



Recent Significant Developments under GST

13th April 2023

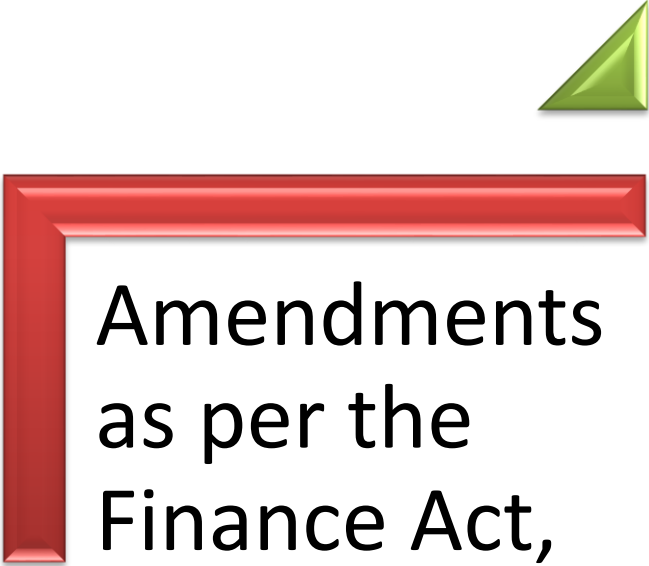


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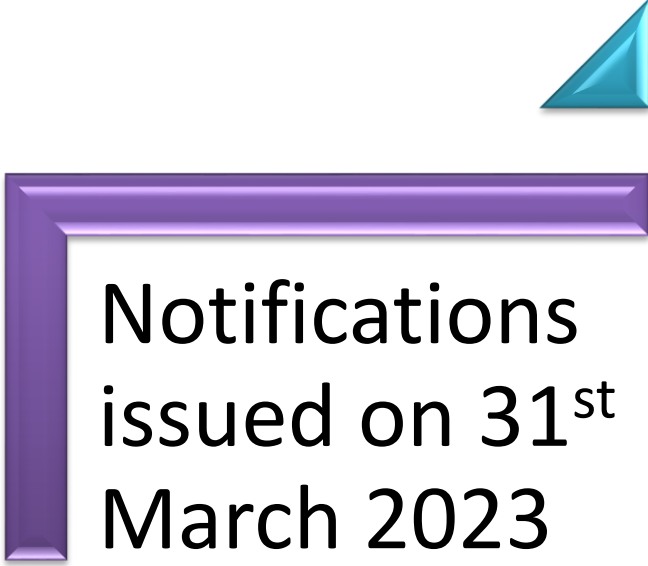


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Amendments
as per the
Finance Act,
2023



Notifications
issued on 31st
March 2023



Actionable
for Business
to kickstart
FY 2023-24



Goods & Services Tax Amendments as per the Finance Act, 2023

Significant GST Amendments in Finance Act, 2023- A Snapshot

- **Composition** dealer allowed to supply goods (AND Not Services) through electronic commerce operators
- **Proportionate reversal of ITC** in case of Non-payment to Supplier within 180 days
- **No ITC on CSR Activities**- Specific addition in Sec 17(5)(fa) of CGST Act - Prospectively
- **Statement / Return cannot be filed beyond 3 years from the due date:** GSTR-1, GSTR-3B, GSTR-4, GSTR-6, GSTR-9, GSTR-8. Further, it also seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for a registered person or a class of registered persons.
- Provision of **Specific Penalty for E-Com Operators**

Significant GST Amendments in Finance Act, 2023- A Snapshot

- Sec 132 has been amended so as to **decriminalize offences and to increase the monetary threshold for launching prosecution** for the offences from 100 lacs to 200 lacs, except for the offences related to issuance of invoices without supply of goods or services or both
- Section 158A in the CGST Act is being inserted so as to provide for prescribing manner and conditions for **sharing of the information furnished by the registered person**
- **Changes in Definition of 'non-taxable online recipient' and 'online information and database access or retrieval services**
- Omission of proviso to Sec 12(8) [transportation of goods] of IGST Act so as to specify the **place of supply**, irrespective of destination of the goods, in cases where the supplier of services and recipient of services are located in India. Consequent amendment also done in Sec 13(9) of IGST Act.

