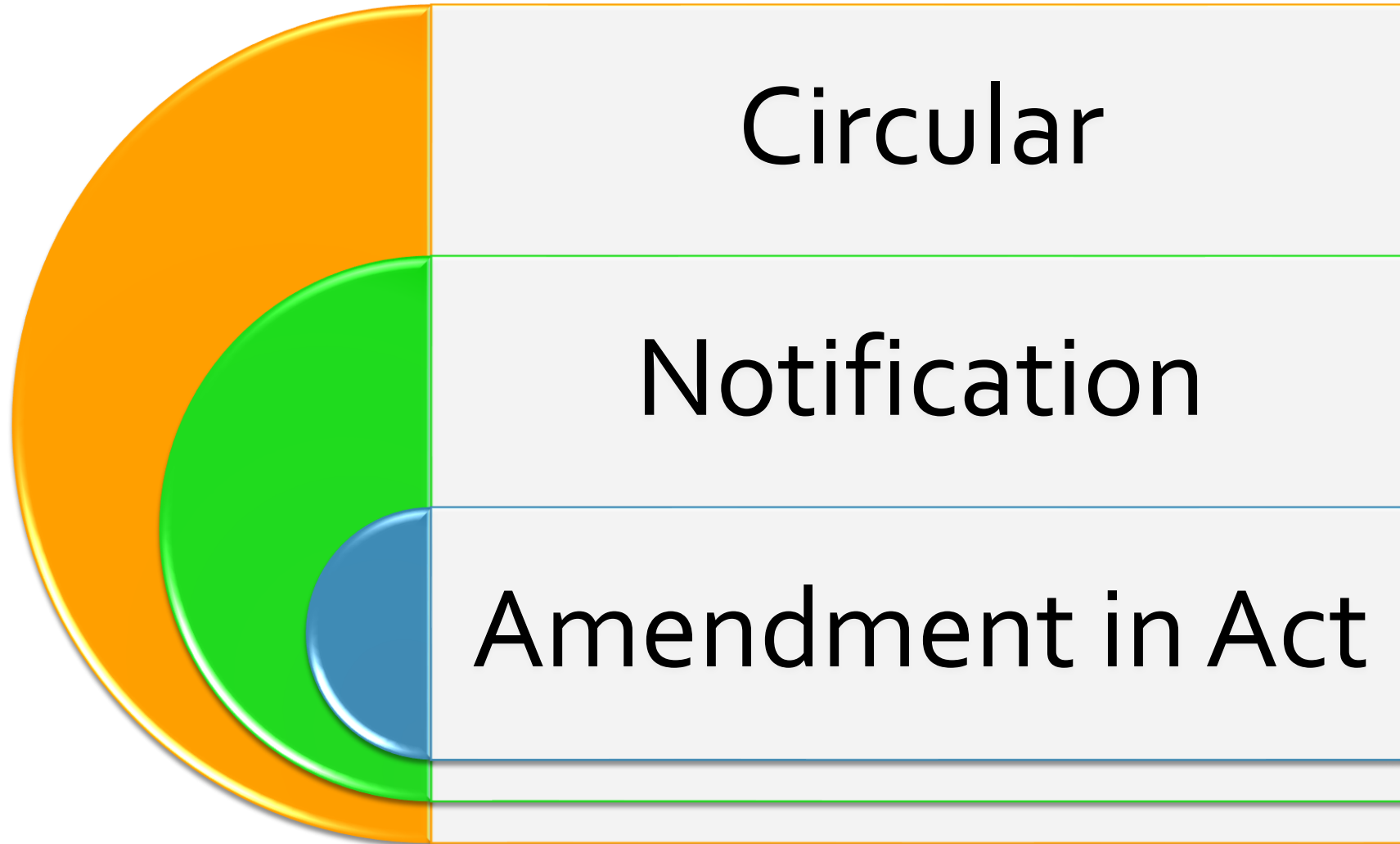


LATEST TRENDS AND AMENDMENT IN GST



• CA Swapnil Munot



Notification No 7/2025 CT dt 23.01.2025 : Amendment to GST Rules

- ❖ Grant of temporary identification number

Rule 16A –

- ✓ Where a person is not liable to registration under the Act
- ✓ but is required to make any payment under the provisions of the Act,
- ✓ the proper officer may grant the said person a temporary identification number and issue an order
in Part B of FORM GST REG-12



Notification No 7/2025 CT dt 23.01.2025 : Amendment to GST Rules

❖ Grant of temporary identification number

Rule 87(4) –

- ✓ Any payment required to be made by a person who is not registered under the Act,
- ✓ shall be made on the basis of a temporary identification number generated through the common
portal
- ✓ as per rule 16A

Notification No 8/2025 CT dt 23.01.2025 :Waiver of Late Fee for GSTR 9C

NOTIFICATION

NO. 08/2025 – CENTRAL TAX

New Delhi, dated the 23rd January, 2025

S.O.....(E).– In exercise of the powers conferred by section 128 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby waives the amount of late fee referred to in section 47 of the said Act in respect of the return to be furnished under section 44 of the said Act, for the financial years 2017-18 or 2018-19 or 2019-20 or 2020-21 or 2021-22 or 2022-23, which is in excess of the late fee payable under section 47 of the said Act upto the date of furnishing of FORM GSTR-9 for the said financial year, for the class of registered persons, who were required to furnish reconciliation statement in FORM GSTR-9C along with the annual return in FORM GSTR-9 for the said financial year but failed to furnish the same along with the said return in FORM GSTR-9, and furnish the said statement in FORM GSTR-9C, subsequently on or before the 31st March, 2025:

Provided that no refund of late fee already paid in respect of delayed furnishing of FORM GSTR-9C for the said financial years shall be available.

- It provides a conditional waiver of late fees for delayed filing of GSTR-9C.
- This applies to taxpayers with an annual aggregate turnover exceeding ₹5 crores, who have filed GSTR-9 but failed to file GSTR-9C by the due date
- The waiver restricts the late fee to delays associated with filing of GSTR-9, provided GSTR-9C is submitted by March 31, 2025
- Taxpayers who delay filing both forms will incur a late fee calculated only on the delay in filing Form GSTR-9.

Waiver of Late Fee for GSTR 9C

- Press Release of 55th GST Council Meeting →

iii. Clarification regarding applicability of late fee for delay in furnishing of FORM GSTR-9C and providing waiver of late fee on delayed furnishing of FORM GSTR-9C for the period from 2017-18 to 2022-23:

- a. The GST Council recommended to clarify through a circular that the late fee under Section 47(2) of the CGST Act, 2017 is leviable for the delay in filing the complete annual return under Section 44 of the CGST Act, 2017, which includes both FORM GSTR-9 (Annual Return) and FORM GSTR-9C (Reconciliation Statement), where applicable.
- b. For the annual returns pertaining to the period 2017-18 to 2022-23, the GST Council also recommended to issue notification under section 128 of CGST Act, 2017 for waiver of the amount of late fee for delayed filing of FORM GSTR-9C, which is in excess of the amount of late fee payable till the date of filing of FORM GSTR-9 for the said financial years, provided the said FORM GSTR-9C is filed on or before 31st March 2025.

Circular No 246/03/2025-GST CT dt 30.01.2025 : Late Fee for GSTR 9C

3.3 In view of the above, it is clarified that late fee under sub-section (2) of section 47 of the CGST Act, is leviable for the delay in furnishing of complete annual return under section 44 of the CGST Act, i.e. both FORM GSTR-9 and FORM GSTR-9C (where FORM GSTR-9C is also required to be furnished) and the late fee shall be payable for the period from the due date of furnishing of the said annual return upto the date of furnishing of the complete annual return i.e. FORM GSTR-9 and FORM GSTR-9C. It is also to be noted that late fee is not separately leviable for delayed furnishing of FORM GSTR-9 and delayed furnishing of FORM GSTR-9C, but has to be calculated for the period from the due date of furnishing of annual return under section 44 of the CGST Act till the date of furnishing of complete annual return i.e.:

- i. in cases where FORM GSTR-9C is not required to be furnished, the date of furnishing of FORM GSTR-9;
- ii. in cases where FORM GSTR-9C is required to be furnished along with FORM GSTR-9,
 - a. the date of furnishing of FORM GSTR-9, if FORM GSTR-9C is furnished alongwith FORM GSTR-9; or
 - b. the date of furnishing of FORM GSTR-9C, if FORM GSTR-9C is furnished subsequent to furnishing of FORM GSTR-9.

