dated 28.02.2023 and Notification No. 02/2023 IT (R) dated 27.02.2023

Notification No. 13/2017 CT (R) dated 28.06.2017 as amended has notified specified categories of supply of services wherein whole of the tax shall be paid on reverse charge basis by the recipient of services.

Clause (h) of explanation to this notification earlier provided that provisions of this notification, in so far as they apply to the Central Government and State Governments, shall also apply to the Parliament and State Legislatures. Thus, in case of notified services supplied by Central Government, State Governments, Parliament and State Legislatures, GST will be paid by the recipient.

This provision has now been extended to the Courts and Tribunals also in respect of taxable services supplied by them such as renting of premises to telecommunication companies for installation of towers, renting of chamber to lawyers, etc.

Note: Above amendment incorporated in IGST Act Notification No. 10/2017 IT(R) dated 28.06.2017 accordingly.

Service Provider	Service Recipient	Taxability	Person liable to pay GST
Central Government/State Government/Local Authority	Business entity	Covered under exemption (Specific exemptions/general exemptions)	N.A
Central Government/State Government/Local Authority	Business entity	Not covered under exemption i.e., TAXABLE	Business entity (RCM)
Parliament/State legislature	Business entity	Covered under exemption (Any entry in Notification No. 12/2017)	N.A
Parliament/State legislature	Business entity	Not covered under exemption i.e., TAXABLE	Business entity (RCM)
Courts/Tribunals	Business entity	Legal Services – Not a supply	N.A
Courts/Tribunals	Business entity	Other Services – Covered under Supply and covered under exemption (Any entry in Notification No. 12/2017)	N.A
Courts/Tribunals	Business entity	Other Services – Covered under Supply and not covered under exemption i.e., TAXABLE	Business entity

Segment – 3

Invoice & Time of Supply

Where taxable service supplied by/through ECO/supplier of OIDAR services to unregistered recipient, tax invoice to contain the name and address of the recipient, PIN code and the name of the State irrespective of value of supply - Notification No. 26/2022 CT dated 26.12.2022

Rule 46 prescribes the particulars that a tax invoice issued by a registered person should contain. It, inter alia, prescribes that:

- Where recipient is registered, tax invoice shall contain the name, address and GSTIN/UIN of the recipient [Clause (d)].
- Where the recipient is unregistered, tax invoice shall contain name and address of the recipient and the address of delivery, along with the name of the State and its code, only where the value of taxable supply \geq ₹ 50,000 [Clause (e)].
- In case where the value of taxable supply $<$ ₹ 50,000, invoice shall contain such details only when the recipient requests that such details be recorded in the tax invoice [Clause (f)].

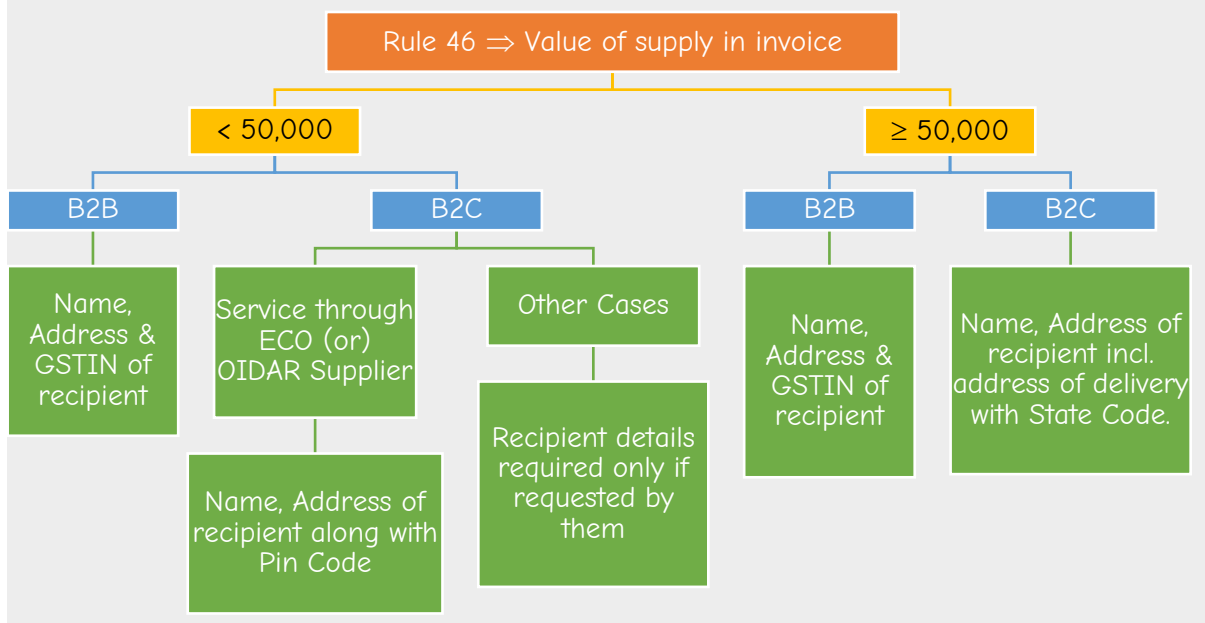
In case of supply of services to unregistered persons through online platforms in particular, recipients' addresses were not properly captured, which affected flow of revenue to the appropriate destination States.

Therefore, following proviso has been inserted to clause (f) of rule 46 to ensure mandatory recording of address of unregistered recipients of service along with the PIN code when the said services were provided through online platform by a registered person even if the value of taxable supply $<$ ₹ 50,000: For passionate learners...

"Where any taxable service is supplied by or through an electronic commerce operator or by a supplier of online information and database access or retrieval services to a recipient who is unregistered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name and address of the recipient along with its PIN code and the name of the State and the said address shall be deemed to be the address on record of the recipient."