No requirement to take registration for Specified category of exempted persons

Existing

23 - (2) The Government may, on the recommendations of the Council, by notification, specify the category of persons who may be exempted from obtaining registration under this Act.

Proposed

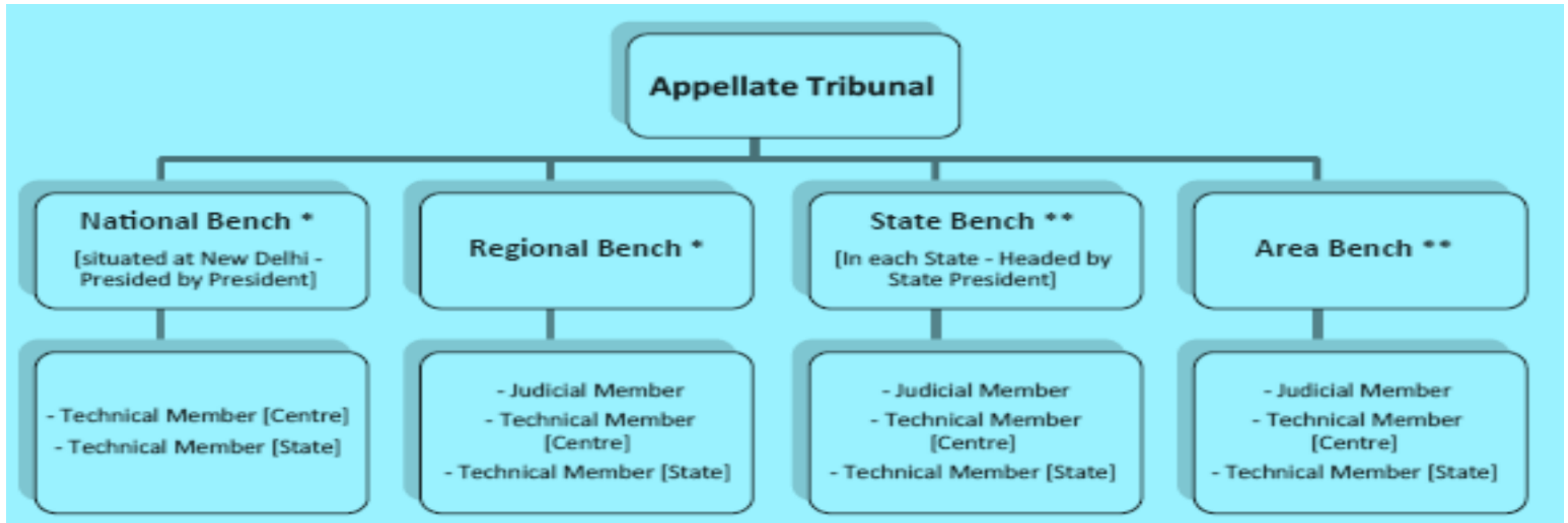
*23 – (2) **Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24,** the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.*

- ✓ Section 23(2) of the has been amended with a non-obstante clause, **w.e.f July 1, 2017**, so as to provide that,
- ✓ persons required to take registration in GST as per Section 22(1) of the CGST Act and
- ✓ compulsory registration required under Section 24 of the CGST Act,
- ✓ need not to register themselves, if they are exempted from taking the GST registration.

Constitution of GST Appellate Tribunal and its Benches thereof

- Section 109, 110 & 114 of the CGST Act has been substituted, so as to amend the **Constitution of Appellate Tribunal and Benches thereof** along with Eligibility, condition of service of President and Members of Appellate Tribunal

Earlier:

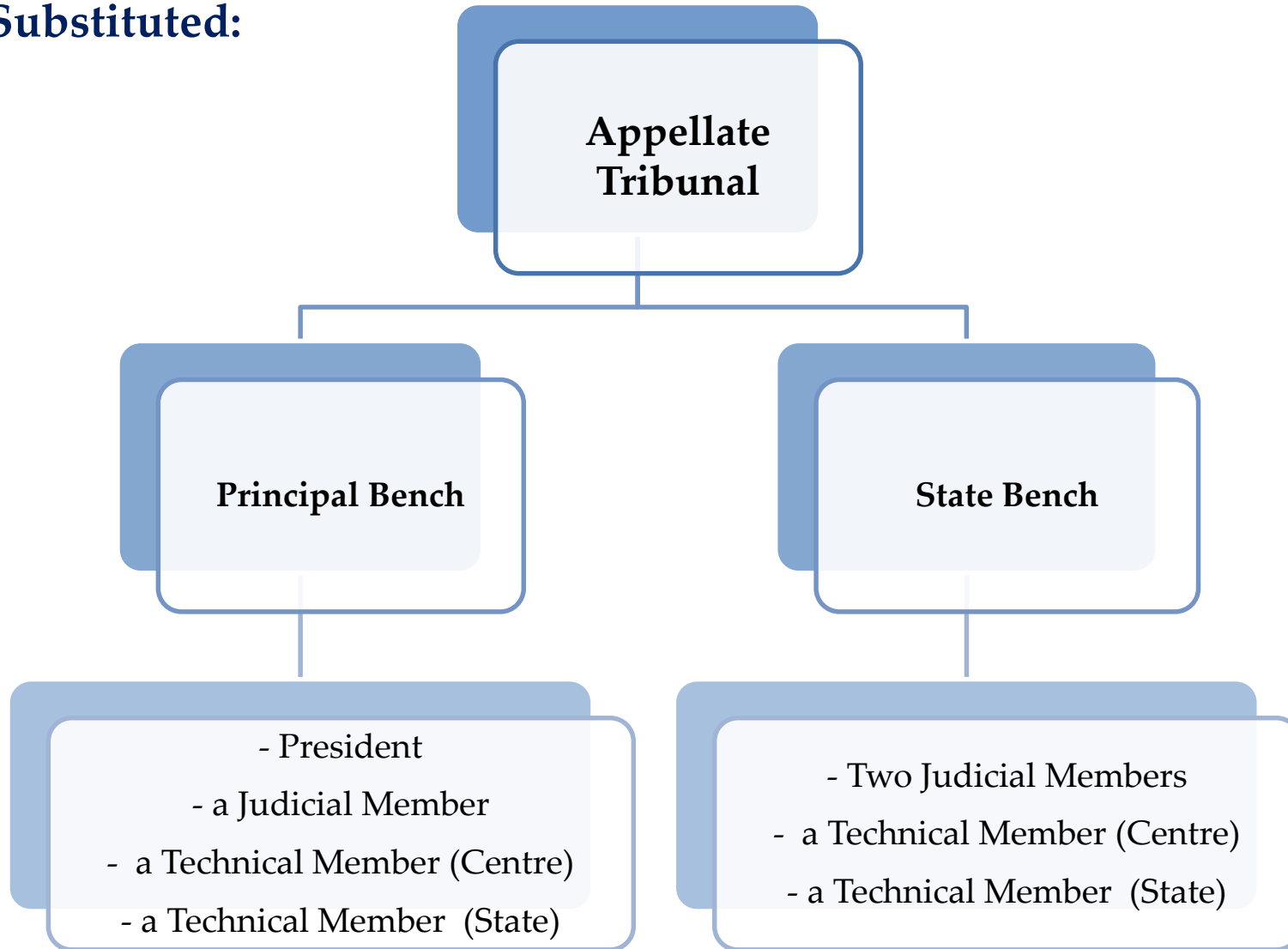


* National/Regional Benches to hear Appeals where one of the issues involved relates to place of supply

** Jurisdiction to hear all disputes except "Place of Supply"

Constitution of GST Appellate Tribunal and its Benches thereof

Substituted:



Maximum rate at which GST Compensation Cess may be collected

Finance Act, 2023, as amended by Lok Sabha, has amended Schedule of the GST (Compensation to States) Act, 2017

- The maximum rate at which GST Compensation Cess may be collected for items such as;
- **Pan Masala** (from 135% ad valorem to 51% of the retail sale price/ unit),
- **Tobacco and manufactured tobacco substitutes, including tobacco products** (INR 4170/ 1000 sticks or 290% ad valorem or a combination thereof but not exceeding INR 4170/ 1000 sticks + 290% ad valorem or 100% of retail sale price/ unit).
- Further, new Explanation has been proposed to be inserted, defining the scope of 'retail sale price'.