Circular No 246/03/2025-GST CT dt 30.01.2025 : Late Fee for GSTR 9C

Accordingly, in cases where reconciliation statement in FORM GSTR-9C was required to be furnished along with the return in FORM GSTR-9, but was not furnished so for any financial years upto FY 2022-23, and has been furnished subsequently on or before 31st March, 2025, then no additional late fee shall be payable for delayed furnishing of FORM GSTR-9C which is in excess of the late fee payable under section 47 upto the date of furnishing FORM GSTR-9 for the said financial year. Further, no refund shall be admissible in respect of any amount of late fee already paid in respect of delayed furnishing of FORM GSTR-9C for the said financial years.

Notification No 25/2024 CT dt 9.10.2024 : **TDS on Scrap Sale**

- ❖ It amend N.N 50/2018 CT dated 13.09.2018
- ❖ **GST TDS is made applicable on scape sale** in below case :

- ✓ Any registered person
- ✓ Receiving supplies of metal scrap falling under Chapters 72 to 81 in the First Schedule to the Customs Tariff Act, 1975,
- ✓ From other registered person;



Notification No 06/2024 CT Rate dt 8.10.2024 : **RCM on Scrap Sale**

- ❖ It amend N.N 04/2017 CT dated 28.07.2017
- ❖ **GST RCM is made applicable on scape sale** in below case :

- ✓ Any Registered person
- ✓ Receiving supplies of metal scrap falling under Chapters 72 to 81 in the First Schedule to the Customs Tariff Act, 1975,
- ✓ From Unregistered person;

Notification No 24/2024 CT dt 9.10.2024 : Registration Exemption Case

- ❖ It amend N.N 05/2017 CT dated 19.06.2017
- ❖ Below **Exception** is provided from exemption from GST Registration, in case where :

- ✓ Any person
- ✓ Engaged in the supply of metal scrap, falling under Chapters 72 to 81 in the first schedule to the Customs Tariff Act, 1975

NN 06/2024 and 25/2024 implies that - Reverse Charge Mechanism (RCM) will be applicable on supply of metal scrap by unregistered person to registered person, provided that the supplier shall take registration as and when it crosses threshold limit and the recipient who is liable to pay under RCM shall pay tax even if supplier is under threshold

Finance (No 2)Act 2024 : **Time of Supply for RCM**

❖ Amendment made in clause (b) and (c) of Section 13(3)

✓ Section 13(3) In case of supplies in respect of which tax is paid or liable to be paid on reverse

charge basis, the time of supply shall be the earlier of the following dates, namely:—

- a) **the date of payment** as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or
- b) **the date immediately following sixty days** from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier, in cases where invoice is required to be issued by the supplier; or **[Added by Finance (No 2) Act 2024]**
- c) **the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient** **[Added by Finance (No 2) Act 2024]**

Finance (No 2)Act 2024 : RCM Invoice

❖ Powers to notify time limit for issue of RCM is given in act

✓ Section 31(3)(f) :

*a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall 28a, **within the period as may be prescribed [Added by Finance (No 2) Act 2024]**, issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both*

Notification No 20/2024 CT dt 8.10.2024 : RCM Self Invoice

❖ Proviso of Monthly Consolidated RCM invoice is deleted

✓ Second Proviso to Rule 46 is Omitted by the Central Goods and Services Tax (Second Amendment)

Rules, 2024, w.e.f. 1-11-2024. Prior to its omission, second proviso read as under:

~~"Provided further that where an invoice is required to be issued under clause (f) of subsection (3) of section 31, a registered person may issue a consolidated invoice at the end of a month for supplies covered under sub-section (4) of section 9, the aggregate value of such supplies exceeds rupees five thousand in a day from any or all the supplier:"~~

Notification No 20/2024 CT dt 8.10.2024 : RCM Self Invoice

❖ Rule 47A inserted to specify time limit for issue of RCM Invoice

- Rule 47A Time limit for issuing tax invoice in cases where recipient is required to issue invoice.—
- ✓ Notwithstanding anything contained in rule 47, where an invoice referred to in rule 46 is required to be issued under clause (f) of sub-section (3) of section 31 by a registered person, who is liable to pay tax under sub-section (3) or sub-section (4) of section 9,
- ✓ he shall issue the said invoice within a period of **thirty days** from the date of receipt of the said supply of goods or services, or both, as the case may be

Section 16(4) as amended by Finance Act 2022

- A registered person shall not be entitled to take input tax credit in respect of **any invoice** or debit note for supply of goods or services or both after the thirtieth day of November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier

As per section 16(2)(a) of CGST Act, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed

Circular no.211/5/2024-GST dated 26th June 2024

- Clarification on time limit under Section 16(4) of CGST Act, 2017 in respect of RCM supplies received from unregistered persons

Representations have been received from trade and industry seeking clarity on the applicability of time limit specified under section 16(4) of Central Goods & Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”) for the purpose of availment of input tax credit (ITC) by the recipient on the tax paid by him under reverse charge mechanism (RCM) in respect of supplies received from unregistered persons. It has been represented that

2.2 Rule 36(1)(b) of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the CGST Rules) prescribes that input tax credit shall be availed by a registered person *inter alia* on the basis of an invoice issued in accordance with the provisions of clause (f) of sub-section (3) of section 31 of CGST Act, subject to the payment of tax.

2.3 Further, clause (f) of sub-section (3) of section 31 of CGST Act provides that a registered person, who is liable to pay tax under sub-section (3) or sub-section (4) of section 9, shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both.

Circular no.211/5/2024-GST dated 26th June 2024

- Clarification on time limit under Section 16(4) of CGST Act, 2017 in respect of RCM supplies received from unregistered persons

2.5 It can be seen that section 16(4) of CGST Act links the time limit for ITC availment with the financial year to which the invoice or debit note pertains. As discussed in Para 2.3

2.7 Accordingly, it is clarified that in cases of supplies received from unregistered suppliers, where tax has to be paid by the recipient under reverse charge mechanism (RCM) and where invoice is to be issued by the recipient of the supplies in accordance with [section 31\(3\)\(f\)](#) of CGST Act, the relevant financial year for calculation of time limit for availment of input tax credit under the provisions of [section 16\(4\)](#) of CGST Act will be the financial year in which the invoice has been issued by the recipient under [section 31\(3\)\(f\)](#) of CGST Act, subject to payment of tax on the said supply by the recipient and fulfilment of other conditions and restrictions of [section 16](#) and [17](#) of CGST Act. In case, the recipient issues the invoice after the time of supply of the said supply and pays tax accordingly, he will be required to pay interest on such delayed payment of tax. Further, in cases of such delayed issuance of invoice by the recipient, he may also be liable to penal action under the provisions of [Section 122](#) of CGST Act.

Notification No 20/2024 CT dt 8.10.2024 : **Condition of Rule 96(10) is removed**

- Press Release of 54th GST Council Meeting →

3. Amendments in rule 89 and rule 96 of CGST Rules, 2017 and to provide clarification in respect of IGST refunds on exports where benefit of concessional/ exemption notifications specified under rule 96(10) of CGST Rules, 2017 has been availed on the inputs:

The GST Council recommended to clarify that where the inputs were initially imported without payment of integrated tax and compensation cess by availing benefits under Notification No. 78/2017-Customs dated 13.10.2017 or Notification No. 79/2017-Customs dated 13.10.2017, but IGST and compensation cess on such imported inputs are subsequently paid, along with applicable interest, and the Bill of Entry in respect of the import of the said inputs is got reassessed through the jurisdictional Customs authorities to this effect, then the IGST paid on exports, refunded to the said exporter shall not be considered to be in contravention of provisions of sub-rule (10) of rule 96 of CGST Rules.

Further, considering the difficulty being faced by the exporters due to restriction in respect of refund on exports, imposed vide rule 96(10), rule 89(4A) & rule 89(4B) of CGST Rules, 2017, in cases where benefit of the specified concessional/ exemption notifications is availed on the inputs, the Council recommended to prospectively omit rule 96(10), rule 89(4A) & rule 89(4B) from CGST Rules, 2017. This will simplify and expedite the procedure for refunds in respect of such exports.

