

# **GST UPDATE**

## **(January, 2019)**

**Directorate of Training, Excise and Taxation Department, Punjab**

## **ABSTRACT OF GST UPDATE**

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**V IGST TAX RATE NOTIFICATIONS**

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## **(I) GIST OF GST NOTIFICATIONS**

### **1. Amendment of the conditions for treating the Supplies made against advance authorization as “Deemed exports”**

Notification No.01/2019 was issued to amend the conditions for treating the Supplies made against advance authorization as “Deemed exports” notified vide Notification No. 48/2017.

1. The Pre-import condition was removed and
2. For the cases where exports relevant for the turnover of AA were made prior to this procurement, new condition of submitting the certificate of CA stating that the goods so imported shall be used for in manufacture and supply of taxable goods has been inserted.
3. It should be submitted within period of 6months from the date of supply.
4. Further, it is also clarified that such certificate shall not be required if the credit on the inputs wasn't availed.

**[Notification No. 1/2019 – Central tax dated 15 Jan 2019]**

### **2. Bringing into force amendments pertaining to the CGST (Amendment) Act, 2018**

- i. Notification No.02/2019 was issued to notify 01.Feb.2019 as appointed date for the implementation of the changes specified in the CGST amendment act, 2018.
- ii. However, the following are yet to be notified
  - a. Sec 8(b), Sec 17, Sec 18 and Sec 20(a) of the amendment act, relevant for the new return procedure and
  - b. Sec 28(b)(i) & Sec 28(c)(i) relevant for explanation of Eligible duties for Transitional credit.

**[Notification No. 2/2019 Central tax dated 29.01.2019]**

### **3. Amendment in the CGST Rules, 2017**

Notification No.03/2019 was issued to amend certain rules as specified below:

#### **a. Composition scheme**

1. Name of the chapter changed from Composition Rules to Composition Levy
2. The table under Rule 7 amended to specify/clarify that the same rate of 0.5% shall be applicable for the Services supplied by the person under composition scheme
3. Form GSTR-4 also has been amended to capture the value of services.

#### **b. Multiple Registrations in Same state:**

1. Rule 8: Proviso for specifying the persons to get the Separate GSTIN for the SEZ units has been omitted. The same had been included in the Sec 17 of the CGST amendment act, 2018.
2. Rule 11: Amended to include the procedure option of obtaining different registrations for each of the places of business located in the same state.
3. Accordingly, instruction 12 of FORM GST REG-01 has been amended to replace the words “Places of business” in place of “business verticals”.

#### **c. Suspension of Registration:**

1. Rule 21 A: New rule has been inserted to include the concept of Suspension of Registration.
2. This shall be applicable for the cases where the Supplier has applied for Cancellation/ as per the decision of the proper officer.
3. Accordingly a note “*Note: – Your registration stands suspended with effect from —— (date).*” Shall be inserted in at the end of FORM GST REG-17 and FORM GST REG-20

#### **d. Transfer of Credit:**

1. Rule 41A: New rule has been inserted to prescribe the procedure of transferring the balance of ITC ledger, in case where the person has multiple registrations in same date.
2. As per this, the transferor should transfer the Credit in **proportion of** the “*Value of the assets of the Transferee*” to the total value by filing “**FORM GST ITC-02A**” within **30days** and the transferee should accept the same.

**e. Explanation for value of Exempted supplies:**

1. Explanations to Rules 42(1)(i), 43(a)(i) and 43(g) amended to exclude list of taxes levied under **entry 92A** also (Earlier only 84) from the Value of Total turnover and Exempt supplies.
2. Further, in Explanation for the value of exempt supplies for Rule 42 and 43, clause (a) specifying that the Supplies to Nepal & Bhutan shall be considered has been omitted, as the law has been amended to consider the same as exports (Zero rated sales).

**f. Rule 53-Revised Invoices, Debit/Credit notes:**

1. Revised Invoice: Rule 53(1) has been amended to exclude Debit/Credit notes from its purview, thereby, restricting it only for revised invoices.
2. Debit/Credit Notes: Rule 53(1A): New rule has been inserted to prescribe the contents of the Debit/Credit notes.