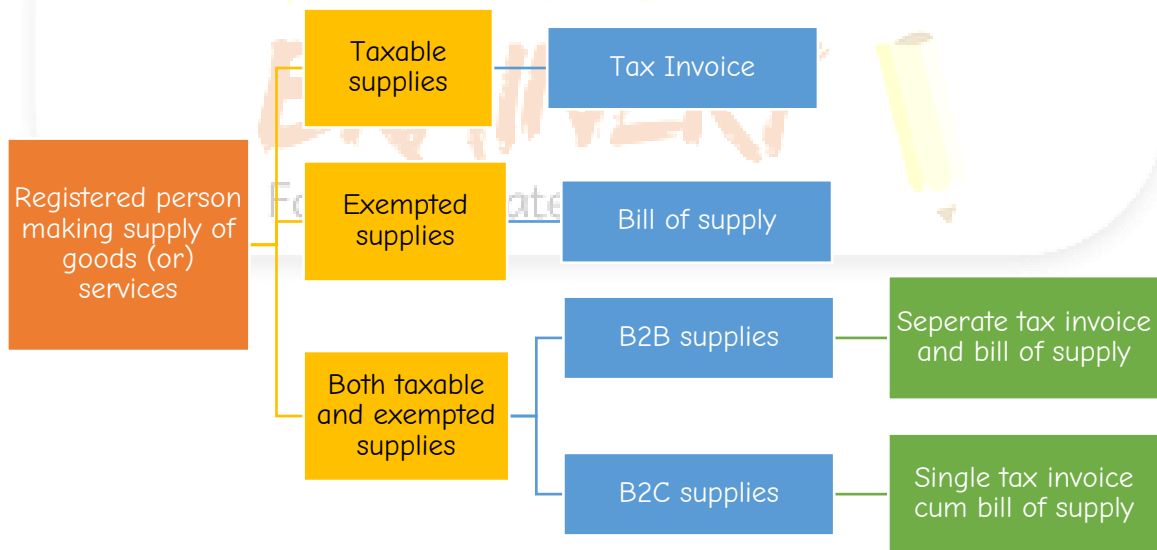
Notes:

Whether details of recipient to be mentioned in Invoice?



Invoice-cum-bill of supply [Rule 46A amended] - Notification No. 26/2022 CT dated 26.12.2022

Background provisions:



Rule 46	Contents of Tax invoice
Rule 49	Contents of Bill of Supply
Rule 54	Contents of tax invoice in special cases

Rule 46A amended:

Rule 46A provides that, notwithstanding anything contained in rule 46 or rule 49 or rule 54, a registered person supplying taxable as well as exempted goods or services or both to an unregistered person may issue a single “invoice-cum-bill of supply” for all such supplies.

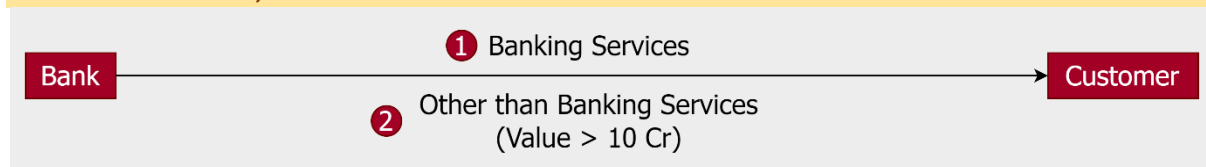
It may be observed in this regard that the non-obstante clause in rule 46A actually removes the obligation on the part of a registered person who is supplying taxable as well as exempted goods

or services or both to an unregistered person to include the particulars as prescribed in rule 46 or rule 49 or rule 54, as applicable, while issuing the single "invoice-cum-bill of supply".

Consequently, rule 46A is amended accordingly to make that obligatory on the part of a registered person, who is supplying taxable as well as exempted goods or services or both to an unregistered person, to include the relevant particulars as prescribed in rule 46 or rule 49 or rule 54, as applicable, while issuing a single "invoice-cum-bill of supply" by inserting following proviso:

The said single "invoice-cum-bill of supply" shall contain the particulars as specified under rule 46 or rule 54, as the case may be, and rule 49.

Exemption from generation of e-invoices available for the entity as a whole and not restricted by the nature of supply being made by the said entity Circular No. 186/18/2022 GST dated 27.12.2022



Issue involved: In terms of Notification No. 13/2020 CT dated 21.03.2020, as amended, certain entities/sectors are exempted from mandatory generation of e-invoices as per rule 48(4). The issue which arose for consideration was whether this exemption from mandatory generation of e-invoices is available for the entity as whole, or whether the same is available only in respect of certain supplies made by the said entity.?

It is hereby clarified that the said exemption from generation of e-invoices is for the entity as a whole and is not restricted by the nature of supply being made by the said entity.

Whether services provided by other than banking services requires mandatory generation of E-Invoices?

It is clarified through CBIC Circular that the exemption for mandatory generation of E-Invoices is for the entity as a whole and not for certain supplier.

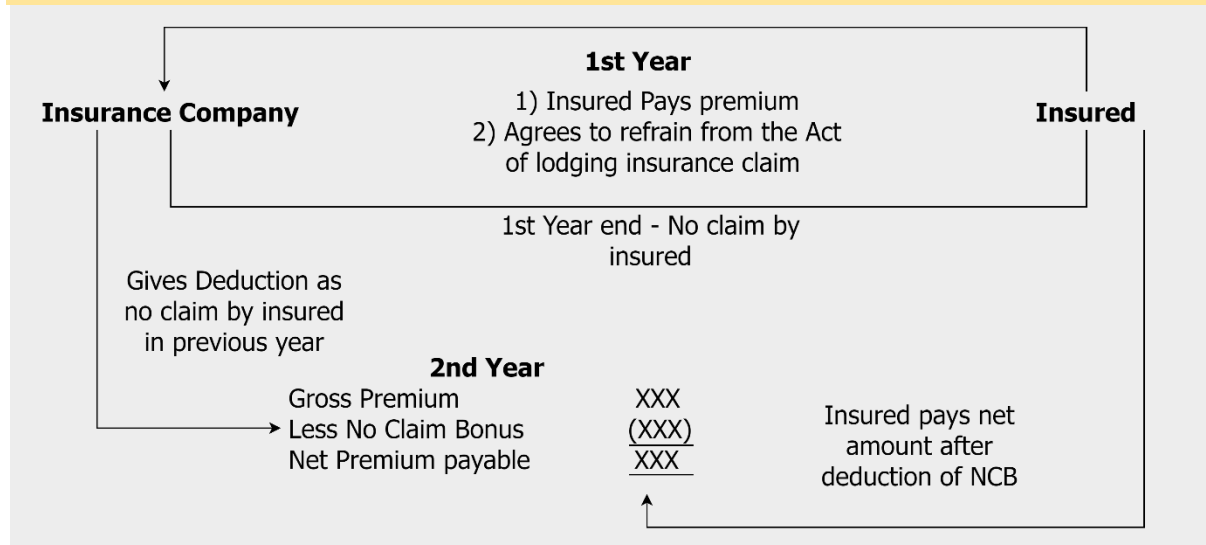
Therefore, Services provided by Bank other than banking services is exempt from mandatory generation of E-Invoice.

Note: Even though this clarification is w.r.to banking sector, even for other suppliers covered in non-applicability of E-Invoice (i.e., BIGGEST), the principal laid down in this circular can be applied.