Notification No. 04/2025-Central Tax (Rate): **Sale of Old/used Motor Vehicle**

- ❖ Sr. No. 4 of NN. 8/2018-CT (Rate) is amended to increase GST Rate from 12% to 18% on sale of old/used vehicle

<i>S. No.</i>	<i>Chapter, Heading, Sub-heading or Tariff item</i>	<i>Description of Goods</i>	<i>Rate</i>
(1)	(2)	(3)	(4)
1.	8703	Old and used, petrol Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven motor vehicles of engine capacity of 1200 cc or more and of length of 4000 mm or more. <i>Explanation.</i> — For the purposes of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under.	9%
2.	8703	Old and used, diesel driven motor vehicles of engine capacity of 1500 cc or more and of length of 4000 mm <i>Explanation.</i> — For the purposes of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under.	9%
3	8703	Old and used motor vehicles of engine capacity exceeding 1500 cc, popularly known as Sports Utility Vehicles (SUVs) including utility vehicles. <i>Explanation.</i> — For the purposes of this entry, SUV includes a motor vehicle of length exceeding 4000 mm and having ground clearance of 170 mm. and above.	9%
4.	87	All Old and used Vehicles other than those mentioned from S.No. 1 to S.No. 3	1[9%]

Notification No. 07/2025-Central Tax (Rate): **RCM on Sponsorship Service**

- Sponsorship Services provided by Body Corporate is brought under Forward Charge

✓ Old Entry

4	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person	Any body corporate or partnership firm located in the taxable territory.
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✓ Amended Entry

4	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person <u>3a</u> [other than a body corporate]	Any body corporate or partnership firm located in the taxable territory.
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Notification No. 07/2025-Central Tax (Rate): **RCM on Commercial Renting**

- Composition Taxpayer is excluded from RCM on Commercial Renting

✓ Old Entry

4b [5AB	Service by way of renting of [any immovable property] other than residential dwelling.	Any unregistered person	Any registered person.]
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✓ Amended Entry

4b [5AB	Service by way of renting of [any immovable property] other than residential dwelling.	Any unregistered person	Any registered person 3a [other than a person who has opted to pay tax under composition levy.]]
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Circular No. 245/02/2025-GST: **Applicability of GST on Penal Charges by Bank**

- **Applicability of GST on penal charges being levied by the Regulated Entities (REs) in view of RBI instructions, dated 18-8-2023 directing such Regulated Entities (REs) to levy penal charges in place of penal interest.**
- ✓ Representations have been received seeking clarification on the applicability of GST on penal charges being levied by the Regulated Entities (REs) in view of RBI instructions, dated 18-8-2023 directing such Regulated Entities (REs) to levy penal charges in place of penal interest.
- ✓ Regulated Entities (REs) such as banks and non-banking financial companies (NBFCs) have been instructed, vide RBI instructions, dated 18-8-2023, to discontinue the use of **penal interest for non-compliance with loan terms**. As per the instructions, instead of penal interest, REs are to levy **penal charges for non-compliance with loan terms**. The intent of levying penal charges is essentially to inculcate a sense of credit discipline. These instructions are effective from 1-1-2024, and do not apply to credit cards, external commercial borrowings, trade credits and structured obligations which are covered under product specific directions.

Circular No. 245/02/2025-GST: **Applicability of GST on Penal Charges by Bank**

- ❖ No GST is payable on the 'penal charges' levied and collected by banks and NBFCs from borrowers for non-compliance with loan terms
- **Applicability of GST on penal charges being levied by the Regulated Entities (REs) in view of RBI instructions, dated 18-8-2023 directing such Regulated Entities (REs) to levy penal charges in place of penal interest.**
- ✓ It is being viewed by certain field formations that penal charges so levied are in the nature of payment/consideration for tolerating an act or situation. Similar issues were examined in Circular No. 178/10/2022-GST, dated 3-8-2022, wherein it has already been clarified that certain payments such as liquidated damages for breach of contract are not a consideration for tolerating an act or situation. They are rather amounts recovered to deter such acts; such amounts are for preventing breach of contract or non-performance and are thus mere 'events' in a contract. **It has been further clarified that the essence of a contract is its 'performance' and not its 'breach', meaning thereby that parties enter into a contract for execution and not for its breach.**
- ✓ Thus, as recommended by the 55th GST Council, it is hereby clarified that no GST is payable on the penal charges levied by Regulated Entities, in compliance with RBI directions, dated 18-8-2023, for non-compliance with material terms and conditions of loan contract by the borrower.

Circular No. 241/35/2024-GST: **ITC in case of Delivery on Ex-Work Terms**

❖ Section 16(2) of CGST Act 2017:

(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,-

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be **prescribed**;

¹[(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under **section 37**;

(b) he has received the goods or services or both.

²**[Explanation.-** For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services-

(i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;

(ii) where the services are provided by the supplier to any person on the direction of and on account of such registered person;]

Circular No. 241/35/2024-GST: ITC in case of Delivery on EX-Work Terms

- a) the goods are being handed over by the OEM to the transporter at his factory gate for onward transmission to the dealer;
- b) transport is arranged by OEM on the behalf of dealer; and
- c) if insurance is arranged, it is done on the behalf of dealer and any claim in case of loss has to be lodged by the dealer.

3.3.1 In such a scenario, the property in the said goods can be considered to have been passed on to the dealer by the OEM upon handing over of the said goods to the transporter at his factory gate, meaning thereby that the goods can be considered to have been delivered to the registered person (the dealer), through the transporter, by the supplier (the OEM) at his factory gate and the supply of the said goods can be considered to have fructified at the factory gate of the OEM, even though the goods may be physically received by the registered person (the dealer) after the transit period. Accordingly, it is clarified that as per Explanation to clause (b) of sub-section (2) of section 16 of CGST Act, the registered person (the dealer) can be considered to have “received” the said goods at the time of such handing over of the goods by the supplier to the transporter, at his factory gate, for their onward transmission to the said registered person (the dealer).

Circular No.
234/28/2024-GST: GST
implication on loading/
unloading, packing,
unpacking,
transshipment,
temporary
warehousing service
provided by GTA →

6. Whether incidental/ ancillary services such as loading/ unloading, packing, unpacking, transshipment, temporary warehousing etc., provided in relation to transportation of goods by road is to be treated as part of Goods Transport Agency service, being composite supply, or these services are to be treated as separate independent supplies:

6.1 Representations have been received to clarify whether incidental/ ancillary services such as loading/ unloading, packing, unpacking, transshipment, temporary warehousing etc., provided in relation to transportation of goods by road is to be treated as part of Goods Transport Agency (GTA) service, being composite supply, or these services are to be treated as separate independent supplies.

6.2 It has been brought to notice that enforcement agencies are raising demands for such services holding them leviable to GST at the rate of 18% by interpreting last para of Question No. 6 of the FAQ issued by CBIC which states that *“If such incidental services are provided as separate services and charged separately, whether in the same invoice or separate invoices, they shall be treated as separate supplies”*, to mean that if a GTA shows packing charges, loading, unloading charges etc., separately in the invoice, the GTA becomes liable to pay GST at the rate of 18% on these services by treating them as cargo handling services.

6.3 After deliberations on the issue and based on recommendations of the 54th GST Council, it is hereby clarified that ancillary or incidental services provided by GTA in the course of transportation of goods by road, such as loading/unloading, packing/unpacking, transshipment, temporary warehousing etc. will be treated as composite supply of transport of goods. The method of invoicing used by GTAs will not generally alter the nature of the composite supply of service. However, if such services are not provided in the course of transportation of goods and are invoiced separately, then these services will not be treated as composite supply of transport of goods.

Circular No. 231/25/2024-GST: **ITC in respect of Demo Vehicles** →

4.1 Clause (a) of Section 17(5) of CGST Act provides that input tax credit shall not be available in respect of motor vehicles for transportation of persons having approved seating capacity of not more than 13 persons(including the driver), **except when they are used for making following taxable supplies, namely:**

- A. **further supply of such motor vehicles;** or
- B. transportation of passengers; or
- C. imparting training on driving such motor vehicles.

4.4 Regarding the provision for blockage of input tax credit in respect of motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), the usage of the words **“such motor vehicles” instead of “said motor vehicle”, in sub-clause (A) of the clause (a) of section 17(5) of CGST Act,** implies that the intention of the lawmakers was not only to exclude from the blockage of input tax credit, the motor vehicle which is itself further supplied, but also to exclude from the blockage of input tax credit, the motor vehicle which is being used for the purpose of further supply of similar type of motor vehicles. As demo vehicles are used by authorized dealers to provide trial run and to demonstrate features of the vehicle to potential buyers, it helps the potential buyers to make a decision to purchase a particular kind of motor vehicle. **Therefore, as demo vehicles promote sale of similar type of motor vehicles, they can be considered to be used by the dealer for making ‘further supply of such motor vehicles’.** **Accordingly, input tax credit in respect of demo vehicles is not blocked under clause (a)**

Circular No. 231/25/2024-GST: ITC in respect of Demo Vehicles →

4.6 Further, there may be cases where the authorized dealer merely acts as an agent or service provider to the vehicle manufacturer for providing marketing service, including providing facility of vehicle test drive to the potential customers of the vehicle on behalf of the manufacturer and is not directly involved in purchase and sale of the vehicles. In such cases, the sale invoice for the vehicle is directly issued by the vehicle manufacturer to the customer. For providing facility of vehicle test drive to the potential customers of the vehicle, the dealer purchases demo vehicle from the vehicle manufacturer. The dealer may sell the said demo vehicle to a customer after a specified time or kilometres as per agreement with the vehicle manufacturer on payment of applicable GST. In such a case, the authorized dealer is merely providing marketing and/or facilitation services to the vehicle manufacturer and is not making the supply of motor vehicles on his own account. Therefore, the said demo vehicle cannot be said to be used by the dealer for making further supply of such motor vehicles. Accordingly, in such cases, input tax credit in respect of such demo vehicle would not be excluded from blockage in terms of sub-clause (A) of clause (a) of section 17(5) of CGST Act and therefore, input tax credit on the same would not be available to the said dealer.