**g. Applicability of filing GSTR-9C**

Rule 80(3) has been amended to exclude the persons referred to in Proviso to Sec 35(5).

**h. Refund**

1. Rule 89(2)(f) – Declaration supporting the claim for refund of taxes paid for supplies to SEZ, stating that "the SEZ has not availed any credit" has been modified as "The tax paid has not been collected from the SEZ". This is to plug the chance of claiming double benefit by the suppliers. –
2. Formats of FORM GST RFD-01 and FORM GST RFD-01A have been amended accordingly.
3. For Rule 91(2) – Refund order for 90% of provisional refund in form GST RFD-04 – Proviso inserted for this sub-rule states that the order issued in FORM GST RFD-04 shall not be required to be revalidated by the proper officer.
4. For Rule 91(3) – Payment advice for 90% of provisional refund in form GST RFD-05 – Proviso inserted for this sub-rule states that the payment advice shall be revalidated, if the amount hasn't been disbursed in the FY in which the Payment advice in GST RFD-05 was issued.
5. For Rule 92(4) – Refund order and Payment advice for the balance 10% of the claim, similar proviso's as discussed above in (xv & xvi) have been inserted.
6. For Rule-96A, the heading has been changed as " Refund of IGST paid on export Export of Goods or Services under Bond or LUT".
7. In Rule 96A(1)(b), the words "or in Indian rupees, wherever permitted by the Reserve Bank of India" has been added to the existing words "convertible foreign exchange". This is to make the rules in line with the amendments in Sec 54 of the act.

**i. Other points**

1. Rule 83, related to GST practitioners has been amended to change the name of the board, Time limit to pass the exam to 30months and the services that can be provided in capacity as GSTP.
2. Rule 85 & 86 – Liability/Credit ledgers are amended to include the reference to the rules related to new formats.
3. The formats of FORM GST APL-01 appeal to the Appellate Authority and FORM GST– APL-05 have been amended to include the new % of pre deposit requirements, tables for reporting the break-up of the payments made i.e. Total liability, Amounts admitted, Predeposit etc.

**[Notification No. 3/2019 Central tax dated 29.01.2019]**

**4. Defining jurisdiction of Joint Commissioner (Appeals)**

Notification No. 4/2019 Central tax was issued to define the jurisdictional powers of the joint commissioner by amending Notification no. 02/2017 Central tax dated 19 Jun,2017.

**[Notification No. 4/2019 Central tax dated 29.01.2019]**

**5. CBIC aligns rates for Composition Scheme with CGST Rules, 2017**

Notification No. 5/2019 Central tax was issued to amend the notification 8/2017 dated 28 Jun, 2017 to make the GST rate for composition scheme in line with the rates in Rule 7.

	<b>Prior 01/02/2019</b>	<b>W.e.f 01/02/2019</b>
<b>Threshold Limit</b>	The threshold limit for the composite suppliers was INR 1 crore	The threshold limit for the composite suppliers has been increased from INR 1 crore to INR 1.5 crore.
<b>Supplier of Services</b> Central Goods and Services Tax (Amendment) Rules, 2019 <u>Notification No. 03/2019 – Central Tax 29/01/2019</u>	Composition Scheme was applicable only on supplier of goods	The supplier of services can also opt for the composition scheme.
<b>Limit prescribed for Supplier of Services for Composition Scheme</b>	-	A person opting for such scheme may supply services (other than restaurant services) of value not exceeding 10% of the turnover in a state/union territory in the preceding financial year or INR 5 lakh, whichever is higher.

[Notification No. 5/2019 Central tax dated 29.01.2019]

#### **6. Bringing into effect the amendments (to align Special Category States with the explanation in section 22 of CGST Act, 2017) in the GST Acts**

The Specified persons in Special category states and the State of Jammu & Kashmir, making taxable supplies through E-commerce operator are exempted from registration vide Notification no. 65/2017 dated 15 Nov 2017, if their turnover is less than 10Lakhs.

The said notification is amended to exclude the state Jammu & Kashmir by changing the reference for the Special category states. Thereby the Exemption limit for the persons of Jammu and Kashmir shall be 20Lakhs.

