



Week of 22nd October, 2018

## **A. CHANGES IN THE GST REGIME**

### **Extension of filing of FORM GSTR – 3B**

The CBIC via notification no. 55/2018 dated 21st October, 2018 had extended the deadline for filing GSTR-3B for the month of September by five days to 25th October, 2018. The extension of the said due date also implied that the last date for availment of ITC for the period July, 2017 to March, 2018 also got extended up to 25th October, 2018.

### **Exemption of certain authorities under Ministry of Defence from TDS compliance**

The CBIC had vide notification no. 50/2018 – Central Tax brought the TDS provisions under the CGST Act effective from 1st October, 2018 with respect to specified persons. The CBIC has now vide notification no. 57/2018 - Central Tax dated 23rd October, 2018 added a proviso to the specified persons thereby excluding certain authorities under Ministry of Defence from TDS provision compliance with effect from 1st October 2018.

### **Extension of rectification facility to shipping bills**

As exporters are availing refunds of IGST paid on exports, it has been observed that exporters have committed many errors which have hampered sanctioning of IGST refund. One of the errors for the IGST refunds for exports not passing through is due to mis-match errors between the shipping bills and GSTR-1 (SB005 error). On account of this issue shipping bills were allowed to be rectified upto 30th June, 2018. The CBIC has via circular no. 40/2018 – customs dated 24th October, 2018 further extended the rectification facility to shipping bills filed upto 15th November, 2018.

### **National Anti-profiteering Authority**

The CBIC has directed via letter no. F.NO.280/26/2018-CX.8A dated 23rd October, 2018 its legal cell to defend cases on behalf of National Anti-profiteering Authority under GST before Hon'ble Courts. It has also directed to accept notices on behalf of the authority.

## **B. PROPOSED CHANGES AND INDUSTRY ISSUES**

### **Challenge for movie theatres**

GST is levied at the rate of 28% on movie tickets. Apart from GST, local body taxes (LBT) can also be levied by a state government. Different states in India have different rates of LBT in addition to the GST. In the state of Madhya Pradesh, LBT in the range of 5-15 percent has been announced. As per the media reports, around 400 theatres have downed their shutters in protest of LBT.

### **GST on arbitration award**

Under the GST law, the act of 'agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act' in lieu of payment would be considered as a deemed supply of services. As per the media reports, the CBIC is looking into the transaction of the payment made by Tata Sons as an arbitration award to NTT DoCoMo, so that, NTT DoCoMo would not be able to get any Tata Group assets and that it withdraws all the other enforcement actions, would fall under the ambit of GST or not. If it is contemplated that it does fall under the GST ambit, then Tata Sons may be levied a heavy GST bill of Rs. 1600 crores.

### **Glossary**

**CBIC – Central Board of Indirect Taxes and Customs**

**CGST – Central Goods and Services Tax**

**GST – Goods and Services Tax**

**IGST – Integrated Goods and Services Tax**

**ITC – Input Tax Credit**

**TDS – Tax Deducted at Source**

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