



Week of 19th December, 2017

Season's Greetings to all!!

We are pleased to present the 25th Volume of our GST Weekly Highlights.

A. CHANGES IN THE GST REGIME

CGST (Thirteenth Amendment) Rules, 2017

The CGST Rules, 2017 have been amended for the thirteenth time to effect certain changes in the form GSTR-1 (return for outward supplies), form GST RFD-01 (form for claiming refund under GST) and form GST RFD-01A (manual form for claiming refund).

Extension of time limits

- The time limit for furnishing the return in form GSTR-5A for the months of July-December, 2017 by a person supplying OIDAR services from a place outside India to a non-taxable online recipient has been extended to 31st January, 2018.
- The time limit for furnishing the return by a non-resident taxable person, in form GSTR-5 for the months of July- December, 2017 has been extended to 31st January, 2018.
- The due date for filing of intimation of stock details on date of opting for composition levy in form GST CMP-03 has been extended to 31st January, 2018.

Another challenge to the non-availability of transitional credit

A writ petition has been filed in the Bombay High Court challenging the constitutional validity of a provision¹ in the CGST Act, 2017 which disallows transitional input tax credit in respect of input stock purchased before one year of the appointed date i.e. before 1st July, 2016. However, the Mumbai High Court has refused to grant any ad-interim relief in the matter). It may be noted that similar writ petitions have already been filed before the Gujarat High Court and Delhi High Court respectively (Please refer to our GST Update Volume 19 for details) and the Delhi High Court has granted interim relief to the petitioner therein (Please refer to our GST Update Volume 24 for details). However, the Bombay High Court, while refusing to grant any interim relief, has issued notices to the government to submit their response to the same while listing the matter on 22nd January, 2018.

¹ Section 140(3)(iv) of the CGST Act, 2017

B. PROPOSED CHANGES AND INDUSTRY ISSUES

Report on impact of GST on exporters

The Parliamentary Panel on Commerce has submitted a report namely “impact of GST on exporters” to the Parliament wherein the panel has identified the areas in the GST structure adversely affecting the Indian exporters and has suggested recommendations on the same. Some of the key recommendations of the report are:

- It has been recommended that exporters be given direct exemption from payment of GST instead of the present requirement of upfront payment of GST (unless a letter of undertaking has been obtained) followed by claiming of refund later on;
- Clarity has been sought on the definition of the term ‘registered warehouse’. The definition of registered warehouse gains relevance as a merchant exporter is required to store goods in a registered warehouse only in order to avail the benefit of concessional rate of 0.1% (refer to our GST Update Volume 17 for details) ;
- It has been proposed to allow use of duty credit scrips for payment of GST for domestic procurement as well as for payment of IGST for exports and imports.

Anti-profiteering

The government has issued notices to two companies, a car dealer and a real estate developer, on the basis of customer complaints that these companies did not pass on benefits under GST. The companies have been asked to submit documents including balance sheets, sales and procurement details. The government has three months' time to conclude the investigation and submit the report to the National Anti-Profiteering Authority. The authority will take the final decision based on the investigation report. As per media report, the Finance Ministry is in the process of initiating action against eight more firms, including a few FMCG companies.

Wishing you a Merry Christmas!!!

Glossary

CBEC- Central Board of Excise and Customs

FMCG- Fast Moving Consumer Goods

CGST- Central Goods and Services Tax

**OIDAR- Online Information and Database
Access or Retrieval**

DISCLAIMER

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