Analysis of GST Notifications issued by CBIC on 31-03-2023

Notifications as issued on 31st March 2023 - Summary

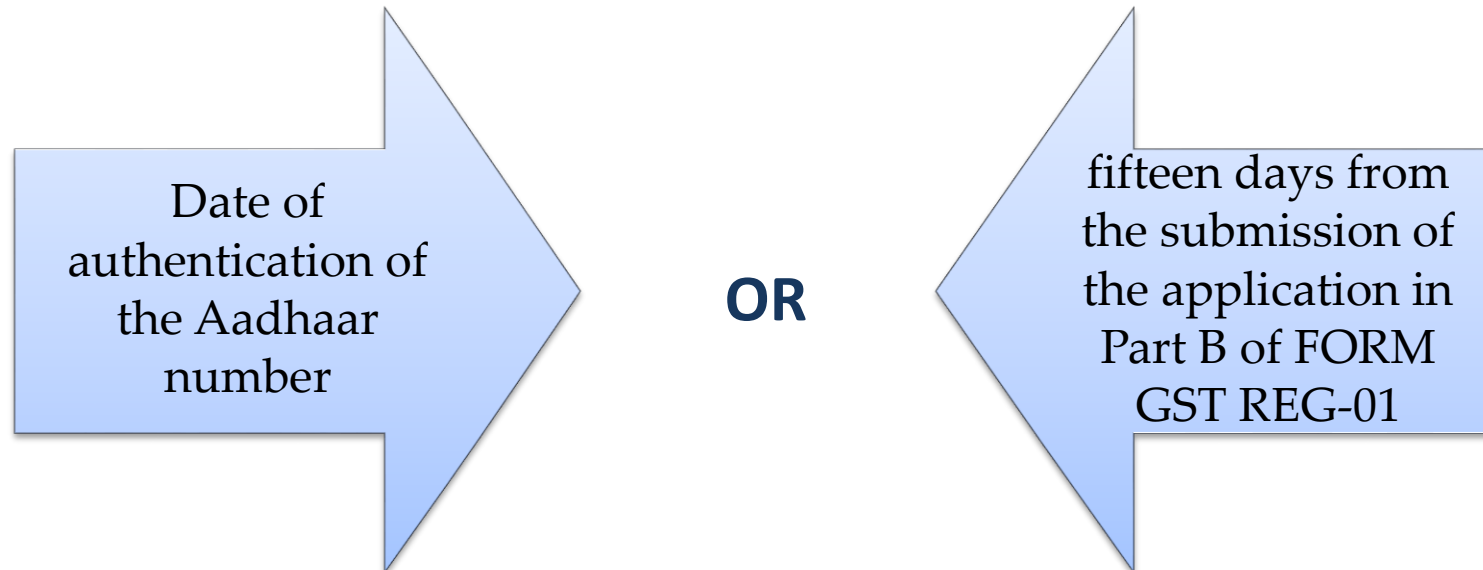
Notf No	Details of Amendments
02/2023-CT	Seeks to provide the waiver of late fee on furnishing of GSTR-4
03/2023-CT	Provide the procedure in respect of revocation of cancellation of registration
04/2023-CT	Seeks to amend CGST Rules, 2017- Biometric based Aadhaar Authentication
05/2023-CT	Seeks to amend Notification No. 27/2023-Central Tax, dated the 26th December, 2023- Biometric based Aadhaar Authentication shall be applicable only for the state of Gujarat
06/2023-CT	Special procedure withdrawal of Assessment for the registered persons who failed to furnish a valid return within a period of thirty days from the service of the assessment order issued on or before the 28th day of February, 2023
07/2023-CT	Seeks to provide the waiver of late fee on furnishing of GSTR-9 and revision of late fee from FY 2023-23 onwards
08/2023-CT	Seeks to provide the waiver of late fee on furnishing of GSTR-10
09/2023-CT	Seeks to provide the extension of time limit for issuance of Order under Section 73
01/2023 –Comp. Cess	Seeks to provide the applicability of amendments made through Finance Act, 2023 in Schedule to Goods and Services Tax (Compensation to States) Act, 2017
2/2023-Co Cess (R)	Seeks to amend Notification No. 1/2017-Comp Cess (Rate), dated the 28-06- 2017