Segment – 4

Value of Supply

No Claim Bonus permissible as deduction under section 15(3)(a) for the purpose of calculation of value of supply of the insurance services provided by insurance company to insured - Circular No. 186/18/2022 GST dated 27.12.2022



Issue involved: whether 'No Claim Bonus' (NCB) provided by the insurance company to the insured can be considered as an admissible discount for the purpose of determination of value of supply of insurance service provided by the insurance company to the insured.?

As per section 15(3)(a), value of supply shall not include any discount which is given before or at the time of supply if such discount has been duly recorded in the invoice issued in respect of such supply.

The insurance companies make the disclosure of the fact of availability of discount in form of NCB, subject to certain conditions, to the insured in the insurance policy document itself and also provide the details of the NCB in the invoices also.

The pre-disclosure of NCB amount in the policy documents and specific mention of the discount in form of NCB in the invoice is in consonance with the conditions laid down for deduction of discount from the value of supply under section 15(3)(a).

It is, therefore, clarified that NCB is a permissible deduction under section 15(3)(a) for the purpose of calculation of value of supply of the insurance services provided by the insurance company to the insured.

Accordingly, where the deduction on account of NCB is provided in the invoice issued by the insurer to the insured, GST shall be leviable on actual insurance premium amount, payable by the policy holders to the insurer, after deduction of NCB mentioned on the invoice.

As per Sec. 15 (3)(a), any discount which is given before or at the time of supply is not included in value of supply if the same is shown in the invoice.

NCB shown in Invoice

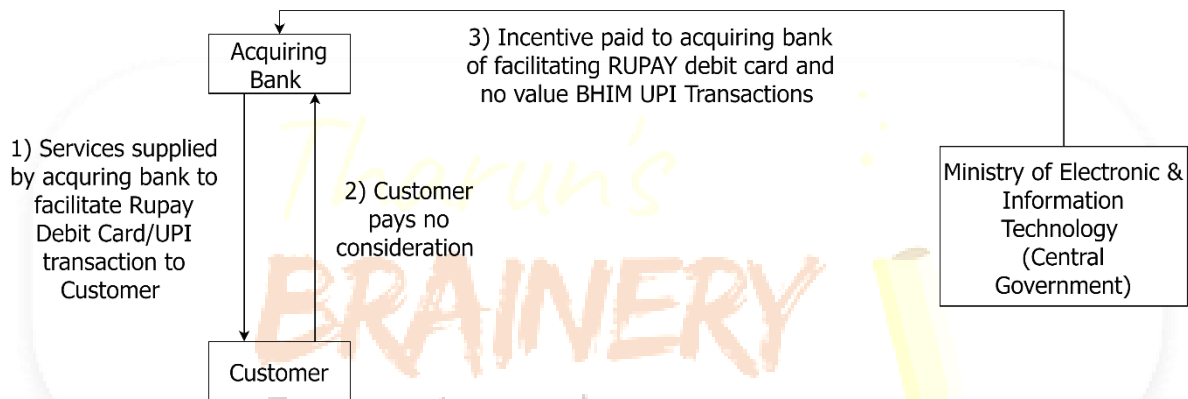
Not included in Value

NCB not shown in Invoice

included in Value

Note: However usually NCB is shown by the insurance company in invoice as a deduction from the gross premium payable.

Clarification on applicability of GST on incentive paid by MeitY to acquiring banks under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions - Circular No. 190/02/2023 GST dated 13.01.2023



Issue involved: whether GST is applicable on the incentive paid by Ministry of Electronics and Information Technology (MeitY) to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions?

Under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM- UPI transactions, the Government pays the acquiring banks an incentive as a percentage of value of RuPay Debit card transactions and low value BHIM-UPI transactions up to ₹ 2000.

The Payments and Settlements Systems Act, 2007 prohibits banks and system providers from charging any amount from a person making or receiving a payment through RuPay Debit cards or BHIM-UPI.

The service supplied by the acquiring banks in the digital payment system in case of transactions through RuPay/BHIM UPI is the same as the service that they provide in case of transactions through any other card or mode of digital payment. **The only difference is that the consideration for such services, instead of being paid by the merchant or the user of the card, is paid by the Central Government in the form of incentive.**

However, it is not a consideration paid by the Central Government for any service supplied by the acquiring bank to the Central Government. **The incentive is in the nature of a subsidy directly linked to the price of the service and the same does not form part of the taxable value of the**

transaction in view of the provisions of section 2(31) and section 15. It is hereby clarified that incentives paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.



CABINET DECISIONS
15 DECEMBER, 2021

Promotion of RuPay Debit Cards

Cabinet approves incentive scheme for promotion of RuPay Debit

Banks to be incentivised for Low-value (upto ₹2000) BHIM-UPI transactions by way of paying percentage of value of transactions

Benefits:

- Will facilitate acquiring Banks in building robust digital payment ecosystem
- Promote RuPay Debit card and BHIM-UPI digital transactions
- Deepen digital payments in the country
- Make accessible digital modes of payments to unbanked and marginalized populations



Input Tax Credit

Only proportionate reversal of ITC required in case of part payment of the value of supply plus tax in respect of an inward supply within 180 days - Notification No. 26/2022 CT dated 26.12.2022

- Second proviso to section 16(2) read with rule 37 (as amended lately with effect from 01.10.2022) provides that the registered person must pay to the supplier, the value of the goods and/or services along with the tax within 180 days from the date of issue of invoice.
- However, where a registered person, who has availed of ITC on any inward supply fails to pay to the supplier thereof, the amount towards the value of such supply plus tax payable thereon, within 180 days, he shall pay an **amount equal to the ITC availed** in respect of such supply along with interest.
- However, it gave the impression that the whole of ITC pertaining to such supply was to be reversed even though a part of the payment could have been made by the recipient to the supplier.
- That appeared to be an inadvertent departure from the principle of proportionate reversal under the original rule.
- Consequently, rule 37(1) has been amended retrospectively with effect from 01.10.2022 to provide for reversal of an amount of ITC proportionate to the amount not paid by the recipient to the supplier vis-à-vis the invoice value.

Relevant extract of rule 37(1) is as follows:

A registered person, who has availed of ITC on any inward supply of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, but fails to pay to the supplier thereof, the amount towards the value of such supply, **whether wholly or partly**, along with the tax payable thereon, within the time limit specified in the second proviso to sub-section (2) of section 16, shall pay **or reverse** an amount equal to the input tax credit availed in respect of such supply, **proportionate to the amount not paid to the supplier**, along with interest payable thereon under section 50, while furnishing the return in Form GSTR-3B for the tax period immediately following the period of one hundred and eighty days from the date of the issue of the invoice.