[Notification No. 6/2019 Central tax dated 29.01.2019]

#### **7. Extension of the due date for furnishing of FORM GSTR – 7**

Notification No. 7/2019 Central tax seeks to extend the due date for furnishing of FORM GSTR – 7 for the months of October, 2018 to December, 2018 till 28.02.2019.

[Notification No. 7/2019 Central tax dated 31.01.2019]

#### **8. Bringing into effect the amendments (regarding RCM on supplies by unregistered persons) in the GST Acts**

Since the act was amended to restrict 9(4) to specified persons to be notified by the govt., the notification no.8/2017 Central tax (Rate) Dated 28 Jun 2017, through which the exemption for Sec 9(4) (RCM for procurements from URD) up to Rs. 5,000 was provide has been rescinded.

Thereby, the relevant notifications 38/2017 dated 13 Oct 2017 – Full exemption from 9(4) up to 31 Mar 2019 and 22/2018 dated 06 Aug 2018 Extension of exemption up to 30 Sep 2019 would also stand null.

[Notification No. 1/2019 Central Tax (Rate) dated 29.01.2019]

## **9. Applicability of GST on various programmes conducted by the Indian Institutes of Management (IIMs)**

Circular No. 82/01/2019- GST dated 1 January 2019 clarifies that through vide Notification No. 12/2017- CT (Rate) dated June 28, 2017, it was specified that with effect from January 31, 2018, all the IIMs will be “educational institutions”. Hence, w.e.f such date all IIMs have become eligible for exemption benefit under Sl. No. 66 of said notification. As such, specific exemption granted to IIMs vide Sl. No. 67 has become redundant.

Further, it has been clarified by Hon’ble Supreme Court in many cases that if there are two or more exemption notifications available to an assessee, the assessee can claim the one that is more beneficial to him. Therefore, from January 31, 2018, to December 31, 2018, IIMs can avail exemption either under Sl. No 66 or Sl. No. 67 of the said notification for the eligible programmes. However, Short duration executive programs provided by IIMs will attract GST @ 18% (CGST 9% + SGST 9%).

**[Circular No. 82/01/2019- GST dated 1 January 2019]**

## **10. Applicability of GST on Asian Development Bank (ADB) and International Finance Corporation (IFC).**

Circular no. 83/02/2019 dated 1 January 2019 clarifies that the services provided by International Finance Corporation and Asian Development Bank are exempt from GST in terms of International Finance Corporation (Status, Immunities, and Privileges) Act, 1958 and Asian Development Bank Act, 1966 respectively. The exemption will be available only to the services provided by Asian Development Bank (ADB) and International Finance Corporation (IFC), and not to any entity appointed by or working on behalf of ADB or IFC.

**[Circular no. 83/02/2019 dated 1 January 2019]**

## **11. Clarification on the issue of classification of service of printing of pictures covered under 998386.**

Circular no. 84/03/2019 dated 1 January 2019 clarifies that service of ‘printing of pictures’ falls under service code 998386 i.e. ‘Photographic and video graphic processing services’ and not under 998912 i.e. ‘Printing and reproduction services of recorded media, on a fee or contract basis’ of the scheme of classification of service annexed to Notification No. 11/2017-CT(Rate) dated June 28, 2018. The applicable GST rate would be 18%.

**[Circular no. 84/03/2019 dated 1 January 2019]**

## **12. Clarification on GST rate applicable on the supply of food and beverage services by educational institution**

Circular no. 85/04/2019 dated 1 January 2019 clarifies that Supply of all services by an educational institution to its students, faculty, and staff is exempt vide S. No. 66 of Notification No. 12/2017-CT (Rate) dated June 28, 2017. Such services include supply of food and beverages by an educational institution to its students, faculty, and staff. However, such supply of food and beverages by any person other than the educational institutions would attract GST @ 5%.

**[Circular no. 85/04/2019 dated 1 January 2019]**

## **13. GST on Services of Business Facilitator (BF) or a Business Correspondent (BC) to Banking Company.**

Circular no. 86/05/2019 dated 1 January 2019 clarifies the issues relating to transactions between the banking companies and banking facilitators (BF)/banking correspondents (BC). The clarifications are as under:

Banking company provides services to the customers and would be liable to pay GST on the entire value of service charge or fee charged to customers, whether or not received via BF/ BC.