Press Release 55th GST Council Meeting: **Invoice Management System**

Amendment in CGST Act, 2017 and CGST Rules, 2017 in respect of functionality of Invoice Management System (IMS)

- The GST Council recommended inter-alia-
 - i. To amend section 38 of CGST Act, 2017 and rule 60 of CGST Rules, 2017 to provide a legal framework in respect of generation of FORM GSTR-2B based on the action taken by the taxpayers on the Invoice Management System (IMS).
 - ii. To amend section 34(2) of CGST Act, 2017, to specifically provide for requirement of reversal of input tax credit as is attributable to a credit note, by the recipient, to enable the reduction of output tax liability of the supplier.
 - iii. To insert a new rule 67B in CGST Rules, 2017, to prescribe the manner in which the output tax liability of the supplier shall be adjusted against the credit note issued by him.
 - iv. To amend section 39 (1) of CGST Act, 2017 and rule 61 of CGST Rules, 2017 to provide that FORM GSTR-3B of a tax period shall be allowed to be filed only after FORM GSTR-2B of the said tax period is made available on the portal.

In this regards,
Amendment in Act is → Done
Amendment in Rules is → **Pending**

Circular No. 210/4/2024-GST: **Import of Service**

❖ Schedule I

SCHEDULE I.

[See [section 7](#)]

ACTIVITIES TO BE TREATED AS SUPPLY EVEN IF MADE WITHOUT CONSIDERATION

- (1) Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.
- (2) Supply of goods or services or both between related persons or between distinct persons as specified in [section 25](#), when made in the course or furtherance of business:

Provided that gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.

- (3) Supply of goods-

- (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
- (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.

- (4) Import of services by a¹[person] from a related person or from any of his other establishments outside India, in the course or furtherance of business.

Circular No. 210/4/2024-GST: **Import of Service**

2. Representations have been received from trade and industry stating that demands are being raised by some of the field formations against the registered persons seeking tax on reverse charge basis in respect of certain activities undertaken by their related persons based outside India, by considering the said activities as import of services by the registered person in India, based on an expansive interpretation of the deeming fiction in S.No. 4 of Schedule I of CGST Act, though no consideration is involved in the said activities and the same are not considered as supplies by the said related person in India. It has been represented that the same treatment, which is being given to domestic related parties/ distinct persons as per clarification provided by Circular No. 199/11/2023-GST dated 17.07.2023, may also be provided in cases where a foreign entity is providing service to its related party located in India, in cases where full ITC is available to the said recipient located in India.

Circular No. 210/4/2024-GST: **Import of Service**

Rule 28. Value of supply of goods or services or both between distinct or related persons, other than through an agent. -

¹[(1)] The value of the supply of goods or services or both between distinct persons as specified in sub-section (4) and (5) of [section 25](#) or where the supplier and recipient are related, other than where the supply is made through an agent, shall-

(a) be the open market value of such supply;

(b) if the open market value is not available, be the value of supply of goods or services of like kind and quality;

(c) if the value is not determinable under clause (a) or (b), be the value as determined by the application of [rule 30](#) or [rule 31](#), in that order:

Provided that where the goods are intended for further supply as such by the recipient, the value shall, at the option of the supplier, be an amount equivalent to ninety percent of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person:

Provided further that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the goods or services.

¹[(2) Notwithstanding anything contained in sub-rule (1), the value of supply of services by a supplier to a recipient who is a related person ²[located in India], by way of providing corporate guarantee to any banking company or financial institution on behalf of the said recipient, shall be deemed to be one per cent of the amount of such guarantee offered ²[per annum], or the actual consideration, whichever is higher.]

²[**Provided** that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the value of said supply of services.]

Circular No. 210/4/2024-GST: **Import of Service**

3.5 The second proviso to Rule 28 (1) of CGST Rules, is applicable in all the cases involving supply of goods or services or both between the **distinct persons** as well as the **related persons**, in cases where full ITC is available to the recipient. Accordingly, it is evident that the clarification which has been issued vide Circular No. 199/11/2023-GST dated 17.07.2023 in respect of supplies of services between distinct persons in cases where full ITC is available to the recipient, is equally applicable in respect of import of services between related persons.



Circular No. 210/4/2024-GST: **Import of Service**

3.7 In view of the above, it is clarified that in cases where the foreign affiliate is providing certain services to the related domestic entity, and where full input tax credit is available to the said related domestic entity, the value of such supply of services declared in the invoice by the said related domestic entity may be deemed as open market value in terms of second proviso to rule 28(1) of CGST Rules. Further, in cases where full input tax credit is available to the recipient, if the invoice is not issued by the related domestic entity with respect to any service provided by the foreign affiliate to it, the value of such services may be deemed to be declared as Nil, and may be deemed as open market value in terms of second proviso to rule 28(1) of CGST Rules.

Amendment to Section 17(5): **ITC relating to Immovable Property**

❖ **Section 17(5)**: Notwithstanding anything contained in sub-section (1) of section 16 and subsection (1) of section 18, input tax credit shall not be available in respect of the following, namely:-

(c) works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service;

(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant ~~or~~ **and** machinery) on his own account including when such goods or services or both are used in the course or furtherance of business.

Explanation.1 For the purposes of clauses (c) and (d), the expression "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

Explanation 2.—For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to “plant or machinery” shall be construed and shall always be deemed to have been construed as a reference to “plant and machinery

Supreme Court in case of

Chief Commissioner of Central Goods and
Service Tax & Ors.

Versus

M/s. Safari Retreats Private Limited & Ors

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- Valuation of Corporate Bank Guarantee

Amendment: In Rule 28(2) in relation to Valuation of Corporate Bank Guarantee

¹[(2) Notwithstanding anything contained in sub-rule (1), the value of supply of services by a supplier to a recipient who is a related person, ²[located in India] by way of providing corporate guarantee to any banking company or financial institution on behalf of the said recipient, shall be deemed to be one per cent of the amount of such guarantee offered, ²[per annum] or the actual consideration, whichever is higher.]

²[Provided that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the value of said supply of services.]

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

• GSTR 1

Amendment In Rule 59: OTHER AMENDMENT IN GSTR 1

- (4) The details of outward supplies of goods or services or both furnished in **FORM GSTR-1** shall include the—
- (a) invoice wise details of all—
 - (i) inter-State and intra-State supplies made to the registered persons; and
 - (ii) inter-State supplies with invoice value more than 42d[one lakh rupees] made to the unregistered persons;
 - (b) consolidated details of all—
 - (i) intra-State supplies made to unregistered persons for each rate of tax; and
 - (ii) State wise inter-State supplies with invoice value upto 42d[one lakh rupees] made to unregistered persons for each rate of tax;
 - (c) debit and credit notes, if any, issued during the month for invoices issued previously.

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

• DUE DATE FOR GSTR 4

Amendment In Rule 62: GSTR 4 due date extended from FY 2024-25

[47](#)[Form and manner of submission of statement and return^{[48](#)}]

62. (1) Every registered person ^{[49](#)}[paying tax under section 10 ^{[49a](#)}[***]] shall—

- (i) furnish a statement, every quarter or, as the case may be, part thereof, containing the details of payment of self-assessed tax in **FORM GST CMP-08**, till the 18th day of the month succeeding such quarter; and
- (ii) furnish a return for every financial year or, as the case may be, part thereof in **FORM GSTR-4**, till the thirtieth day of April following the end of such financial year,]

electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

^{[50a](#)} **[Provided that the return in FORM GSTR-4 for a financial year from FY 2024-25 onwards shall be required to be furnished by the registered person till the thirtieth day of June following the end of such financial year.]**

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- **Amendment In Rule 88B: Interest implication if Tax Deposited in cash with due date but return filed after due date**

15. In the said rules, in rule 88B, after sub-rule (1), the following proviso shall be inserted, namely: –

“Provided that where any amount has been credited in the Electronic Cash Ledger as per provisions of sub-section (1) of section 49 on or before the due date of filing the said return, but is debited from the said ledger for payment of tax while filing the said return after the due date, the said amount shall not be taken into consideration while calculating such interest if the said amount is lying in the said ledger from the due date till the date of its debit at the time of filing return.”.



Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- Rule 142(2A) – Solution for Dropping Demand of DRC 01A is now provided in GST Law**

Rule 142 (1A) - The proper officer may, before service of notice to the person chargeable with tax, interest and penalty, under sub-section (1) of section 73 or sub-section (1) of section 74, as the case may be, communicate the details of any tax, interest and penalty as ascertained by the said officer, in Part A of FORM GST DRC-01A.

Rule 142(2A) - Where the person referred to in sub-rule (1A) has made partial payment of the amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in Part B of FORM GST DRC-01A and **thereafter the proper officer may issue an intimation in Part-C of FORM GST DRC-01A, accepting the payment or the submissions or both, as the case may be, made by the said person**

FORM GST DRC-01A

Intimation of tax ascertained as being payable under section 73(5)/74(5)

Part C

[See Rule 142(2A)]

Reference No. of Intimation:

Date:

To

GSTIN.....

Name.....

Address.....

Acceptance of submission and/or payment made in reply to intimation made in Part-A of FORM GST DRC-01A

This has reference to the communication issued in **Part-A** of **FORM GST DRC-01A** vide reference no. ----- dated -----, the payment made through **FORM GST DRC-03** vide reference no. ----- dated -----, The said payment made by you has been found satisfactory and hence accepted.

OR

This has reference to the reply furnished vide reference no. ----- dated ----- in response to the communication issued in **Part-A** of **Form GST DRC-01A** vide reference no. ----- dated -----, along with the payment made through **FORM GST DRC-03** vide reference no. ----- dated -----, The said submission and the payment made by you has been found satisfactory and hence accepted.

OR

This has reference to the reply furnished vide reference no. ----- dated ----- in response to the communication issued in **Part-A** of **Form GST DRC-01A** vide reference no. ----- dated -----, The said reply has been found satisfactory and hence accepted.

Signature..... Name.....

Designation.....

Jurisdiction

Address

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- **Rule 142(2B) inserted – Solution for Demand paid through DRC 03 instead crediting to Liability Register**

“(2B) Where an amount of tax, interest, penalty or any other amount payable by a person under section 52 or section 73 or section 74 or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130, has been paid by the said person through an intimation in FORM GST DRC-03 under sub-rule (2), instead of crediting the said amount in the electronic liability register in FORM GST PMT –01 against the debit entry created for the said demand, the said person may file an application in FORM GST DRC-03A electronically on the common portal, and the amount so paid and intimated through FORM GST DRC-03 shall be credited in Electronic Liability Register in FORM GST PMT –01 against the debit entry created for the said demand, as if the said payment was made towards the said demand on the date of such intimation made through FORM GST DRC-03:

Provided that where an order in FORM GST DRC-05 has been issued in terms of sub-rule (3) concluding the proceedings, in respect of the payment of an amount in FORM GST DRC-03, an application in FORM GST DRC-03A cannot be filed by the said person in respect of the said payment.”.

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- Rule 142(2B) inserted – Solution for Demand paid through DRC 03 instead crediting to Liability Register

FORM GST DRC- 03A

[See rules 142(2B)]

Application for adjustment of the amount paid through FORM GST DRC-03 against the order of demand

1.	GSTIN	
2.	Legal name	< Auto>
3.	Trade name, if any	< Auto>
4.	ARN of DRC-03A	< Auto>
5.	Date of filing DRC-03A	< Auto>
6.	ARN of the DRC-03 through which payment made	
7.	Date of filing of DRC-03	<Auto>
8.	Amount paid through DRC-03	< Auto>

(Amount in Rs.)

Sr. No.	Tax Period	Act	Place of Supply (POS)	Tax/ Cess	Interest	Penalty	Fee	Others	Total
1	2	3	4	5	6	7	8	9	10
< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>
< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>
Total	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>	< Auto>

9.	Reference no. of the order of demand against which payment was intended to be made (including rectification / appeal order)	
10.	Date of issue of the order	<Auto>
11.	Amount of demand	<Auto>

(Amount in Rs.)

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- Form 2B Replaced – ITC Reversal on account of Tax not paid by supplier

Table 5 - ITC Reversal Summary (Rule 37A)

S.no.	Heading	GST R-3B Table	Integrated Tax (₹)	Central Tax (₹)	State/UT tax (₹)	Cess (₹)	Advisory
Credit which may be reversed under FORM GSTR-3B							
Part A	ITC Reversed - Others						
I Details	ITC Reversal on account of Rule 37A	4(B)(2)					Such credit shall be reversed and has to be reported in table 4(B)(2) of FORM GSTR-3B.
	B2B – Invoices						
	B2B - Debit notes						
	B2B - Invoices (Amendment)						
	B2B - Debit notes (Amendment)						

Instruction No 8 –

Table 5 captures the summary of ITC to be reversed under Rule 37A on or before 30th November following the end of financial year in which the ITC in respect of such invoice or debit note has been availed and corresponding FORM GSTR-3B has not been furnished by the supplier.

Credit auto populated in this table shall be reversed in FORM GSTR-3B but should be reported as ITC reversed in Table 4(B)(2) of FORM GSTR-3B. Table 5 shall be made available only in FORM GSTR 2B of the September of the next financial year (made available in October).



Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- Amendment in Form GSTR 3B : **Negative Sales Liability allowed**

Old TABLE 6.1 : Payment of Tax

6.1 Payment of tax

Description	Tax payable	Paid through ITC				Tax paid TDS/TCS	Tax/Cess paid in cash	Interest	Late Fee
		Integrated Tax	Central Tax	State/UT Tax	Cess				
1	2	3	4	5	6	7	8	9	10
Integrated Tax									
Central Tax									
State/UT Tax									
Cess									

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- Amendment in Form GSTR 3B : Negative Sales Liability allowed

Amended TABLE 6.1 : Payment of Tax



32. In the said rules, with effect from date to be notified, in FORM GSTR-3B, -

(a) For Table 6.1, the following Table shall be substituted;

Description	Tax payable	Adjustment of negative liability of previous tax period	Net Tax Payable (2-3)	Tax paid through ITC				Tax paid in cash	Interest paid in cash	Late fee paid in cash
				Integrated tax	Central tax	State/UT tax	Cesses			
1	2	3	4	5	6	7	8	9	10	11
(A) Other than (i) reverse charge and (ii) supplies made u/s 9(5)										
Integrated tax	<Auto>	<Auto>	<Auto>							
Central tax	<Auto>	<Auto>	<Auto>							
State/ UT tax	<Auto>	<Auto>	<Auto>							
Cess	<Auto>	<Auto>	<Auto>							
(B) Reverse charge and supplies made u/s 9(5)										
Integrated tax	<Auto>	<Auto>	<Auto>							
Central tax	<Auto>	<Auto>	<Auto>							
State/UT	<Auto>	<Auto>	<Auto>							

Finance (No 2) Act 2024

- Section 11A - Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.

“11A. Notwithstanding anything contained in this Act, if the Government is satisfied that —

(a) a practice was, or is, generally prevalent regarding levy of central tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to, —

(i) central tax, in cases where according to the said practice, central tax was not, or is not being, levied, or

(ii) a higher amount of central tax than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the central tax payable on such supplies, or, as the case may be, the central tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the central tax was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice.”.

Finance (No 2) Act 2024

- Section 39(3) – GST TDS Return

120. In section 39 of the Central Goods and Services Tax Act, for sub-section (3), the following sub-section shall be substituted, namely: —

“(3) Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:

Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.”.

Finance (No 2) Act 2024

- Section 74 – Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards

“74A. (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.

(2) The proper officer shall issue the notice under sub-section (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

Finance (No 2) Act 2024

• Section 74 – Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards

(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—

(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;

(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.

(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(7) The proper officer shall issue the order under sub-section (6) within twelve months from the date of issuance of notice specified in sub-section (2):

Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorised by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of Central Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.

Finance (No 2) Act 2024

- Section 74 – Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards**

(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, may, —

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

Finance (No 2) Act 2024

- Section 74 – Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards

(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.

(12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.

Explanation 1.—For the purposes of this section,—

(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.

Explanation 2.—For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.