Amendments in Registration under GST

Notf No	Details of Amendments
03/2023-CT	Provide the procedure in respect of revocation of cancellation of registration
04/2023-CT	Seeks to amend CGST Rules, 2017- Biometric based Aadhaar Authentication
05/2023-CT	Seeks to amend Notification No. 27/2023-Central Tax, dated the 26th December, 2023- Biometric based Aadhaar Authentication shall be applicable only for the state of Gujarat

- ✓ Sub-rule (4A) to Rule 8 of CGST Rules, 2017, which provided for the provisions relating to Biometric based Aadhaar Authentication, has been amended which now **provides for the date of submission of the application for registration in case where an applicant has opted for Aadhaar Authentication.**
- ✓ As per new Sub-rule (4A) to Rule 8 of CGST Rules, 2017, the date of submission of the application in case where an applicant has opted for Aadhaar Authentication, shall be earlier of the followings:



- ✓ Post Amendment to Rule 8 (4A), sub-rule (4B) to Rule 8 of CGST Rules, 2017 has been amended to provide that the provisions relating to Bio-metric based Aadhaar Authentication as contained in the proviso to Sub-rule (4A) to Rule 8 of CGST Rules, 2017 shall not be applicable to State or UTs as may be notified by Central Government.
- ✓ Consequentially Notification No. 27/2022-CT has been amended to provide that the **provisions of Biometric based Aadhaar Authentication**, as contained in the proviso to Rule 8(4A) of CGST Rules, 2017, shall **apply to state of Gujarat**.
- ✓ These amendments shall be deemed to have come into force from the 26th day of December 2022.

Relaxations under Revocation of Cancellation of Registration

Amendment in Finance Act 2023 w.e.f date to be notified :

Section 30 of CGST Act, 2017 has been amended –

Earlier- Application for revocation can be made in prescribed manner **within thirty days from the date of service of the cancellation order**

Amendment - Application for revocation can be made in such manner, within such time and subject to such conditions and restrictions, as may be prescribed.

Earlier- Extension of period of revocation by Addl. Comm (for 30 days) & Commissioner (for further period of 30 days) **only on sufficient cause being shown, and for reasons to be recorded in writing**

Amendment – Now General extension of period of revocation can be undertaken by Addl. Comm (for 30 days) & Commissioner (for further period of 30 days)

Amnesty Scheme for Cancelled Registration- NTN 03/2023-CT

Eligibility for availing Amnesty Scheme

- RP whose registration has been cancelled on or before the 31st day of December, 2022 on account of non-furnishing of returns
 - **In case of Composition taxpayer** - Beyond three months from the due date of furnishing the said return for a financial year
 - **In case of Normal taxpayer** - For a continuous period of six months
- Has failed to apply for revocation within period specified in Section 30 of CGST Act, 2017.

Application for Revocation (Procedure)

- Application for revocation of cancellation of such registration upto the **30th day of June, 2023**.
- The application for revocation shall be **filed only after furnishing the returns** due upto the effective date of cancellation along with the payment of due taxes along with interest, penalty or late fees.
- **No further extension of time period for filing** in such cases.
- The application can be made by a person whose appeal against the order of cancellation of registration or the order rejecting application for revocation of cancellation of registration under section 107 of the said Act has been rejected on the ground of failure to adhere to the time limit specified under sub-section (1) of section 30 of the said Act.