To avail exemption on services provided in relation to 'accounts in rural area branch', the applicable conditions in notification, i.e., the classification of services of BF/ BC in their respective individual capacity should be covered under the heading 9971, and the service should be with respect to accounts in a branch located in the rural area. The classification adopted by the bank as per the Reserve Bank of India guidelines in this regard should be accepted.

**[Circular no. 86/05/2019 dated 1 January 2019]**

**14. Clarification on the issues arising from the Central GST (Amendment) Act, 2018 on section 140(1) of the Central GST Act, 2017 dealing with carrying forward of credit balances.**

Circular no. 87/06/2019 dated 2 January 2019 clarifies the issues arising from the Central GST (Amendment) Act, 2018 on section 140(1) of the Central GST Act, 2017 dealing with carrying forward of credit balances. The clarifications are as under:

- The closing balance of CENVAT credit pertaining to service tax can be carried forward as the legislative intent was not to disallow transition CENVAT credit in the form of service tax.
- The expression "eligible duties" under section 140(1) of the Central GST Act, 2017 does not refer to the condition regarding goods in stock or to a condition regarding inputs and input services in transit. It has also been decided not to notify clauses 28(b)(i) and 28(c)(i) of the Central GST (Amendment) Act, 2018 (dealing with linking carry forward of closing balance of credits as per returns with various conditions) to avoid such linkage.
- The eligible duties which are allowed to be carried forward under section 140(1) of the Central GST Act, 2017 would only cover the duties listed as eligible duties in sr. nos. 1 to 7 of explanation 1 to section 140 of the Central GST Act, 2017 and eligible duties and taxes as listed in sr. nos. 1 to 8 of explanation 2 to section 140 of the Central GST Act, 2017. – No transition credit of cesses, including cess, collected as an additional duty of customs under section 3(1) of the Customs Tariff Act, 1975 would be allowed.

Conclusion:

The clarifications regarding carrying forward of CENVAT credit of service tax etc. clear the apprehension of the industry regarding a potential challenge to carry forward of service tax credits etc. as it was restricted under sec 140(1) of CGST Act. However, the clarification prohibiting the carry forward of the credit of the cesses may see the judicial challenge from the industry.

Further, the simplification of refund procedures, doing away with the physical submission of application and various supporting documents is welcome and will lead to reduction in procedural aspects. Parties claiming the refund of compensation cess as exporters will need to review the classifications and their impact on past claims which are still unprocessed.

**[Circular no. 87/06/2019 dated 2 January 2019]**

## **(II) CENTRAL TAX NOTIFICATIONS**

[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (i) OF THE GAZETTE OF INDIA, EXTRAORDINARY]

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(Department of Revenue)  
[CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS]

Notification No. 1/2019-Central Tax

New Delhi, the 15<sup>th</sup> January, 2019

G.S.R. -----(E).- In exercise of the powers conferred by section 147 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 48/2017-Central Tax dated the 18<sup>th</sup> October, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R 1305(E) dated the 18<sup>th</sup> October, 2017, namely:—

In the said notification,

(i) In the Table, the column number (2) against S. No.1, after the entry, the following proviso shall be inserted, namely: -

“Provided that goods so supplied, when exports have already been made after availing input tax credit on inputs used in manufacture of such exports, shall be used in manufacture and supply of taxable goods (other than nil rated or fully exempted goods) and a certificate to this effect from a chartered accountant is submitted to the jurisdictional commissioner of GST or any other officer authorised by him within 6 months of such supply;”

Provided further that no such certificate shall be required if input tax credit has not been availed on inputs used in manufacture of export goods.”;

(ii) In the Explanation against serial number 1 the words “on pre-import basis” shall be omitted.

[F. No. 20/06/17/2018-GST (Pt. I)]

(Dr. Sreeparvathy S. L.)