Notification No 15/2024 Central Tax dated 10th July 2024

- **GST TCS RATE REDUCED FROM 1% TO 0.50% [0.25% + 0.25%]**

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

**NOTIFICATION
No. 15/2024- Central Tax**

New Delhi, dated the 10th July, 2024

G.S.R....(E).—In exercise of the powers conferred by sub-section (1) of section 52 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No. 52/2018-Central Tax, dated the 20th September, 2018 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 900(E), dated the 20th September, 2018, namely:-

In the said notification, for the words “half per cent.”, the figure and word “0.25 per cent.” shall be substituted.

2. This notification shall come into force from the date of its publication in official gazette.

Notification No 04/2024 Central Tax Rate dated 12th July 2024

- Amendment made to Notification No 12/2017 CT Rate 12th July 2024



(1)	(2)	(3)	(4)	(5)
"12A	Heading 9963	Supply of accommodation services having value of supply less than or equal to twenty thousand rupees per person per month provided that the accommodation service is supplied for a minimum continuous period of ninety days.	Nil	Nil".

❖ Recommendations of 53rd GST Council Meeting :

GST Council recommends certain exemptions related to accommodation services, providing relief to students and working professionals

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Circular no.209/3/2024-GST dated 26th June 2024

- Clarification on the provisions of clause (ca) of Section 10(1) of the Integrated Goods and Service Tax Act, 2017 relating to place of supply of goods to unregistered persons– Reg

2. Clause (ca) has been inserted in Section 10(1) of the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the “IGST Act”) with effect from 01.10.2023. The same is reproduced as under:

"(ca) where the supply of goods is made to a person other than a registered person, the place of supply shall, notwithstanding anything contrary contained in clause (a) or clause (c), be the location as per the address of the said person recorded in the invoice issued in respect of the said supply and the location of the supplier where the address of the said person is not recorded in the invoice.

3. Reference has been received from trade and industry seeking clarification regarding the place of supply in terms of newly added clause (ca) of section 10(1) of the IGST Act, in case of supply of goods made to an unregistered person where billing address is different from the address of delivery of goods, especially in the context of supply being made through e-commerce platforms.

Circular no.209/3/2024-GST dated 26th June 2024

S.No.	Issue	Clarification
	Place of supply of goods (particularly being supplied through e-commerce platform) to unregistered persons where billing address is different from the address of delivery of goods.	
1.	Mr. A (unregistered person) located in X State places an order on an ecommerce platform for supply of a mobile phone, which is to be delivered at an address located in Y State. Mr. A, while placing the order on the e-commerce platform, provides the billing address located in X state. In such a scenario, what would be the place of supply of the said supply of mobile phone, whether the State pertaining to the billing address i.e. State X or the State pertaining to the delivery address i.e. State Y?	<p>As per the provisions of clause (ca) of subsection (1) of section 10 of IGST Act, where the supply of goods is made to an unregistered person, the place of supply would be the location as per the address of the said person recorded in the invoice and the location of the supplier where the address of the said person is not recorded in the invoice. Further, as per Explanation to the said clause, recording the name of the State of the said unregistered person on the invoice shall be deemed to be the recording of the address of the said person.</p> <p>Accordingly, it is clarified that in such cases involving supply of goods to an unregistered person, where the address of delivery of goods recorded on the invoice is different from the billing address of the said unregistered person on the invoice, the place of supply of goods in accordance with the provisions of clause (ca) of sub-section (1) of section 10 of IGST Act, shall be the address of delivery of goods recorded on the invoice i.e. State Y in the present case where the delivery address is located.</p> <p>Also, in such cases involving supply of goods to an unregistered person, where the billing address and delivery address are different, the supplier may record the delivery address as the address of the recipient on the invoice for the purpose of determination of place of supply of the said supply of goods.</p>

Circular no.212/6/2024-GST dated 26th June 2024

- Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers



In cases where the discounts are offered by the suppliers through tax credit notes, after the supply has been effected, the said discount is not to be included in the taxable value only if the condition of clause (b)(ii) of sub-section (3) of section 15 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), for reversal of the input tax credit attributable to the said discount by the recipient, is satisfied. Representations have been received from the trade and the field formations mentioning that there is presently no facility available to the supplier as well as the tax officers on the common portal to verify whether the input tax credit attributable to the said discount has been reversed by the recipient or not. Request has been made to provide a suitable mechanism for enabling the suppliers as well as tax officers to verify fulfilment of the condition of section 15(3)(b)(ii) of the CGST Act

Circular no.212/6/2024-GST dated 26th June 2024

- Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers

2.1 Section 15 of the CGST Act provides for value of taxable supply of goods or services or both. Sub-section (3) of the said section provides that the value of supply shall not include discount given by the supplier, subject to certain conditions. As per clause (b) of the said sub-section, any discount which is given after the supply has been effected shall not be included in the value of the supply, only if it satisfies the following conditions:

- i. Such discount is established in terms of an agreement entered into at or before the time of such supply;
- ii. Such discount must be specifically linked to the relevant invoices
- iii. Input Tax Credit attributable to such discount on the basis of document issued by the supplier has been duly reversed by the recipient.

Circular no.212/6/2024-GST dated 26th June 2024

- Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers**

2.4 In view of the above, **till the time a functionality/ facility is made available** on the common portal to enable the suppliers as well as the tax officers to verify whether the input tax credit attributable to such discounts offered through tax credit notes has been reversed by the recipient or not, **the supplier may procure a certificate from the recipient of supply, issued by the Chartered Accountant (CA) or the Cost Accountant (CMA), certifying that the recipient has made the required proportionate reversal of input tax credit** at his end in respect of such credit note issued by the supplier.

2.5 The said **CA/CMA certificate may include** details such as the details of the credit notes, the **details of the relevant invoice number** against which the said credit note has been issued, **the amount of ITC reversal** in respect of each of the said credit notes along with the **details of the [FORM GST DRC-03/](#) return / any other relevant document through which such reversal of ITC has been made** by the recipient.

Circular no.212/6/2024-GST dated 26th June 2024

• Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers

2.7 In cases, where the amount of tax (CGST+SGST+IGST and including compensation cess, if any) involved in the discount given by the supplier to a recipient through tax credit notes in a Financial Year is not exceeding Rs 5,00,000 (rupees five lakhs only), then instead of CA/CMA certificate, the said supplier may procure an undertaking/ certificate from the said recipient that the said input tax credit attributable to such discount has been reversed by him, along with the details mentioned in Para 2.5 above.

2.8 Such certificates issued by the CA/CMA or the undertakings/ certificates issued by the recipient of supply, as the case may be, shall be treated as a suitable and admissible evidence for the purpose of [section 15\(3\)\(b\)\(ii\)](#) of the CGST Act, 2017. The supplier shall produce such certificates/undertakings before the tax officers, if required, during any proceedings such as scrutiny, audit, investigations, etc. Even for the past period, where ever any such evidence as per [section 15\(3\)\(b\)\(ii\)](#) of CGST Act in respect of credit note issued by the supplier for post-sale discounts is required to be produced by him to the tax authorities, the concerned taxpayer may procure and provide such certificates issued by CA/CMA or the undertakings/ certificates issued by the recipients of supply, as the case may be, to the concerned investigating/audit/adjudicating authority as evidence of requisite reversal of input tax credit by his recipients.

- Clarification on the taxability of ESOP/ESPP/RSU provided by a company to its employees through its overseas holding company

of company. The ESOP/ESPP/RSU is a part of remuneration of the employee by the employer as per terms of employment. As per Entry 1 of Schedule III of the CGST Act, the services by an employee to the employer in the course of or in relation to his employment are treated neither as supply of goods nor as supply of services. Therefore, GST is not leviable on the compensation paid to the employee by the employer as per the terms of employment contract which involve transfer of securities/shares of the foreign holding company to the employees of domestic subsidiary company.

Circular no.213/07/2024-GST dated 26th June 2024

- Clarification on the taxability of ESOP/ESPP/RSU provided by a company to its employees through its overseas holding company

4.6 Accordingly, it is clarified that no supply of service appears to be taking place between the foreign holding company and the domestic subsidiary company where the foreign holding company issues ESOP/ESPP/RSU to the employees of domestic subsidiary company, and the domestic subsidiary company reimburses the cost of such securities/shares to the foreign holding company on cost-to-cost basis. However, in cases where an additional amount over and above the cost of securities/shares is charged by the foreign holding company from the domestic subsidiary company, by whatever name called, GST would be leviable on such additional amount charged as consideration for the supply of services of facilitating/ arranging the transaction in securities/ shares by the foreign holding company to the domestic subsidiary company. The GST shall be payable by the domestic subsidiary company on reverse charge basis in such a case on the said import of services.