Taxpayer Facilitations Measures: Amnesty Scheme for filing various returns

Notf No	Details of Amendments
02/2023-CT	Seeks to provide the waiver of late fee on furnishing of GSTR-4
07/2023-CT	Seeks to provide the waiver of late fee on furnishing of GSTR-9 and revision of late fee from FY 2023-23 onwards
08/2023-CT	Seeks to provide the waiver of late fee on furnishing of GSTR-10
06/2023-CT	Special procedure withdrawal of Assessment for the registered persons who failed to furnish a valid return within a period of thirty days from the service of the assessment order issued on or before the 28th day of February, 2023

- **Eligibility:**

- ✓ RPs who **fail to furnish** the return in FORM GSTR-4
- ✓ for the quarters from July, 2017 to March 2019 or
- ✓ for the Financial years from 2019-20 to 2021-22
- ✓ by the due date
- ✓ but furnish the said return between the period from the 01-April-2023 to 30-June-2023.

- **Late Fee**

- ✓ In case of Nil Return – Full Waiver
- ✓ In other cases- Maximum Late fee u/s 47 INR 500 [CGST 250+SGST 250]

Late Fee for furnishing of Form GSTR-9 – NTN 07/2023-CT

Present Late Fees	Late Fees – FY 2022-23 onwards	
	Aggregate Turnover of RP	Late fees
Rs 200 per day (Rs 100 CGST + Rs 100 SGST), subject to a maximum of 0.5% of the turnover in the State or UT (0.25% CGST + 0.25% SGST)	Up to Rs. 5 Crores in the financial year	Rs 50 per day (Rs 25 CGST + Rs 25 SGST), subject to a maximum of an amount calculated at 0.04 per cent. of his turnover in the State or Union territory (0.02% CGST + 0.02% SGST).
	More than Rs. 5 Crores and up to Rs. 20 Crores in the financial year	Rs 100 per day (Rs 50 CGST + Rs 50 SGST), subject to a maximum of an amount calculated at 0.04 per cent. of his turnover in the State or Union territory (0.02% CGST + 0.02% SGST)

Amnesty Scheme for furnishing of Form GSTR-9 – Ntf No. 07/2023-CT dated 31-03-2023

■ Eligibility:

- ✓ RPs who **fail to furnish** the return in FORM GSTR-9
- ✓ by the due date for FY 2017-18 to FY 2021-22
- ✓ but furnish the said return between the period from the 01-April-2023 to 30-June-2023.

■ Late Fee

- ✓ Maximum Late fee - INR 20,000 [CGST INR 10,000+ SGST INR 10,000]



Amnesty Scheme for furnishing of Form GSTR-10 – NTN 08/2023-CT

▪ Eligibility:

- ✓ RPs who **fail to furnish** the return in FORM GSTR- 10
- ✓ by the due date
- ✓ but furnish the said return between the period from the 01-April-2023 to 30-June-2023.

▪ Late Fee

- ✓ Maximum Late fee - INR 2,000 [CGST INR 1,000+ SGST INR 1,000]



Extension of time for filing return for withdrawal of Best Judgement Assessment Order:

- **Amendment in Finance Act 2023 w.e.f date to be notified :**
- Amendment in Sec 62(2) of CGST Act,2017:
 - **Increase the time period** for filing of return for enabling deemed withdrawal of such best judgment assessment order, **from the present 30 days to 60 days**
- **Insertion of Proviso to Sec 62 :**
 - It is provided that where the registered person **fails to furnish a valid return within sixty days** of the service of the assessment order under sub-section (1),
 - he may **furnish the same within a further period of 60 days on payment of an additional late fee** of INR 200 [CGST INR 100+ SGST INR 100] for each day of delay beyond sixty days of the service of the said assessment order and
 - in case **he furnishes valid return within such extended period**, the said assessment order shall be deemed to have been withdrawn,
 - but the **liability to pay interest under sub-section (1) of section 50** or to pay late fee under section 47 shall continue

Amnesty Scheme for conditional deemed withdrawal of Assessment Orders

As per **Notification No. 06/2023-CT dated 31-03-2023**, the registered persons who failed to furnish a valid return **within a period of thirty days from the service of the assessment order issued on or before the 28th day of February, 2023** under sub-section (1) of section 62 of the CGST Act, the said assessment order shall be deemed to have been withdrawn, **if such registered persons follow the special procedures** as specified below, namely,-

- ✓ the registered persons shall **furnish the said return on or before the 30th day of June 2023;**
- ✓ the **return shall be accompanied by payment of interest** due under sub-section (1) of section 50 of the said Act **and the late fee payable under section 47** of the said Act,

irrespective of whether or not an appeal had been filed against such assessment order under section 107 of the said Act or whether or not the appeal, if any, filed against the said assessment order has been decided.