Under Secretary to the Government of India

Note:- The principal notification No. 48/2017-Central Tax dated 18<sup>th</sup> October, 2017 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R 1305(E), dated the 18<sup>th</sup> October, 2018.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**[Central Board of Indirect Taxes and Customs]**

**Notification No. 02/2019 – Central Tax**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R. ....(E).— In exercise of the powers conferred by sub-section (2) of section 1 of the Central Goods and Services Tax (Amendment) Act, 2018 (31 of 2018), the Central Government hereby appoints the 1<sup>st</sup> day of February, 2019, as the date on which the provisions of the Central Goods and Services Tax (Amendment) Act, 2018 (31 of 2018), except clause (b) of section 8, section 17, section 18, clause (a) of section 20, sub-clause (i) of clause (b) and sub-clause (i) of clause (c) of section 28, shall come into force.

[F.No.20/06/16/2018-GST (Pt. II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**[Central Board of Indirect Taxes and Customs]**

**Notification No. 03/2019 – Central Tax**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R.....(E). - In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

1. (1) These rules may be called the Central Goods and Services Tax (Amendment) Rules, 2019.

(2) Save as otherwise provided in these rules, they shall come into force on the first day of February, 2019.

2. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), in Chapter-II, in the heading, for the words “Composition Rules”, the words, “Composition Levy” shall be substituted.

3. In the said rules, in rule 7, in the Table, against serial number (3), in column (3), for the word “goods”, the words, “goods and services” shall be substituted.

4. In the said rules, in rule 8, in sub rule (1),-

(a) the first proviso shall be omitted;

(b) in the second proviso, for the words “Provided further”, the word “Provided” shall be substituted.

5. In the said rules, for rule 11, the following rule shall be substituted, namely:-

**“11 Separate registration for multiple places of business within a State or a Union territory.-** (1) Any person having multiple places of business within a State or a Union territory, requiring a separate registration for any such place of business under sub-section (2) of section 25 shall be granted separate registration in respect of each such place of business subject to the following conditions, namely:-

(a) such person has more than one place of business as defined in clause (85) of section 2;

(b) such person shall not pay tax under section 10 for any of his places of business if he is paying tax under section 9 for any other place of business;

(c) all separately registered places of business of such person shall pay tax under the Act on supply of goods or services or both made to another registered place of business of such person and issue a tax invoice or a bill of supply, as the case may be, for such supply.

*Explanation.* - For the purposes of clause (b), it is hereby clarified that where any place of business of a registered person that has been granted a separate registration

becomes ineligible to pay tax under section 10, all other registered places of business of the said person shall become ineligible to pay tax under the said section.

(2) A registered person opting to obtain separate registration for a place of business shall submit a separate application in **FORM GST REG-01** in respect of such place of business.

(3) The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, mutatis mutandis, apply to an application submitted under this rule”.

6. In the said rules, after rule 21, the following rule shall be inserted, namely:-

**“Rule 21A. Suspension of registration.-** (1) Where a registered person has applied for cancellation of registration under rule 20, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration under rule 22.

(2) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29 or under rule 21, he may, after affording the said person a reasonable opportunity of being heard, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration under rule 22.

(3) A registered person, whose registration has been suspended under sub-rule (1) or sub-rule (2), shall not make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39.

(4) The suspension of registration under sub-rule (1) or sub-rule (2) shall be deemed to be revoked upon completion of the proceedings by the proper officer under rule 22 and such revocation shall be effective from the date on which the suspension had come into effect.”.

7. In the said rules, after rule 41, the following rule shall be inserted, namely:-

**“Rule 41A. Transfer of credit on obtaining separate registration for multiple places of business within a State or Union territory.-** (1) A registered person who has obtained separate registration for multiple places of business in accordance with the provisions of rule 11 and who intends to transfer, either wholly or partly, the unutilised input tax credit lying in his electronic credit ledger to any or all of the newly registered place of business, shall furnish within a period of thirty days from obtaining such separate registrations, the details in **FORM GST ITC-02A** electronically on the common portal, either directly or through a Facilitation Centre notified in this behalf by the Commissioner:

Provided that the input tax credit shall be transferred to the newly registered entities in the ratio of the value of assets held by them at the time of registration.

*Explanation.-* For the purposes of this sub-rule, it is hereby clarified that the ‘value of assets’ means the value of the entire assets of the business whether or not input tax credit has been availed thereon.