Conclusion:

- If recipient has not made payment (Value + Tax) to supplier within 180 days from the date of invoice, then so much of the ITC **proportionate to the amount not paid to the supplier** availed by recipient shall be reversed along with interest @ 18% p.a FROM the first date after the date of utilization of ITC TILL the date of reversal. (However, interest not payable if availed ITC is not utilized).
- Also, as and when the **proportionate payment** is made to supplier by recipient, **proportionate ITC can be availed** based on the proportionate payment made.

Reversal of input tax credit in the case of non-payment of tax by the supplier and re-availment thereof [New rule 37A] - Notification No. 26/2022 CT dated 26.12.2022

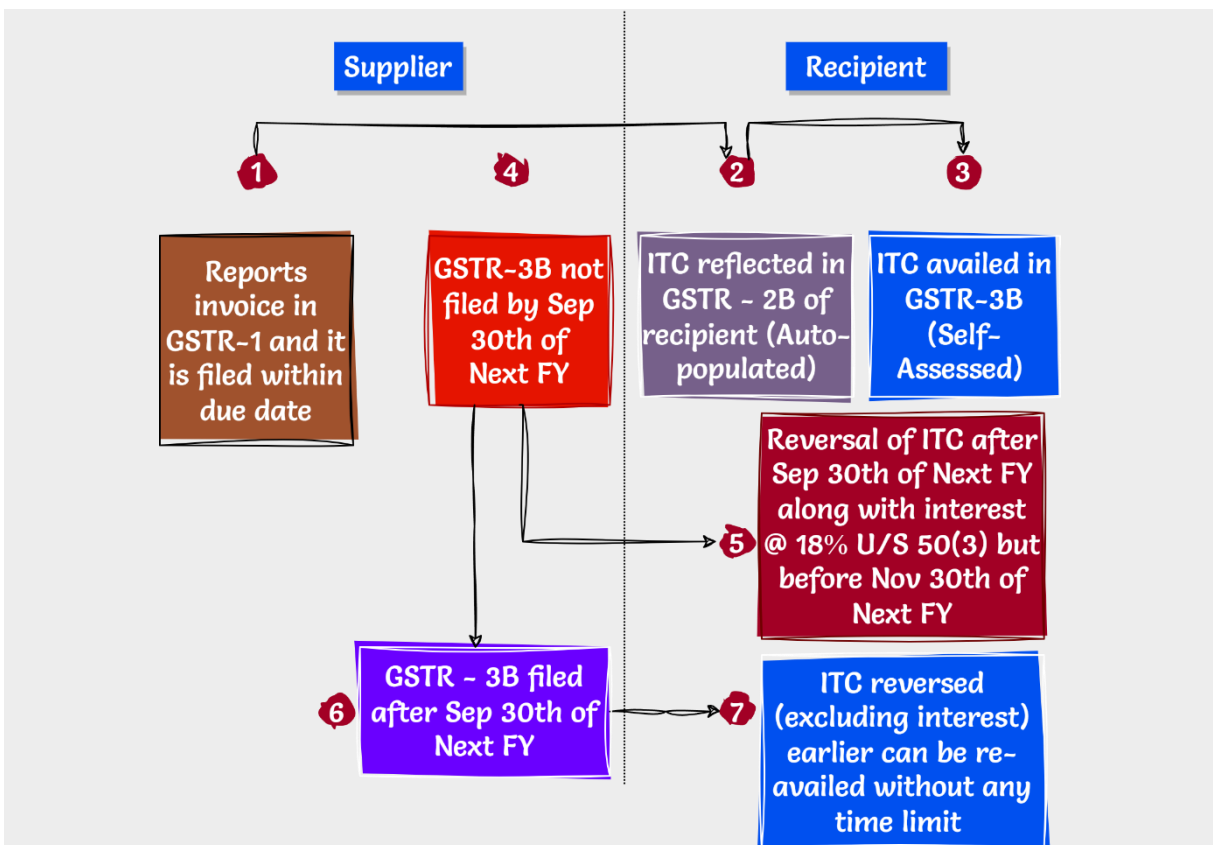
Newly inserted rule 37A covers a situation where a registered person (recipient) avails ITC in GSTR-3B for a tax period in respect of such invoice/debit note, the details of which have been furnished by its supplier in the statement of outward supplies (in Form GSTR-1/using IFF).

However, supplier does not furnish return in Form GSTR-3B for the tax period corresponding to the said statement of outward supplies till 30th September following the end of FY in which the ITC in respect of such invoice/ debit note has been availed.

In such a case, the said amount of ITC shall be reversed by the said recipient, while furnishing a return in Form GSTR-3B on or before 30th November following the end of such FY during which such ITC has been availed.

However, where the said amount of ITC is not so reversed by recipient, such amount shall be payable by the said person along with interest thereon under section 50.

Further, where the said supplier subsequently furnishes the return in Form GSTR-3B for the said tax period, the said registered person may re-avail the amount of such credit in the return in Form GSTR-3B for a tax period thereafter.



Recipient entitled to ITC where the place of supply determined in terms of the proviso to section 12(8) of the IGST Act, 2017 is outside India - Circular No. 184/16/2022 GST dated 27.12.2022

Section 12(8) of the IGST Act provides that the place of supply of services by way of transportation of goods, including by mail or courier to a registered person shall be the location of such registered person, where location of the supplier as well as the recipient of services is in India.

However, the proviso to the aforesaid sub-section provides that where the transportation of goods is to a place outside India, the place of supply of the said service shall be the place of destination of such goods.

Since in such cases the place of supply of services is the concerned foreign destination and not the State where the recipient is registered under GST, doubts were being raised regarding the availability of ITC of the said services to the recipient located in India.

Thus, clarifies as under:

Sl. No.	Issue	Clarification
(i)	In case of supply of services by way of transportation of goods, including by mail or courier, where the transportation of goods is to a place outside India, and where the supplier and recipient of the said supply of services are located in India, what would be the place of supply of the said services?	The place of supply of services by way of transportation of goods, including by mail or courier, where both the supplier and the recipient are located in India, is determined in terms of section 12(8) of the IGST Act ¹ . Hence, in case of supply of services by way of transportation of goods, including by mail or courier, where the transportation of goods is to a place outside India, and where the supplier and recipient of the said supply of services are located in India, the place of supply is the concerned foreign destination where the goods are being transported, in accordance with the proviso to section 12(8) of IGST Act.
(ii)	In the case given in (i) above, whether the supply of services will be treated as inter-State supply or intra-State supply?	The aforesaid supply of services would be considered as inter-State supply in terms of section 7(5) of the IGST Act since the location of the supplier is in India and the place of supply is outside India. Therefore, IGST would be chargeable on the said supply of services.
(iii)	In the case given in (i) above, whether the recipient of service of transportation of goods would be eligible to avail	Section 16 lays down the eligibility and conditions for taking ITC whereas, section 17 provides for apportionment of credit and blocked credits under circumstances specified therein.