Amendments in Demand and Recovery under GST

Notf No	Details of Amendments
09/2023-CT	Seeks to provide the extension of time limit for issuance of Order under Section 73

Extension of time limit for issuance of Order under Section 73

As per **Notification No. 09/2023-CT dated 31-03-2023**, extension of the time limit specified under sub-section (10) of section 73 for issuance of order under sub-section (9) of section 73 of the CGST Act, **for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilised**, relating to the period as specified below, namely:–

FY	Earlier Time - Order	Extended Time - Order	Earlier Time - SCN	Extended Time - SCN
2017-18	30-09-2023	31-12-2023	30-06-2023	30-09-2023
2018-19	31-12-2023	31-03-2024	30-09-2023	31-12-2023
2019-20	31-03-2024	30-06-2024	31-12-2023	31-03-2024



**LIST OF YEAR END
DELIVERABLES FOR
FY 2022-23**

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GST Compliance Requirements for Invoicing



E-Invoicing: Mandatory

- E-invoicing is applicable for **taxpayers having AATO above Rs.10 crores w.e.f. 01st October 2022.**
- Businesses need to check & reconcile whether all the tax invoices for B2B supplies, Credit Notes, Debit Notes and Export Invoices have been **duly reported on dedicated e-Invoice portal** and IRN generated with QR code and digitally signed.
- If not, then kindly report the same on e-invoice portal and take the necessary action in subsequent month's GSTR 1.
- Businesses also advised to reconcile the IRN generated E-invoice with the E-way Bill data in case of supplies of goods.

GST Compliance Requirements for Invoicing



Time limit for Reporting Invoices on the IRP Portal

- It has been decided by the Government to impose a time limit on reporting old invoices on the e-invoice IRP portals for taxpayers with AATO greater than or equal to **100 crores**.
- Taxpayers in this category will not be allowed to report invoices older than **7 days** on the date of reporting.
- Please note that this restriction will only apply to the document type invoice, and there will be **no time restriction on reporting debit/credit notes**.
- In order to provide sufficient time for taxpayers to comply with this requirement, which may require changes to systems, Government proposes to **implement it from 01.05.2023** onwards.

GST Compliance Requirements for Invoicing

Self Invoicing and Payment Vouchers:

In respect of Reverse Charge Supplies received during FY 2022-23, issuing of self-invoice need to be taken care off. Also, it may be reviewed that the payment vouchers have been issued for all the payment for the supplies attracting reverse charge.

Invoicing series to be renewed as on 1st April 2023:

Since a new Financial year is starting, GST Documents (Tax invoice, DN/ CN etc.) series need to be renewed as per CGST Rules.

GST Compliance Requirements

- **Assets written off / Inventory written off:** ITC may be required to be reversed.
- **Cross charge:** Billing for cross charge may be required to be done.
- **Reversal under rule 42 & 43:**
 - Advisable to carry out final calculations of reversal/ additional claim of credit upto March 2023
 - As per Rule, final calculation can be done upto **30-September-2023** but interest to be levied @ 18% from 1st April 2023

GST Compliance Requirements

- **GST on Advance Receipts:** It is to ensure that GST has been paid on advances received from customers as on 31.03.2023 for Supply of Services.
- **Renewal of Letter of Undertaking:** Renewal application of LUT need to be filed online to have smooth export of goods/ services without payment of tax.
- **Job Work:** Ensure that the inputs sent out for job work activity have been received back within one year from the date of being sent out and three years in case of capital goods sent for job work. If not received back, the same will be treated as supply for GST payments and would entail interest outgo of 18%.

