

GST

Latest Updates in GST



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Published by:

Directorate General of Taxpayer Services,
C.R. Building, New Delhi-110109

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GST

GOODS AND SERVICES TAX

Latest Updates in GST

(Updated as on November 2023)



Directorate General of Taxpayer Services
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS
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Refund related measures:

- (a) A new functionality has been made available on the common portal which allows unregistered persons to take a temporary registration and apply for refund. Also, the manner and procedure for filing of refund applications by unregistered persons in certain circumstances has been prescribed vide Circular no. 188/20/2022-GST dated 27.12.2022.
- (b) Manner for processing and sanction of such IGST refunds, which were withheld on account of exporters being flagged as risky on the basis of risk parameters and data analytics, was prescribed vide Instruction No.04/2022-GST dated 28.11.2022.

Registration Related Measures:

- (a) A proviso (3rd proviso) has been inserted in rule 21A (4) to provide for automatic revocation of such system-based suspension upon compliance with provisions of rule 10A.
- (b) Amendment has been made in rule 9 and rule 25 of CGST Rules, 2017 to do away with the requirement of the presence of the applicant for the physical verification of business premises and also to provide for physical verification in high risk cases even where

Act 2017 and IGST Act 2017 vide Central Goods and Services Tax (Amendment) Act, 2023 and the Integrated Goods and Services Tax (Amendment) Act, 2023 with effect from 01.10.2023 to provide clarity on the taxation of supplies in casinos, horse racing and online gaming. These amendments inter alia provide level playing field to the suppliers of online money gaming based in India vis-à-vis the suppliers of online money gaming located outside India supplying online money gaming to the recipients in India. Registration has been made mandatory for such overseas suppliers of online money gaming and provisions have been made for punitive action against such suppliers, including blocking of their websites, in case of contravention of provisions under GST law.



taxability of internally generated services provided by one distinct person to another distinct person.

- (h) Vide Circular No. 202/14/2023-GST dated 27.10.2023, clarification relating to export of services – sub-clause (iv) of the Section 2 (6) of the IGST Act 2017 has been issued.
- (i) Vide Circular No. 203/15/2023-GST dated 27.10.2023, clarification regarding determination of place of supply in various cases has been issued.
- (j) Vide Circular No. 204/16/2023-GST dated 27.10.2023, clarification on issues pertaining to taxability of personal guarantee and corporate guarantee in GST has been issued.

Mera Bill Mera Adhikaar Scheme launched:

- **Mera Bill Mera Adhikaar Scheme** has been launched as a pilot project in select States/ UTs providing for rewards to the persons uploading B2C invoices on the Mera Bill Mera Adhikaar Application to encourage consumers to demand GST invoices for their purchases, fostering transparency and accountability in commercial transactions.

CGST & IGST Amendment Act notified:

- (a) On recommendation of GST Council, certain amendments have been made in the CGST

Aadhaar has been authenticated.

- (c) Vide Notification No. 03/2023-CT dated 31.03.2023, for such registrations which were cancelled for non-filing of returns on or before 31.12.2022 and application for revocation was not filed or appeal has been rejected or appeal is pending within the specified time, the time limit for filing of application for revocation of cancellation of registration, was extended till 30.06.2023. Further, vide Notification No. 23/2023-CT dated 17.07.2023, the time limit for filing of application for revocation of such cancellation of registration, was extended till 31.08.2023.
- (d) Vide Notification No. 33/2023-CT dated 31.07.2023, “Account Aggregator” has been notified as the systems with which information may be shared by the common portal based on consent provided by the registered person/taxpayer. This will help MSMEs in getting credit/business loan based on their GST registration.

Other facilitation measures:

- (a) In order to simplify and decriminalize certain provisions of the GST Act, based on the recommendation of GST Council, amendments have been made in provisions of CGST Act, 2017.
- (b) Provision for automatic restoration of provisionally attached property after completion of one year: An amendment

- in sub-rule (2) of Rule 159 of CGST Rules, 2017 and FORM GST DRC-22 has been made to provide that the order for provisional attachment in FORM GST DRC-22 shall not be valid after expiry of one year from the date of the said order. This will facilitate release of provisionally attached properties after expiry of period of one year, without need for separate specific written order from the Commissioner.
- (c) Vide notification no. 26/2022- Central Tax dated 26.12.2022, Rule 109C and FORM GST APL-01/03W has been inserted in the CGST Rules, 2017 w.e.f. 26.12.2022 to provide for the facility for withdrawal of an application of appeal up to certain specified stage.
- (d) Measure for improving cash flow: Provision has been made to provide for transfer of balance in electronic cash ledger of a registered person to electronic cash ledger of a distinct person. This provision would help taxpayer in easily transferring unutilized balance in cash ledger between the registered persons having same PAN, without need for filing refund claim with tax officers. This would provide ease of doing business and would improve liquidity and cash flows of such taxpayers.
- (e) This threshold limit for E-invoicing has been further reduced to annual aggregate turnover of Rs 5 crore with effect from 01.08.2023 vide notification no. 10/2023-Central Tax dated 10.05.2023.
- difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021 has been issued.
- (c) Vide Circular No. 194/06/2023-GST dated 17.07.2023, clarification on TCS liability under Sec 52 of the CGST Act, 2017 in case of multiple E-commerce Operators in one transaction has been issued.
- (d) Vide Circular No. 195/07/2023-GST dated 17.07.2023, clarification on availability of ITC in respect of warranty replacement of parts and repair services during warranty period has been issued.
- (e) Vide Circular No. 196/08/2023-GST dated 17.07.2023, clarification on taxability of share capital held in subsidiary company by the parent company has been issued.
- (f) Vide Circular No. 197/09/2023-GST dated 17.07.2023, clarification on refund-related issues and vide Circular No. 198/10/2023-GST dated 17.07.2023, clarification on issue pertaining to e-invoice have been issued.
- (g) Vide Circular No. 199/11/2023-GST dated 17.07.2023, it has been clarified that Input Services Distributor (ISD) mechanism is not mandatory for distribution of input tax credit of common input services procured from third parties to the distinct persons as per the present provisions of GST law, and also to clarify issues regarding