¹ Rule 12(8) of the IGST Act reads as follows: The place of supply of services by way of transportation of goods, including by mail or courier to, —

(a) a registered person, shall be the location of such person;

(b) a person other than a registered person, shall be the location at which such goods are handed over for their transportation: Provided that where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods.

	ITC in respect of the said input service of transportation of goods?	The said provisions of law do not restrict availment of ITC by the recipient located in India if the place of supply of the said input service is outside India. Thus, the recipient of service of transportation of goods shall be eligible to avail ITC in respect of the IGST so charged by the supplier, subject to the fulfilment of other conditions laid down in section 16 and 17 of the CGST Act.
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Example: X is the person registered under the GST in the state of West Bengal who intends to Export goods to a person Y located in Singapore. X avails the services for transportation of goods by Air to Singapore from an Air Cargo operator Z, who is also registered under GST in the state of West Bengal. Can X claim ITC w.r.t input services availed from Z?

→ POS in this case is ending point of goods as per Sec. 12 of IGST Act i.e., Singapore. As, the same is interstate supply, it is chargeable to IGST.

Therefore, X would be eligible to take ITC of IGST in respect of supply of services received by him from Z, Subject to the fulfilment of other conditions laid down in Sec. 16 & 17 of CGST Act.

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Segment – 6

Exemptions & Charge

Renting of residential property for residential purpose to registered individual for personal purpose is exempted - **Notification No. 15/2022 CT(R) dated 30.12.2022**

Sl. No.	Description of services	Effective from
12	<p>Services by way of renting of residential dwelling for use as residence except where the residential dwelling is rented to a registered person.</p> <p>Explanation – For the purpose of exemption under this entry, this entry shall cover services by way of renting of residential dwelling to a registered person where, -</p> <p>(i) the registered person is proprietor of a proprietorship concern and rents the residential dwelling in his personal capacity for use as his own residence; and</p> <p>(ii) such renting is on his own account and not that of the proprietorship concern.</p>	01.01.2023

Renting [Incl. leasing, licensing etc.,] - following are exempted

Immovable property

Building

Residential property for residential purpose to an unregistered person

Explanation: Renting to registered individual for their family stay is treated as renting to unregistered person and it is exempted.

Withdrawal of existing exemptions w.r.to toll charges - Notification No. 15/2022 CT(R) dated 30.12.2022

Sl. No.	Description of services	Effective from
23A	Service by way of access to a road or a bridge on payment of annuity.	01.01.2023

Exemption available to educational institutions and Central and State educational boards for conduct of entrance examination extended to any authority/ board/ body set up by the Central/State Government including National Testing Agency for conduct of entrance examination for admission to educational institutions - Notification No. 01/2023 CT(R) dated 28.02.2023

Services provided by educational institution by way of conduct of entrance examination against consideration in the form of entrance fee

“Central and State Educational Boards” are treated as Educational Institution for the limited purpose of providing services by way of conduct of examination to the students.

Therefore,

- National Board of Examination (NBE) (or)
- National Testing Agency (or)
- any authority/board/body setup by CG/SG for conducting entrance examination

is an ‘Educational Institution’ in so far as it provides services by way of conduct of entrance examination, to the students is EXEMPTED.

Clarification on applicability of GST on accommodation services supplied by Air Force Mess and other similar messes to its personnel - Circular No. 190/02/2023 GST dated 13.01.2023

Issue involved: Whether GST is payable on accommodation services supplied by Air Force Mess to its personnel?

All services supplied by Central Government, State Government, Union Territory or local authority to any person other than business entities (barring a few specified services such as services of postal department, transportation of goods and passengers etc.) are exempt from GST vide Entry 6.

Therefore, it is hereby clarified that **accommodation services provided by Air Force Mess and other similar messes, such as, Army mess, Navy mess, Paramilitary and Police forces mess to their personnel or any person other than a business entity are covered by Entry 6** provided the services supplied by such messes qualify to be considered as services supplied by Central Government, State Government, Union Territory or local authority.

Segment – 7

Composition Scheme

No Amendments in this segment

Segment – 8

Registration

Amendments relating to procedure for registration - Rule 8 and rule 9 have been amended to carry out the following amendments:

- (i) PAN-linked mobile number and e-mail address (fetched from CBDT database) will be captured and recorded in Form GST REG-01 and OTP-based verification will be conducted at the time of registration on such PAN-linked mobile number and email address to restrict misuse of PAN of a person by unscrupulous elements without knowledge of the said PAN-holder.
- (ii) A pilot project is to be conducted in State of Gujarat for Biometric based Aadhaar authentication and risk-based physical verification of registration applicants. Amendment in rule 8 and rule 9 have been made to facilitate the same. This will help in tackling the menace of fake and fraudulent registrations.

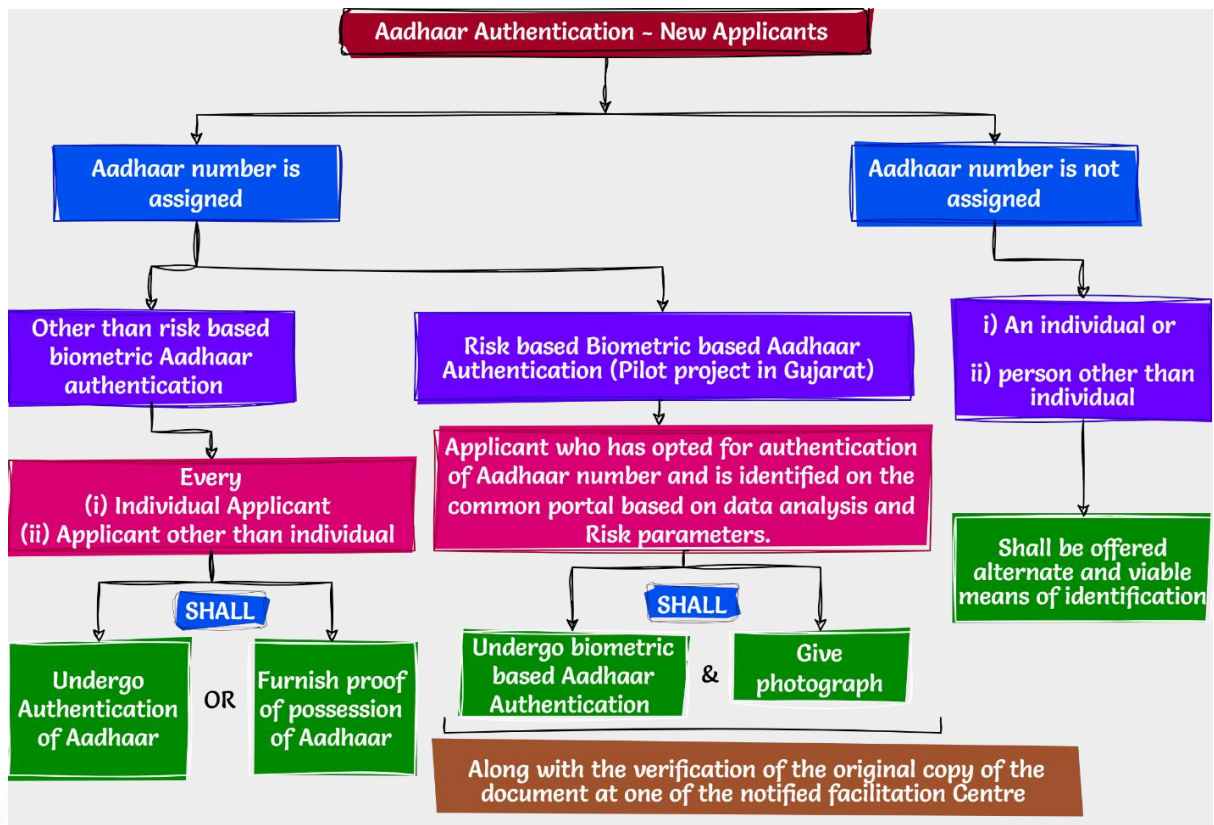
Risk-based biometric-based aadhaar authentication of registration applicants – Pilot project in Gujarat [Sub-rules (4A), (4B) and (5) amended]