Quarterly Return Monthly Payment Scheme:

Though QRMP Scheme has been introduced beginning from 1st January 2021, still there are following parameters which need to be taken care off at the beginning of the new FY.

- **Taxpayer wants to opt-out of QRMP scheme and want to become monthly filer:** Taxpayers having Turnover below Rs 5 Crores shall have an option to select the frequency of GST return filing for FY 2023-24 till 30th April 2023.



GST Compliance Requirements for Input Tax Credit

Input Tax Credit (ITC)



Ineligible ITC:

It is to be ensured that ineligible ITC on supplies received during FY are reported in GSTR-3B of each month. In case the same is not reported during the FY then it can be reported in the return for the month of March 2023.

Recommended Reconciliations for Year end



Reconciliation of GSTR-1 and GSTR-3B:

Check whether all the outward invoices raised during the FY 2022-23 have been properly reported in GSTR-1 and taxes have been paid thereon in GSTR-3B.

In case, any kind of amendment required viz. GSTIN, Invoice Number, Invoice Date, Taxable Value, taxes, B2C to B2B, etc., needs to be done, then the same must be done till 30th November 2023 or date of filing Annual return for FY 2022-23, whichever is earlier.

Recommended Reconciliations for Year end



Reconciliation of E-way Bill generated with GSTR-1:

It is important to have a reconciliation between the amounts of E-way generated during the year versus the amount of outward supply shown in GSTR-1.

Reconciliation of E-Invoice (IRN) generated with GSTR-1:

It is important to have a reconciliation between the amount of E-Invoice generated during the year versus the amount of outward supply shown in GSTR-1.

Recommended Reconciliations for Year end



Evaluation of Capital Works In Progress

- During the year, the assessee undertakes various Capital additions. Some of which are not capitalized but parked in Capital WIP.
- Specific care may be taken on additions which involve construction or renovation of immovable property as ITC is not allowed as per Sec 17(5) (d);
 - *goods or services or both received by a taxable person for construction of an immovable property , to the extent of capitalisation, to the said immovable property;*

Recommended Reconciliations for Year end



Ensure to avail ITC on the missed invoices:

Time limit for availing ITC pertaining to the FY 2022-23 coming to an end: Avail the ITC pertaining to FY 2022-23 till 30th November 2023 or the date of filing of Annual return for FY 2022-23 whichever is earlier. Hence, prepare reconciliation of ITC for FY 2022-23 is availed in FY 2022-23 and in the period April to October 2023 for proper disclosure in GSTR 9 & GSTR 9C of FY 2022-23

Recommended Reconciliations for Year end



ITC Reversal on account of Rule 37:

Reverse ITC on instances where the Company has **not paid the consideration to the Supplier within 180 days** from the date of supplier's invoice. Keep the Creditors reconciliation ready for the invoices above 180 days and take appropriate actions

GSTR-2B Reconciliation with ITC as per books:

GSTR-2B reconciliation is a monthly exercise in order to ensure **compliance of Section 16(2)(aa) read with Rule 36(4)**. However, an year end reconciliation may be undertaken to ensure all eligible ITC which is coming in GSTR-2B is recorded in books of Accounts. Sometimes, items are expensed out and does not enter into ITC register.

Due Follow up strategy may also be planned for vendors whose ITC is not reflected in GSTR-2B.

Recommended Reconciliations for Year end



Reconciliation of Outward supply as per GSTR 1 or GSTR-3B with Books of Accounts:

This is an important step it would come handy while doing the income tax and GST audits and annual returns. Also, it will point out the fact if there is any outward supply on which GST is missed to be paid.

Reconciliation of ITC ledgers:

It is advisable to reconcile electronic cash ledger and credit ledger as per GSTN portal with the books of accounts. Tax wise Credit, cash ledger need to be matched with the respective ledgers as per books of accounts.

Recommended Reconciliations for Year end



Identify the Supplies whose registration has been cancelled retrospectively

Identify the suppliers whose registration has been either cancelled or suspended for any reasons during the FY 2022-23 or retrospectively w.e.f 01-07-2017 and the ITC has been availed on the supplies made by such suppliers.

QUESTIONS



Thank
you!!!

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