Circular no.216/10/2024-GST dated 26th June 2024

- **Clarification in respect of GST liability and input tax credit (ITC) availability in cases involving Warranty/ Extended Warranty, in furtherance to Circular No. 195/07/2023-GST dated 17.07.2023**
 - Clarification issued by earlier "Circular No. 195/07/2023-GST dated 17th July 2024 is also **now extended for "Goods Replaced under Warranty"** along with "Parts replaced under Warranty"
 - **Clarified that –**
 - ✓ **Extended warranty** is in the nature of conveying of an "Assurance" and not an actual replacement of part or repairs.
 - ✓ **Supply of extended warranty shall be treated as a supply of services** distinct from the original supply of goods, and the supplier of the said extended warranty shall be liable to discharge GST liability applicable on such supply of services
 - ✓ **Normal Warranty provided by supplier will be "Composite supply"** if supplied along with supply of goods and in such case principal supply will be supply of goods"
 - ✓ **Extended Warranty provided by supplier will be "Composite supply"** if supplied along with supply of goods and in such case principal supply will be supply of goods"
 - ✓ **If Extended warranty provided by any other person** (third party and not by main supplier), then it will be treated as Supply of service.
 - ✓ **Extended Warranty provided by supplier will be "Supply of Service"** if supplied anytime after supply of goods.

Circular no.221/15/2024-GST dated 26th June 2024

- Clarification on time of supply in respect of supply of services of construction of road and maintenance thereof of National Highway Projects of National Highways Authority of India (NHAI) in Hybrid Annuity Mode (HAM) model

Representations have been received from the trade and the field formations seeking clarification regarding the time of supply in respect of supply of services of construction of road and maintenance thereof of National Highway Projects in Hybrid Annuity Mode (HAM) model, where certain portion of Bid Project Cost is received during construction period and remaining payment is received through deferred payment (annuity) spread over years.

- **Issue:** Under HAM model of National Highways Authority of India (NHAI), the concessionaire has to construct the new road and provide Operation & Maintenance of the same which is generally over a period of 15-17 years and the payment of the same is spread over the years. What is the time of supply for the purpose of payment of tax on the said service under the HAM model?

Under the Hybrid Annuity Model (HAM) of concession agreements, the highway development projects are under Design, Build, Operate and Transfer model (DBOT), wherein the concessionaire is required to undertake new construction of Highway, as well as the Operation and Maintenance (O&M) of Highways

Circular no.221/15/2024-GST dated 26th June 2024

- Clarification on time of supply in respect of supply of services of construction of road and maintenance thereof of National Highway Projects of National Highways Authority of India (NHAI) in Hybrid Annuity Mode (HAM) model

■ Clarification:

- ✓ The contract needs to be looked at holistically based on the services to be performed by the concessionaire and cannot be artificially split into two separate contracts for construction and operation and maintenance, based on the payment terms. The concessionaire is bound contractually to complete not only the construction of the highway but also to operate and maintain the same.
- ✓ In HAM contract, the payment is made spread over the contract period in installments and payment for each installment is to be made after specified periods, or on completion of an event, as specified in the contract. The same appears to be covered under the '**Continuous supply of services**' as defined under section 2(33) of the CGST Act

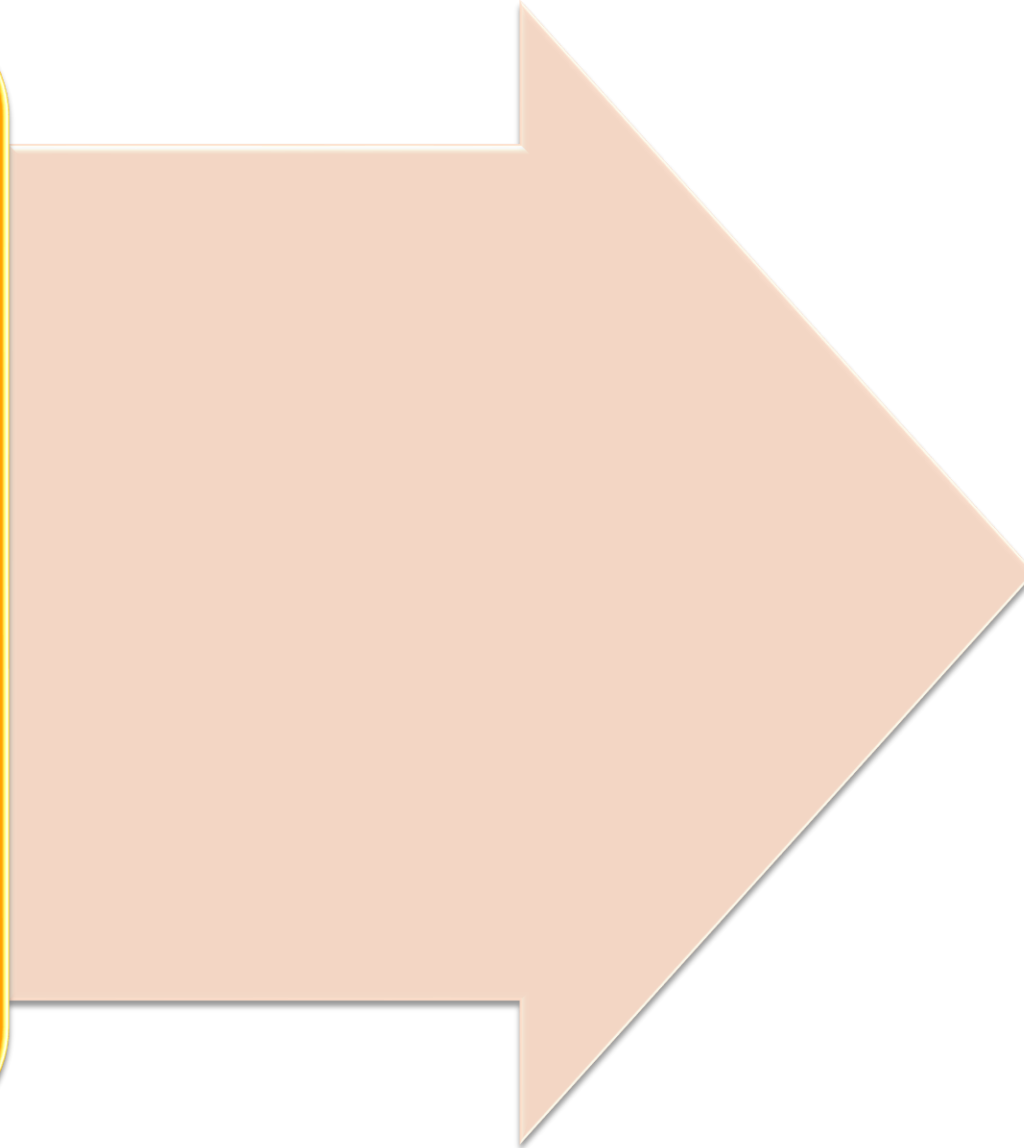
Circular no.221/15/2024-GST dated 26th June 2024

- Clarification on time of supply in respect of supply of services of construction of road and maintenance thereof of National Highway Projects of National Highways Authority of India (NHAI) in Hybrid Annuity Mode (HAM) model

■ Clarification:

- ✓ It is clarified that the tax liability on the concessionaire under the HAM contract, including on the construction portion, would arise → at the time of issuance of invoice, or receipt of payments, whichever is earlier, **if the invoice is issued on or before the specified date or the date of completion of the event specified in the contract, as applicable.**
- ✓ **If invoices are not issued on or before the specified date or the date of completion of the event** specified in the contract, tax liability would arise → on the date of provision of the said service (i.e., the due date of payment as per the contract), or the date of receipt of the payment, whichever is earlier.
- ✓ It is also clarified that as the installments/annuity payable by NHAI to the concessionaire also includes some interest component, the amount of such interest shall also be includible in the taxable value for the purpose of payment of tax on the said. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

GST,
EINVOICE,
EWAY
BILL,
PORTAL



Maximum Time for Generation of E Way Bill

- Advisory Dated 18th December 2024

https://docs.ewaybillgst.gov.in/Documents/Advisory_on_Updates_to_EWB-updated.pdf

Updates to E-Way Bill and E-Invoice Systems

As suggested by GSTN , NIC will be rolling out updated versions of the E-Way Bill and E-Invoice Systems effective from 1st January 2025. These updates are aimed at enhancing the security of the portals, in line with best practices and government guidelines.

2. Multi-Factor Authentication (MFA):

One of the key changes involves the implementation of Multi-Factor Authentication (MFA). Currently, MFA, which requires login using a username, password, and OTP (sent to the registered mobile number, Sandes app, or similar platforms), is mandatory for taxpayers with an Annual Aggregate Turnover (AATO) exceeding ₹100 Crores since 20th August 2023 and optional for those with AATO exceeding ₹20 Crores since 11th September 2023.