(2) The newly registered person (transferee) shall, on the common portal, accept the details so furnished by the registered person (transferor) and, upon such acceptance, the unutilised input tax credit specified in **FORM GST ITC-02A** shall be credited to his electronic credit ledger.”.

8. In the said rules, in rule 42, in sub-rule (1), in clause (i), in the Explanation, after the word and figures “entry 84”, the word, figures and letter “and entry 92A” shall be inserted.

9. In the said rules, in rule 43,—

(a) in sub-rule (1), in clause (g), in the Explanation, after the word and figures “entry 84”, the words, figures and letter “and entry 92A” shall be inserted.

(b) in sub-rule (2), in the Explanation, clause (a) shall be omitted.

10. In the said rules, in rule 53,—

(a) in sub-rule (1), after the words and figures “section 31”, the words and figures “and credit or debit notes referred to in section 34” shall be omitted;

(b) in sub-rule (1) clause (c) shall be omitted;

(c) in sub-rule (1) clause (i) shall be omitted;

(d) after sub-rule (1), the following sub-rule shall be inserted, namely:—

“(1A) A credit or debit note referred to in section 34 shall contain the following particulars, namely:—

(a) name, address and Goods and Services Tax Identification Number of the supplier;

(b) nature of the document;

(c) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;

(d) date of issue of the document;

(e) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;

(f) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;

(g) serial number(s) and date(s) of the corresponding tax invoice(s) or, as the case may be, bill(s) of supply;

(h) value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and

(i) signature or digital signature of the supplier or his authorised representative.”.

11. In the said rules, in rule 80, in sub-rule (3), after the words “Every registered person”, the words, brackets and figures “other than those referred to in the proviso to sub-section (5) of section 35,” shall be inserted.

12. In the said rules, in rule 83,—

(a) in sub-rule (1), in clause (a), for the words “Central Board of Excise” the words “Central Board of Indirect Taxes” shall be substituted;

(b) in sub-rule (3), in the second proviso, for the words “eighteen months”, the words “thirty months” shall be substituted;

(c) for sub-rule (8), the following sub-rule shall be substituted, namely:-

“(8) A goods and services tax practitioner can undertake any or all of the following activities on behalf of a registered person, if so authorised by him to-

(a) furnish the details of outward and inward supplies;

(b) furnish monthly, quarterly, annual or final return;

- (c) make deposit for credit into the electronic cash ledger;
- (d) file a claim for refund;
- (e) file an application for amendment or cancellation of registration;
- (f) furnish information for generation of e-way bill;
- (g) furnish details of challan in **FORM GST ITC-04**;
- (h) file an application for amendment or cancellation of enrolment under rule 58; and
- (i) file an intimation to pay tax under the composition scheme or withdraw from the said scheme:

Provided that where any application relating to a claim for refund or an application for amendment or cancellation of registration or where an intimation to pay tax under composition scheme or to withdraw from such scheme has been submitted by the goods and services tax practitioner authorised by the registered person, a confirmation shall be sought from the registered person and the application submitted by the said practitioner shall be made available to the registered person on the common portal and such application shall not be further proceeded with until the registered person gives his consent to the same.”.

13. In the said rules, in rule 85, in sub-rule (3), after the word and figures “section 49”, the words, figures and letters “section 49A and section 49B,” shall be inserted.

14. In the said rules, in rule 86, in sub-rule (2), after the word and figures “section 49”, the words, figures and letters “or section 49A or section 49B,” shall be inserted.

15. In the said rules, in rule 89, in sub-rule (2), for clause (f), the following clause shall be substituted, namely:-

“(f) a declaration to the effect that tax has not been collected from the Special Economic Zone unit or the Special Economic Zone developer, in a case where the refund is on account of supply of goods or services or both made to a Special Economic Zone unit or a Special Economic Zone developer;”.

16. In the said rules, in rule 91,–

- (a) in sub-rule(2), the following proviso shall be inserted, namely:-

“Provided that the order issued in **FORM GST RFD-04** shall not be required to be revalidated by the proper officer.”;

- (b) in sub-rule (3), the following proviso shall be inserted, namely:-

“Provided that the payment advice in **FORM GST RFD-05** shall be required to be revalidated where the refund has not been disbursed within the same financial year in which the said payment advice was issued.”.

