



Week of 1st October, 2018

A. CHANGES IN THE GST REGIME

Auditor for GST audit

The Institute of Chartered Accountant of India (ICAI) has issued an announcement dated 28th September, 2018 clarifying that an internal auditor of an entity cannot undertake GST audit of the same entity.

FAQs on TCS

The CBIC has released FAQs on TCS under GST. In the FAQs, the CBIC has clarified two important points as follows:-

- (1) where registered supplier is supplying goods or services through a foreign e-commerce operator to a customer in India, such foreign ecommerce operator would be liable to collect TCS on such supply and would be required to obtain registration in each state / Union Territory (UT). If the foreign e-commerce operator does not have physical presence in a particular state / UT, he may appoint an agent on his behalf.
- (2) e-commerce operator has to obtain separate registration for TCS irrespective of the fact whether e-commerce operator is already registered under GST as a supplier or otherwise and has GSTIN.

Ready Reckoner including FAQs on TDS

The CBIC has released a ready reckoner on TDS under GST which states the provisions of TDS under GST law, when TDS is required to be deducted, when TDS is not required to be deducted, illustrations, valuation, person liable to deduct tax, registrations, payments, returns etc. It further covers FAQs on these topics.

FAQs on new enhancements done in the E- Way Bill (EWB) generation form

The government has released FAQs on new enhancements done in the EWB generation form. In the FAQs, the government has clarified that the 'transporter Id' is mandatory for generating the 'Part-A Slip'. The government has also clarified that the generator or transporter can extend the validity of the EWB, if the consignment is not being reached to the destination within the validity period due to following circumstances: (1) delay due to vehicle breakdown; (2) natural calamity; (3) law & order issue on the transit; (4) accident of conveyance; (5) transshipment delay etc. The generator or transporter can extend the validity of EWB only between 8 hours before and 8 hours after the expiry time of the existing EWB validity. For example; if the validity of the EWB is till midnight of 2nd October, 2018, then the user can extend the same after 4pm on 2nd October, 2018 or before 8am on 3rd October, 2018.

National Anti-Profiteering Authority (NAPA) ruling

The applicant, an individual, had filed application before Anti-Profiteering Authority alleging that the respondent, NP Foods (Franchisee Subway India), had not passed on benefit of reduction in rate of GST in restaurant service. The applicant had purchased "6 Hara Bhara Kabab Sub" and noted that the respondent had increased the base price of product even when GST was reduced from 18% to 5%. After hearing both the parties, the NAA held that the respondent had increased the base price of his products to make good the loss, which had occurred due to denial of ITC post GST rate reduction and, therefore, allegation of not passing on benefit of rate reduction, was not established against respondent. Therefore, it can be said that increase in base price to compensate for denial of ITC post GST rate reduction doesn't amount to profiteering.

B. PROPOSED CHANGES AND INDUSTRY ISSUES

30th GST Council meeting

The 30th GST Council meeting was held on 28th September, 2018. Discussions made in this meeting include the following:-

- The proposal of the State of Kerala for imposition of cess to raise additional resources for rehabilitation of flood affected areas in Kerala was discussed in detail. The GST Council then decided to constitute a 7-member Group of Ministers (GoM) to examine this issue in depth.
- An analyst panel will be formed that will research over GST collection across states.
- No decision has been taken to bring petrol & diesel under ambit of GST.
- No GST rate cut introduced on any product or service.

Glossary

CBIC – Central Board of Indirect taxes and Customs
GSTIN – Goods and Services Tax Identification Number
ITC – Input Tax Credit
TCS – Tax Collected at Source
TDS – Tax Deducted at Source

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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