- a) Starting 1st January 2025, MFA will become mandatory for taxpayers with AATO exceeding ₹20 Crores, from 1st February 2025 for those with AATO exceeding ₹5 Crores, and from 1st April 2025 for all other taxpayers and users. [Click here for more details on 2 Factor Authentication.](#)
- b) Taxpayers are encouraged to activate and start using MFA immediately, and detailed instructions are available on the E-Invoice and E-Way Bill portals. It is advised to ensure that the registered mobile number is updated with your GSTIN.

3. Restricting the period of EWB generation from the date of base document:

The generation of E-Way Bills will be restricted to documents dated within 180 days from the date of generation. For instance, documents dated earlier than 5th July 2024 will not be eligible for E-Way Bill generation starting 1st January 2025.

4. Restricting the extension of EWB for specific time/period from the eWB generation date:

Furthermore, the extension of E-Way Bills will be limited to 360 days from their original date of generation. For example, an E-Way Bill generated on 1st January 2025 can only be extended up to 25th December 2025.

Maximum Time for Generation of E – Invoice

- Advisory Dated 5th November 2024

https://docs.ewaybillgst.gov.in/Documents/Advisory_on_Updates_to_EWB-updated.pdf

Advisory: Time Limit for Reporting e-Invoice on the IRP Portal – Lowering of Threshold to AATO 10 Crores and Above

Nov 5th, 2024

Dear Taxpayers,

1. With reference to the earlier advisory dated 13th September 2023 (<https://einvoice.gst.gov.in/einvoice/newsandupdates/read-602>), where a time limit of 30 days for reporting e-Invoices on IRP portals for taxpayers with an AATO of 100 crores and above was implemented, the threshold has now been lowered to cover taxpayers with an AATO of 10 crores and above.
2. Therefore, from 1st April 2025, taxpayers with an AATO of 10 crores and above would not be allowed to report e-Invoices older than 30 days from the date of reporting on IRP portals.
3. This restriction would apply to all document types (Invoices/Credit Notes/Debit Notes) for which an IRN is to be generated.
4. For example, if an invoice is dated 1st April 2025, it cannot be reported after 30th April 2025. The validation built into the invoice registration portals (IRP) would disallow the user from reporting the e-Invoice after the 30-day window. Hence, it is essential for taxpayers to ensure that they report the e-Invoice within the 30-day window provided by the new time limit.
5. It is further clarified that there would be no such reporting restriction on taxpayers with an AATO of less than 10 crores as of now.
6. To provide sufficient time for taxpayers to comply with this requirement, the above limit would come into effect from 1st April 2025 onwards.

Thanks,
Team GSTN

GST Registration – Biometric Authentication Process

- Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

Biometric-based Aadhaar Authentication and Document Verification for GST Registration with Slot booking facility

As per Rule 8 of CGST Rules, 2017

Technology initiative by GSTN to:


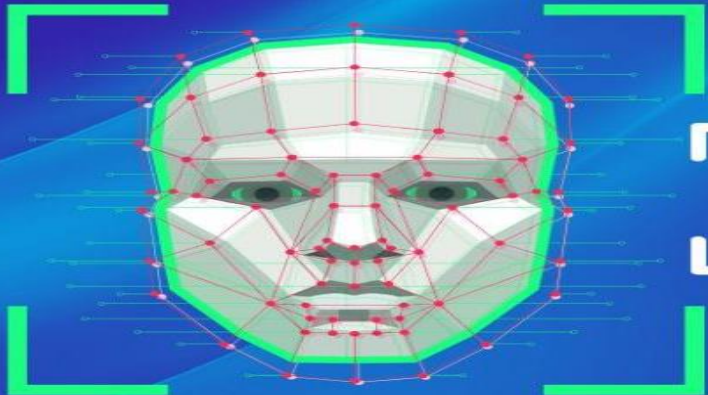

- ✓ Combat the menace of fake registrations and bogus billing
- ✓ Prevent misuse of Aadhaar and PAN card
- ✓ Protect innocent citizen from fraudulent elements

Rolled out in following States/UTs till 2nd Aug 2024

1. West Bengal
2. Jammu & Kashmir
3. Uttarakhand
4. Andhra Pradesh
5. Gujarat
6. Puducherry

(Remaining states/UTs to be covered soon)

This is a significant milestone to create deterrence against fraudsters and secure GST ecosystem across the country.



GST Registration – Biometric Authentication Process

- GSTN Advisory dated 12th Feb 2025

Advisory for GST Registration Process (Rule 8 of CGST Rules, 2017)

Feb 12th, 2025

Dear Taxpayer,

In line with recent developments in the GST registration process, applicants must adhere to the following steps as per Rule 8 of the CGST Rules, 2017:

1. Applicants Not Opting for Aadhaar Authentication:

- If you choose not to authenticate via Aadhaar, you must visit the designated GST Suvidha Kendra (GSK) for photo capturing and document verification.
- Upon selecting "NO" for Aadhaar authentication, an email will be sent with GSK details and required documents.
- You can schedule an appointment via a link in the email. An appointment confirmation will follow through mail.
- Visit the GSK at the scheduled time for photo capturing, document verification.

GST Registration – Biometric Authentication Process

• GSTN Advisory dated 12th Feb 2025

2. Applicants Opting for Aadhaar Authentication and application identified for Biometric Authentication:

- Promoters/Partners opting for Aadhaar authentication should first visit the GSK for biometric authentication and photo capturing, followed by the Primary Authorized Signatory (PAS).
- Promoters/Partners opting for Aadhaar authentication must visit the GSK for photo capturing and biometric authentication. The Primary Authorized Signatory (PAS) is required to carry the documents listed in the intimation email for verification at the GSK. Additionally, the PAS must undergo photo capturing and biometric authentication at the GSK as part of the process.
- If a Promoter/Partner has already been biometric verified in any State/UT during a previous registration, they will not need to visit the GSK again for photo capturing, biometric authentication, or document verification for any other entity where they act as Promoter/Partner. However, if she/he becomes the PAS of the entity, only document verification at the GSK will be required.
- In case PAS has already been biometric verified in any State/UT during a previous registration, she/he will need to visit the GSK only for document verification.
- If the Promoter/Partner and PAS are the same individual, she/he must visit the GSK for photo capturing, biometric authentication, and document verification. If already biometric verified in the past, only document verification at the GSK is required.

3. Non-Generation of Application Reference Number (ARN):

- **For applicants opted Aadhaar-authentication and application identified for Biometric Authentication:** If any of the Promoter/Partner or PAS fails to visit the GSK or biometric authentication fails or document verification is not completed within 15 days of submitting Part B of REG-01, the ARN will not be generated. Ensure that your Aadhaar details (name, date of birth, gender) are accurate to avoid authentication failures. If any discrepancies occur, update Aadhaar and visit the GSK within 15 days.
- **For non-Aadhaar applicants:** If photo capturing or document verification is not completed within 15 days, the ARN will not be generated.

1/2

23/05/2025, 11:58

Downloaded from Goods & Services Tax Portal

Taxpayers are urged to follow this advisory to ensure smooth processing of their GST registration applications.

Thank You,
Team GSTN

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- Visit to GST Facilitation Center for GST Registration Process

CURRENT PROVISION: Rule 8(4A)

*9[(4A) Where an applicant, other than a person notified under sub-section (6D) of section 25, opts for authentication of Aadhaar number, he shall, while submitting the application under sub-rule (4), undergo authentication of Aadhaar number and the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or fifteen days from the submission of the application in Part B of FORM GST REG-01 under sub-rule (4), whichever is earlier.

Provided that every application made under sub-rule (4) by a person, other than a person notified under sub-section (6D) of [section 25](#), 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 of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub-section (6C) of [section 25](#) 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 Facilitation Centres notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after completion of the process laid down under this proviso;]

Notification No 12/2024 CT dt 10.07.2024 : Amendment to GST Rules

- Visit to GST Facilitation Center for GST Registration Process

Amendment: Second Proviso added to Rule 8(4A)

2. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), with effect from a date to be notified, in rule 8, in sub-rule (4A), after the first proviso, the following proviso shall be inserted, namely: -

“Provided further that every application made under sub-rule (4) by a person, other than a person notified under sub-section (6D) of section 25, who has not opted for authentication of Aadhaar number, shall be followed by taking photograph of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub-section (6C) of section 25 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 Facilitation Centers notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after successful verification as laid down under this proviso.”.



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Thank You.

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