17. In the said rules, in rule 92, in sub-rule (4), the following provisos shall be inserted, namely:-

“Provided that the order issued in **FORM GST RFD-06** shall not be required to be revalidated by the proper officer:

Provided further that the payment advice in **FORM GST RFD-05** shall be required to be revalidated where the refund has not been disbursed within the same financial year in which the said payment advice was issued.”.

18. In the said rules, in rule 96A ,–

(a) in the marginal heading, for the words “Refund of integrated tax paid on export”, the word “Export” shall be substituted;

(b) in sub-rule (1), in clause (b), after the words “convertible foreign exchange”, the words “or in Indian rupees, wherever permitted by the Reserve Bank of India” shall be inserted.

19. In the said rules, in **FORM GST REG-01**, in instruction 12, for the words “business verticals” at both the places where they occur, the words “places of business” shall be substituted.

20. In the said rules, in **FORM GST REG-17**, at the end, the following “Note” shall be inserted, namely:-

“Note: - Your registration stands suspended with effect from ----- (date).”.

21. In the said rules, in **FORM GST REG-20**, at the end, the following “Note” shall be inserted, namely:-

“Note: - Your registration stands suspended with effect from ----- (date).”.

22. In the said rules, after **FORM GST ITC-02**, the following form shall be inserted, namely:-

**“FORM GST ITC-02A**

*[See rule 41A]*

**Declaration for transfer of ITC pursuant to registration under sub-section (2) of section 25**

1.	GSTIN of transferor	
2.	Legal name of transferor	
3.	Trade name of transferor, if any	
4.	GSTIN of transferee	
5.	Legal name of transferee	
6.	Trade name of transferee, if any	

7. Details of ITC to be transferred

Tax	Amount of matched ITC available	Amount of matched ITC to be transferred
1	2	3
Central Tax		



State Tax		
UT Tax		
Integrated Tax		
Cess		

8. Verification

I \_\_\_\_\_ hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

Signature of authorised signatory \_\_\_\_\_

Name \_\_\_\_\_

Designation/Status \_\_\_\_\_

Date---dd/mm/yyyy

Instructions:

1. Transferor refers to the registered person who has an existing registration in a State or Union territory.
2. Transferee refers to the place of business for which a separate registration has been obtained under rule 11.”.

23. In the said rules, in **FORM GST PCT-05**, in the Table, after serial number 5 and the entries relating thereto, the following serial number and entries shall be inserted, namely:-

“6	To furnish information for generation of e-way bill	
7	To furnish details of challan in <b>FORM GST ITC-04</b>	
8	To file an application for amendment or cancellation of enrolment under rule 58	
9	To file an intimation to pay tax under the composition scheme or withdraw from the said scheme”.	

24. In the said rules, in **FORM GSTR -4,-**

(a) in clause 6, for the Table, the following Table shall be substituted, namely:-

“Rate of tax	Total Turnover	Out of turnover reported in (2), turnover of services	Composition tax amount	
			Central Tax	State/UT Tax
1	2	3	4	5”;

(b) in clause 7, for the Table, the following Table shall be substituted, namely:-

“Quarter	Rate	Original details				Revised details			
		Total Turnover	Out of turnover reported in (3), turnover of services	Central Tax	State/ UT Tax	Total Turnover	Out of turnover reported in (7), turnover of services	Central Tax	State/ UT Tax
1	2	3	4	5	6	7	8	9	10”;

25. In the said rules, in **FORM GST RFD-01**, for the declaration under rule 89(2)(f), the following declaration shall be substituted, namely:-

<b>“<u>DECLARATION [rule 89(2)(f)]</u>”</b>
I hereby declare that tax has not been collected from the Special Economic Zone unit /the Special Economic Zone developer in respect of supply of goods or services or both covered under this refund claim.
Signature
Name –
Designation / Status”.

26. In the said rules, in **FORM GST RFD-01A**, for the declaration under rule 89(2)(f), the following declaration shall be substituted, namely:-

<b>“<u>DECLARATION [rule 89(2)(f)]</u>”</b>
I hereby declare that tax has not been collected from the Special Economic Zone unit /the Special Economic Zone developer in respect of supply of goods or services or both covered under this refund claim.
Signature
Name –
Designation / Status”.

