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| From | Karvy Data Management Services Ltd. |
| Date | August 04, 2017 |
| Subject | Notification 17/2017 Amendment CGST Rules, Dated - 27 July 2017 |

Amendment in GST - Central Goods and Services Tax (Fourth Amendment) Rules, 2017

The CBEC has issued Notification No. 17/2017-Central Tax dated 27th July, 2017, to amend the Central Goods and Services Tax Rules, 2017. Summary of the amendments made are as follows:

1> Rule 24(4) - Cancellation of Registration obtained through Migration:

EXISTING PROVISIONS: Every person who was registered under any of the existing laws had to compulsorily migrate to GST. However, if he was not liable to be registered under GST, he was required to submit an application in FORM GST REG-29 for cancellation of registration within 30 days from the introduction of GST, i.e. 1st July.

AMENDMENT: The Government has extended this period till 30th September, 2017.

This amendment is effective from 22nd July, 2017.

2> Rule 34- Rate of exchange for determination of value of supply:

EXISTING PROVISIONS: The rate of exchange for determination of value of taxable goods or services shall be the applicable reference rate for that currency as determined by the Reserve Bank of India on the date of time of supply.

AMENDMENT: The rate of exchange for determination of value of taxable goods shall be the applicable rate of exchange as notified by the Board under section 14 of the Customs Act, 1962 for the date of time of supply of such goods. The rate of exchange for determination of value of taxable services shall be the applicable rate of exchange determined as per the generally accepted accounting principles for the date of time of supply of such services. This amendment is effective from 27th July, 2017

3> Rule 46 – Tax Invoice

EXISTING PROVISIONS: In the case of export of goods or services, the invoice shall carry an endorsement specifying whether export is made on payment of duty or under bond or LUT without the payment of duty.

AMENDMENT: The existing provision has now been extended for supplies made to SEZ units or SEZ developers for authorised operations. This amendment is effective from 27th July, 2017.

4> Rule 61 – FORM AND MANNER OF SUBMISSION OF MONTHLY RETURN

EXISTING PROVISIONS: In case the time limit for filing form GSTR 1 and GSTR 2 is extended, return in form GSTR 3B in lieu of form GSTR 3 may be furnished, in the manner and subject to conditions notified by the Commissioner.

AMENDMENT: The provisions have been amended and the words "IN LIEU OF" have been deleted to prescribe filing of GSTR 3 after GSTR 3B has been furnished. Part A and Part B of form GSTR 3 would be auto populated based on the details furnished in form GSTR 1, GSTR 2 and form GSTR 3B respectively. The taxpayer shall be permitted to modify Part B of GSTR 3. Further, if the amount of input tax credit as per GSTR 3 exceeds the amount of input tax credit as per GSTR 3B, the additional amount shall be credited to the electronic credit ledger of the taxpayer. This amendment is effective from 1st July, 2017.

5> FORM GST TRAN-1 and GST TRAN-2

EXISTING PROVISIONS: In case of inputs held in stock, HSN Code was required to be mentioned at the 6-digit level.

AMENDMENT: The requirement to mention the HSN code and the number of digits to be mentioned is based on a taxpayer's turnover. Hence, the forms have been amended to provide mentioning HSN code as applicable. This amendment is effective from 1st July, 2017.

(Karvy Comments: Since the GST is still in its nascent stage and to clear the road blocks of initial implementation, Government is quick to respond to practical issues. We expect more clarifications in form of circulars and notifications.)