In order to improve the registration process, biometric based aadhaar authentication of the high-risk applicants who opt for authentication of Aadhaar number has been introduced on a pilot basis in the State of Gujarat.

An applicant who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by biometric-based Aadhaar authentication and taking photograph:

- (i) of the applicant where the applicant is an individual or
- (ii) of such individuals where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in Form GST REG-01 at one of the notified Facilitation Centres.

The application shall be deemed to be complete only after completion of the process laid down hereunder. An acknowledgement shall be issued to the applicant only after completion of biometric-based authentication.



Aadhar authentication w.r.to Persons already registered:

Every registered person shall undergo authentication/furnish proof of possession of Aadhaar number, in prescribed form and manner and within the prescribed time. **The manner in which aadhaar authentication needs to be done by a registered person is prescribed as under: -**

- A registered person, who has been issued a certificate of registration under GST, shall undergo authentication of the Aadhaar number of: -
 - ✓ Proprietor, in the case of proprietorship firm,
 - ✓ Any partner, in the case of a partnership firm,
 - ✓ Karta, in the case of a Hindu undivided family,
 - ✓ Managing director or any whole-time director, in the case of a company,
 - ✓ Any of the Members of the Managing Committee of an Association of persons or body of individuals or a Society, or
 - ✓ Trustee in the Board of Trustees, in the case of a Trust; and of the Authorized Signatory,
- in order to be eligible for the following purposes:
 - ✓ for filing of application for revocation of cancellation of registration [Rule 23]
 - ✓ for filing of refund application in Form RFD-01 [Rule 89]
 - ✓ for refund of the IGST paid on goods exported out of India [Rule 96]

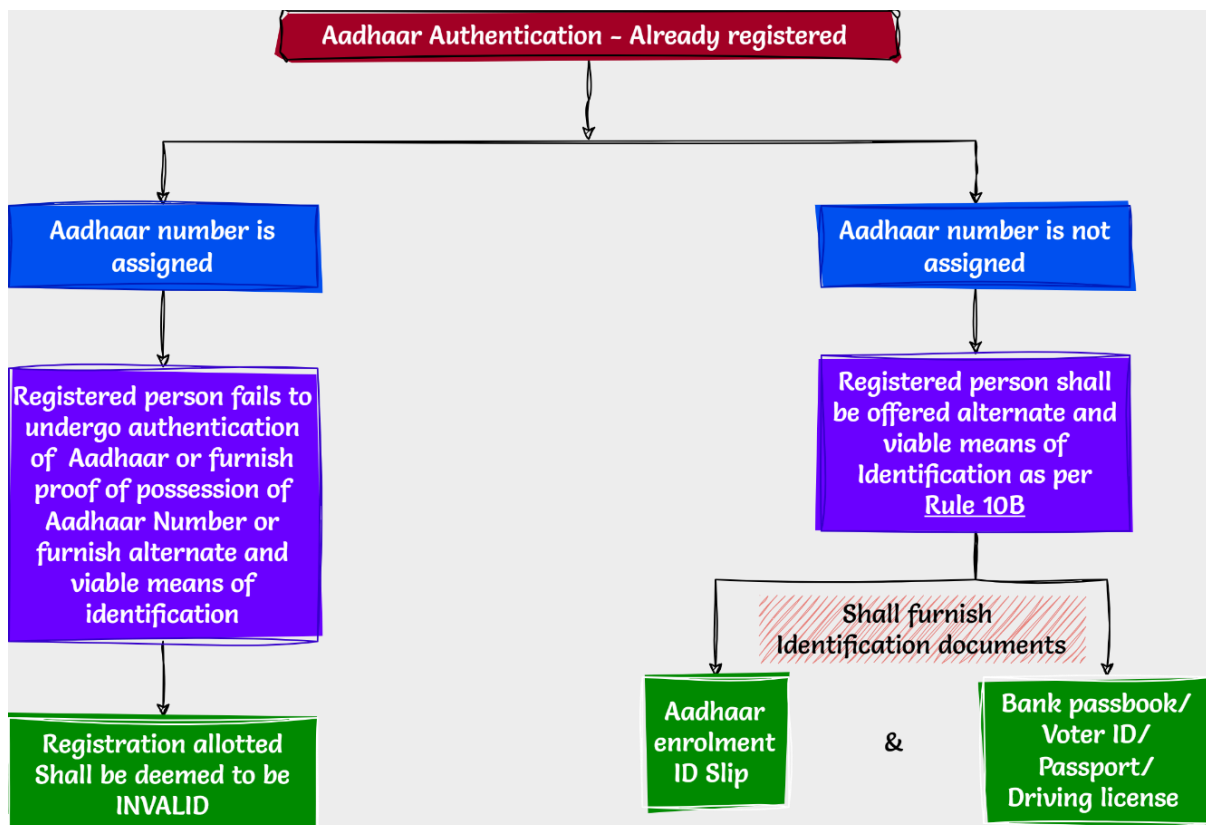
If an Aadhaar number is not assigned to an existing registered person, such person shall be offered alternate and viable means of identification in the prescribed manner². Such manner has been prescribed as follows: If Aadhaar number has not been assigned to the person required to

