

Week of 26th June 2017**Rates**

- Six CGST rates for goods (0.125%, 1.5%, 2.5%, 6%, 9% and 14%) and four CGST rates for services (2.5%, 6%, 9% and 14%) were notified.
- Six MGST rates for goods (0.125%, 1.5%, 2.5%, 6%, 9% and 14%) and four MGST rates for services (2.5%, 6%, 9% and 14%) were notified.
- Six IGST rates for goods (0.25%, 3%, 5%, 12%, 18% and 28%) and four IGST rates for services (9%, 12, 18%, 28%) were notified.
- A special concessional CGST rate of 2.5% was notified for supplies in relation to exploration and production for petroleum and natural gas related products.
- The CGST/UTGST rate on fertilisers was reduced from 6% to 2.5% and the IGST rate on the same was reduced to from 12% to 5%.

Rules

The Central Goods and Service Tax Rules, 2017 were notified. These rules contain procedures and forms for registration, composition levy, valuation, invoice, debit and credit notes, bill of supply, accounts and records, returns, input tax credit, input service distributor, payment of tax, refund, assessment and audit, advance ruling, appeals and revision.

Registration

A time window of three months from 01.07.2017 has been given to an existing taxpayer registered under state VAT, central excise or service tax, who has for any reason not obtained registration, to obtain the same.

Exemptions

- 149 goods and 81 services were notified to be wholly exempt from the payment of CGST. Goods which were earlier proposed by the GST Council to be taxable at nil (0) rate have now been included in the list of exemptions.
- 149 goods and 84 services were notified to be wholly exempt from the payment of IGST.
- All goods or services or both imported by a unit or a developer in the SEZ are exempt from IGST payment.
- No CGST is payable when the aggregate value of goods or services or both received by a registered person from any unregistered suppliers does not exceed Rs. 5,000 per day.
- Dealers operating under Margin Scheme are also exempt.

Reverse Charge

- Reverse charge in case of goods has been levied for the first time. Supply of cashew nuts (not shelled or peeled), bidi wrapper leaves, tobacco leaves; silk yarn and lottery have been notified to be subject to reverse charge.
- Persons engaged in only reverse charge supplies are exempt from obtaining registration.

Return

- The time limit for filing GSTR-1 for the month of July 2017 is extended from 10th August to 10th September.
- The time limit for filing GSTR-2 for the month of July 2017 is extended from 15th August to 15th September.
- The time limit for filing GSTR-3 for the month of July 2017 is extended from 20th August to 20th September.

E-Commerce Operator

GST /IGST on the following services has to be paid by an e-commerce operator:

- transportation of passengers by a radio-taxi, motorcab, maxicab and motor cycle e.g.: Uber, Ola etc;
- providing accommodation in hotels, inns etc except where the person supplying such service through electronic commerce operator is registered under GST e.g.: Golbibo, Makemytrip etc.

Composition Scheme

- Threshold limit for composition scheme has been increased from Rs. 5,000,000 to Rs. 7,500,000.
- Manufacturer of certain goods has been notified as ineligible for composition scheme, namely, ice-cream, pan masala, tobacco and manufactured tobacco substitutes.

Interest Rates

The following interest rates were notified:

- Interest at the rate of 18% p.a. is payable by a registered person in case of delayed payment of tax.
- Interest at the rate of 24% p.a. is payable in case of excess claim of input tax credit or excess reduction of output tax liability by a registered person.
- A registered person is entitled to interest at the rate of 6% p.a. in cases when refund due to him is withheld by the appropriate authority.
- A registered person is entitled to interest at the rate of 6% p.a. in case of delayed refunds by the appropriate authority.
- A registered person is entitled to interest at the rate of 9% in case of delayed refunds arising out of a final order granted by an adjudicating authority or tribunal or court.

Digit of HSN Codes to be Shown in Invoice

- 4 digits if annual turnover in the preceding financial year exceeds Rs.50,000,000.
- 2 digits if annual turnover is between Rs.15,000,000 - Rs.50,000,000.
- 0 digits if annual turnover is up to Rs.15,000,000.

Modes of Verification

All applications, reply to notices and documents furnished in pursuance of any provision of the Central Goods and Service Tax Rules, 2017 shall be verified by the following two methods:

- Aadhaar based Electronic Verification Code (EVC).
- Bank account based One Time Password (OTP).

Glossary

CGST- Central goods and service tax

IGST- Integrated goods and service tax

MGST- Maharashtra goods and service tax

UTGST- Union territory goods and service tax

SEZ- special economic zone

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