

Week of 23rd April, 2018

A. CHANGES IN THE GST REGIME

GST on goods purchased from duty free shops

As per the erstwhile Value Added Tax (VAT) regime, sale of goods from duty free shops situated at international airports were exempt from payment of VAT. To seek clarification on the taxability of such sales under the GST regime, an application was made before the Delhi Advance Ruling Authority (AAR). The AAR has ruled that the supply of goods made to international outbound passengers holding international boarding pass from retail outlet of applicant located in the international airport may be taking place beyond customs frontiers of India but the same is within territory of India as defined under the CGST Act, 2017. Hence, such supply does not qualify as an export under GST and accordingly GST is payable on such supplies.

Intra-state e way bill

As per the latest state notifications, the e-way bill system for intra-state movement of goods would be implemented with effect from 25th April, 2018 in the states of Arunachal Pradesh, Meghalaya, Sikkim Pondicherry and Madhya Pradesh. However, in the state of Madhya Pradesh, only 11 categories of goods (which include confectionery, iron and steel, edible oil, auto parts, cigarette / tobacco and tobacco products, and electronic goods) have been notified for e-way bill effective from 25th April, 2018.

B. PROPOSED CHANGES AND INDUSTRY ISSUES

27th GST Council Meet

The 27th meeting of the GST Council, comprising state finance ministers, is scheduled to be held on 4th May, 2018 through video conferencing. As per the media reports, the GST Council is expected to take a decision on the proposal of converting GSTN into a government-owned company. Presently, GSTN is jointly owned by the government and private players. A decision on return simplification may also be taken at this meeting

Glossary

CGST- Central goods and services tax
GSTN - Goods and Services Tax Network

GST Council- Goods and Services Tax Council, a constitutional body comprising of members of the Central and the State Governments to recommend changes under the existing GST regime.

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