said order was rejected solely on the grounds that the said appeal was not filed within the time period specified in sub-section (1) of section 107. In all such cases, filing of appeal by the taxpayers will be allowed against such orders upto 31st January 2024, subject to the condition of payment of an amount of pre-deposit of 12.5% of the tax under dispute, out of which at least 20% (i.e. 2.5% of the tax under dispute) should be debited from Electronic Cash Ledger. This will facilitate a large number of taxpayers, who could not file appeal in the past within the specified time period.

Annual Return related measure:

(a) Vide Notification No. 32/2023-CT dated 31.07.2023 the registered person, whose aggregate turnover in the financial year 2022-23 is up to two crore rupees, has been exempted from filing annual return for the said financial year.

Clarification issued on various issues to facilitate trade:

(a) Vide Circular No. 192/04/2023-GST dated 17.07.2023, clarification on charging of interest under section 50(3) of the CGST Act, 2017, in cases of wrong availment of IGST credit and reversal thereof has been issued.

(b) Vide Circular No. 193/05/2023-GST dated 17.07.2023, clarification to deal with

(f) Sub-rule (3) of rule 108 and rule 109 of the CGST Rules, 2017 have been amended w.e.f. 26.12.2022 to provide clarity on the requirement of submission of certified copy of the order appealed against and the issuance of final acknowledgment by the appellate authority.

(g) Vide notification no.18/2022-Central Tax dated 28.09.2022, w.e.f. 01.10.2022, amendments have been brought in the CGST Act to extend the time period for rectification/amendment of returns/ issuance of credit notes and for availment of input tax credit upto 30th day of November following the end of the financial year to which such details pertain. Earlier it was allowed up to the due date for furnishing of return for the month of September. This provides additional time to the taxpayers for rectification/amendment of returns. Issuance of credit notes and for availment of input tax credit.

(h) Rule 37A has been inserted in CGST Rules, 2017 vide notification no. 26/2022- Central Tax dated 26.12.2022 w.e.f 26.12.2022 to prescribe the mechanism for reversal and re-availment of input tax credit in the case of non-payment of tax by the supplier. The said rule provides that in cases where return in FORM GSTR-3B for a certain tax period has not been furnished by the supplier till the 30th day of September following the end of financial year and recipient has availed input tax credit in respect of such invoice or debit note as filed in supplier's GSTR-1 for that period, the said

amount of input tax credit is required to be reversed by the recipient while furnishing a return in FORM GSTR-3B on or before the 30th day of November following the end of such financial year. This facilitates and eases compliance of Section 16 (2) (c) of CGST Act for the taxpayers.

- (i) The requisite amendments in the GST Act have been made by Finance Act, 2023 for allowing unregistered suppliers and composition taxpayers to make intra-state supply of goods through E-Commerce Operators (ECOs), subject to certain conditions. These amendments have been notified w.e.f. 01.10.2023 vide Notification No. 34/2023-CT dated 31.07.2023. Lakhs of small taxpayers would be benefited from the waiver of requirement of mandatory registration. This would open the huge e-commerce market for them to sell their goods without getting mandatory registration upto threshold turnover of registration. Extension of the benefit of making intra-state supply of goods through an E-commerce Operator (ECO) to the composition taxpayers shows government's commitment to support small businesses.

Various Amnesty Schemes to provide relief to taxpayers:

- (a) As a relief to the taxpayers from high late fees, vide Notification No. 07/23-CT dated 31.03.2023, late fee payable for delayed filing of FORM GSTR-9 / GSTR-9C for FY 2017-18 to

FY 2021-22 was capped to maximum of Rs. 20,000/- (Rs. 10,000/- + Rs. 10,000/-) if filed between 01.04.23 to 30.06.23 and the due date was further extended till 31.08.2023 vide Notification No. 25/2023-CT dated 17.07.2023. Further, vide Notification No. 08/23-CT dated 31.03.2023, late fee payable for delayed furnishing of final return in FORM GSTR-10 was capped to maximum of Rs. 1,000/- (Rs. 500/- + Rs. 500/-) if filed between 01.04.23 to 30.06.23 and the due date was further extended till 31.08.2023 vide Notification No. 26/2023-CT dated 17.07.2023.

- (b) Vide Notification No. 06/2023-CT dated 31.03.2023, a conditional amnesty scheme was provided for deemed withdrawal of best judgement assessment orders issued under Section 62, in the cases where a valid return was not furnished within 30 days from the date of service of such assessment order issued on or before 28.02.2023, if the pending return is filed on or before 30.06.2023. Further, such date for filing of pending return was extended till 31.08.2023 vide Notification No. 24/2023-CT dated 17.07.2023.

- (c) Amnesty Scheme for filing of appeals against demand orders in cases where appeal could not be filed within the allowable time period: The Council has recommended providing an amnesty scheme for taxable persons, who could not file an appeal under section 107 of the CGST Act, 2017 against the demand order passed on or before the 31st day of March, 2023, or whose appeal against the