² First proviso to section 25(6A)

undergo authentication of the Aadhaar number, such person shall furnish the following identification documents, namely: – (a) his/ her Aadhaar Enrolment ID slip; and (b) (i) Bank passbook with photograph; or (ii) Voter identity card issued by the Election Commission of India; or (iii) Passport; or (iv) Driving license issued by the Licensing Authority

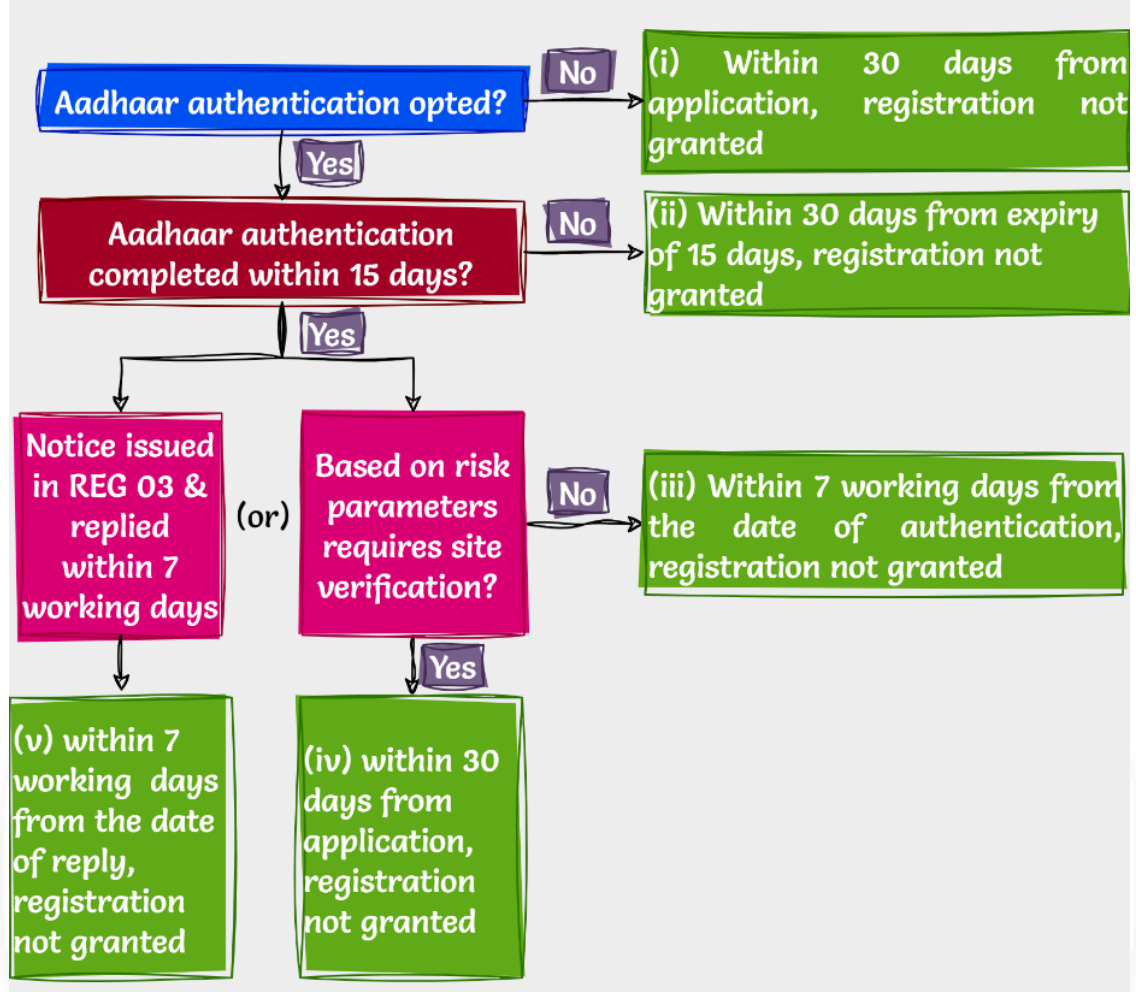
However, once Aadhaar number is allotted to such person, he shall undergo the authentication of Aadhaar number within a period of 30 days of the allotment of the Aadhaar number.

In case of failure to undergo aadhaar authentication/furnish proof of possession of Aadhaar number/furnish alternate and viable means of identification, registration allotted to such person shall be deemed to be invalid and the other provisions of CGST Act shall apply as if such person does not have a registration³.



³ Second proviso to section 25(6A)

Deemed Registration



For passionate learners...

Option made available to TDS/TCS registrant to apply for cancellation of registration [Rule 12(3) amended] - Notification No. 26/2022 CT dated 26.12.2022

Rule 12(3) has been suitably amended to provide as follows:

Where, on a request made in writing by a person to whom a registration has been granted under rule 12(2) or upon an enquiry or pursuant to any other proceeding under the CGST Act, the proper officer is satisfied that a person to whom a certificate of registration has been issued is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration issued and such cancellation shall be communicated to the said person electronically.

Payment Process

Electronic Cash Ledger to be updated on the basis of e-Scroll of the RBI in case of failure of bank to communicate details of Challan Identification Number to the common portal [Rule 87(8) amended] - Notification No. 26/2022 CT dated 26.12.2022

In cases where bank fails to communicate the Challan Identification Number (CIN) details of taxes paid through e-payment mode to GST System for updating the Electronic Cash Ledger (ECL), the ECL of such taxpayers are updated next day on the basis of RBI e-Scroll file containing the successful payment made against the CINs as shared by banks with RBI. However, there is presently no provision in the CGST Rules, 2017 providing for such updation of ECL based on e-Scroll of RBI.

In this regard, CAG highlighted the need for having a specific provision in law for updation of ECL on the basis of e-Scroll of RBI. Thus, in order to regularize the process of updating ECL of the taxpayer on the basis of e-Scroll data received from the RBI in the cases where payment has been received successfully, but bank fails to share the signed CIN with GST System, following proviso has been inserted to rule 87(8):

Where the bank fails to communicate details of Challan Identification Number to the common portal, the Electronic Cash Ledger may be updated on the basis of e-Scroll of the RBI in cases where the details of the said e- Scroll are in conformity with the details in challan generated in Form GST PMT-06 on the common portal.

For passionate learners...

Returns under GST

Taxpayer to be intimated the difference in liability in Form GSTR-1 and Form GSTR-3B and be requested to pay the differential liability or explain the difference [New rule 88C introduced and rule 59(6) amended] - Notification No. 26/2022 CT dated 26.12.2022

Where the tax payable by a registered person, in accordance with the statement of outward supplies furnished by him in Form GSTR-1 or using the IFF in respect of a tax period, exceeds the amount of tax payable by such person in accordance with the return for that period furnished by him in Form GSTR-3B, by such amount and such percentage, as may be recommended by the Council, the said registered person shall be intimated of such difference.

Such registered person shall be intimated in prescribed form, electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address. In said intimation, the said difference between GSTR-1 and GSTR-3B will be highlighted and he will be directed to:

- (a) pay the differential tax liability, along with interest under section 50, through prescribed form; or
- (b) explain the aforesaid difference in tax payable on the common portal, within a period of 7 days.

Such registered person shall, upon receipt of the aforesaid intimation, either:

- (a) pay the amount of the differential tax liability, as specified in intimation, fully or partially, along with interest under section 50, and furnish the details thereof electronically on the common portal; or
- (b) furnish a reply electronically on the common portal, incorporating reasons in respect of that part of the differential tax liability that has remained unpaid, if any, within the period of 7 days.

Where any amount specified in the said intimation remains unpaid within 7 days' period and where no explanation or reason is furnished by the registered person in default or where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be recoverable in accordance with the provisions of section 79.

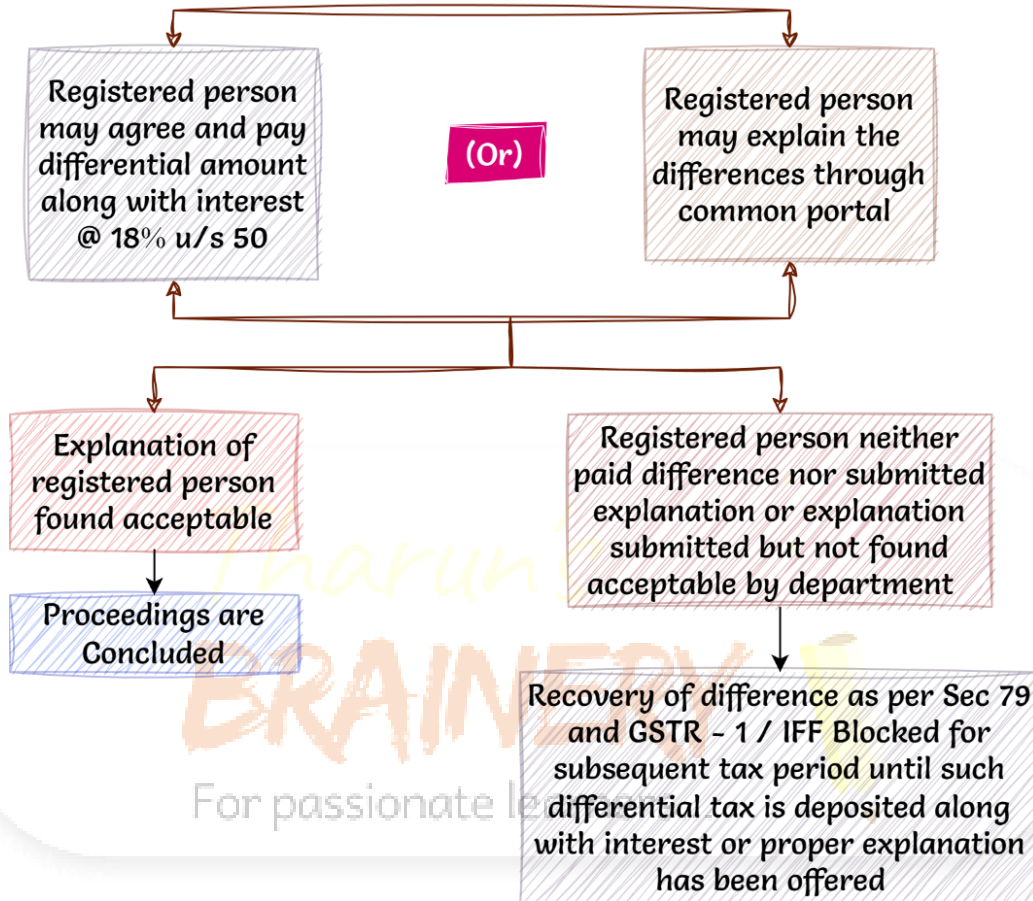
Further, a registered person, to whom such an intimation of difference between GSTR-1 and GSTR-3B for a tax period is issued, will be blocked from furnishing the GSTR-1/using IFF for subsequent tax period unless he deposits amount specified in intimation or explains the reasons for any unpaid amount.

In other words, a registered person, to whom intimation is issued under rule 88C, has been issued on the common portal in respect of a tax period, shall not be allowed to furnish the details of outward supplies in Form GSTR-1/using IFF for a subsequent tax period, unless he has either deposited the amount specified in the said intimation or has furnished a reply explaining the reasons for any amount remaining unpaid, as required under the provisions of rule 88C above [Rule 59(6)⁴ amended].

⁴ Rule 59(6) stipulates the cases where a registered person is debarred from furnishing details of outward supplies in Form GSTR-1/IFF.

Liability in GSTR – 1 > Liability in GSTR-3B by prescribed amount or %.

**Intimation in Common Portal and Copy sent to E-Mail of Registered Person
(Within 7 Days)**



Maximum late fees payable under section 47 for delayed filing of annual return, rationalized – Notification No. 7/2023 dt: 31/03/2023:

Total amount of late fee payable under section 47 from the financial year 2022-23 onwards, by the registered person who fail to furnish annual return by the due date, shall be as follows:

GSTR – 9/GSTR – 9B/9C	ATO during PY ≤ ₹5 Crores:	₹25 for every day	0.02% of turnover in the state or UT.
	ATO during PY > ₹5 Crores but ≤ ₹20 Crores	₹50 for every day	0.02% of turnover in the state or UT.
	ATO during PY > ₹20 Crores	₹100 for every day	0.25% of turnover in the state or UT.

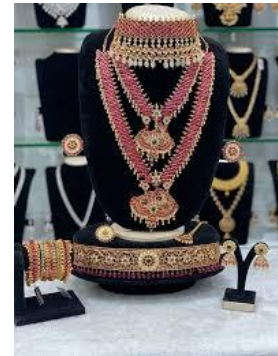
Note: An equal amount of late fee is payable under SGST Act also. Late fee under IGST is not applicable, if late fee under CGST & SGST is paid.

Segment – 11

Miscellaneous Provisions

E-way bill to be generated for transporting imitation jewellery [Rule 138(14) amended] - Notification No. 26/2022 CT dated 26.12.2022

- Rule 138(14) illustrates the cases where e-way bill is not required to be generated.
- One such case is where jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71) are being transported.
- Thus, jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71) can be transported without generating e-way bill.
- This provision has been amended to provide that henceforth, e-way bill needs to be generated for transporting imitation jewellery.



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