27. In the said rules, in **FORM GST APL-01**,–

(a) for clause 15, the following clause shall be substituted, namely:-

“15. Details of payment of admitted amount and pre-deposit:-

(a) Details of payment required

Particulars		Central tax	State/ UT tax	Integrated tax	Ces s	Total amount

a) Admitted amount	Tax/ Cess	< total >						
	Interest	< total >						
	Penalty	<total >						
	Fees	< total >						
	Other charges	< total >						
b) Pre-deposit (10% of disputed tax /cess but not exceeding Rs. 25 crore each in respect of CGST, SGST or cess, or not exceeding Rs. 50 crore in respect of IGST and Rs. 25 crore in respect of cess)	Tax/ Cess	< total >						< total >

(b) Details of payment of admitted amount and pre-deposit (pre-deposit 10% of the disputed tax and cess but not exceeding Rs. 25 crore each in respect of CGST, SGST or cess, or not exceeding Rs. 50 crore in respect of IGST and Rs. 25 crore in respect of cess)

Sr. No.	Description	Tax payable	Paid through Cash/ Credit Ledger	Debit entry no.	Amount of tax paid			
					Central tax	State/UT tax	Integrated tax	CESS
1	2	3	4	5	6	7	8	9
1.	Integrated		Cash Ledger					

	tax		Credit Ledger						
2.	Central tax		Cash Ledger						
			Credit Ledger						
3.	State/UT tax		Cash Ledger						
			Credit Ledger						
4.	CESS		Cash Ledger						
			Credit Ledger						

(c) Interest, penalty, late fee and any other amount payable and paid

Sr. No.	Description	Amount payable				Debit entry no.	Amount paid			
		Integrated tax	Central tax	State/UT tax	CESS		Integrated tax	Central tax	State/UT tax	CESS
1	2	3	4	5	6	7	8	9	10	11”;
1.	Interest									
2.	Penalty									
3.	Late fee									
4.	Others (specify)									

(b) after clause 17, the following shall be inserted, namely:-

“18. Place of supply wise details of the integrated tax paid (admitted amount only) mentioned in the Table in sub-clause (a) of clause 15 (item (a)), if any

Place of Supply (Name of State/UT)	Demand	Tax	Interest	Penalty	Other	Total
1	2	3	4	5	6	7”.
	Admitted amount [in the Table in sub-clause (a) of clause 15 (item (a))]					

28. In the said rules, in **FORM GST APL-05** ,–

(a) in clause 14,–

(i) in sub-clause (a), in the Table, for the brackets, figures and words “(20% of disputed tax)”, the brackets, figures, words and letters “(20% of disputed tax/cess but not exceeding Rs.50 crore each in respect of CGST, SGST or cess or not exceeding Rs.100 crore in respect of IGST and Rs.50 crore in respect of cess)” shall be substituted;

(ii) in sub-clause (b), for the brackets, words and figures “(pre-deposit 20% of the disputed admitted tax and Cess)”, the brackets, words, figures and letters “(pre-deposit of 20% of the disputed admitted tax and cess but not exceeding Rs. 50 crore each in respect of CGST, SGST or cess or not exceeding Rs.100 crore in respect of IGST and Rs. 50 crore in respect of cess)” shall be substituted;

(b) after clause 14, the following shall be inserted, namely:-

“15. Place of supply wise details of the integrated tax paid (admitted amount only) mentioned in the Table in sub-clause (a) of clause 14 (item (a)), if any

Place of Supply (Name of State/UT)	Demand	Tax	Interest	Penalty	Other	Total
1	2	3	4	5	6	7”.
	Admitted amount [in the Table in sub-clause (a) of clause 14 (item (a))]					

[F.No.20/06/16/2018-GST (Pt. II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide notification No. 3/2017-Central Tax, dated the 19<sup>th</sup> June,2017, published vide number G.S.R 610 (E), dated the 19<sup>th</sup> June, 2017 and last amended vide notification No. 74/2018 - Central Tax, dated the 31<sup>st</sup> December, 2018, published vide number G.S.R 1251 (E), dated the 31<sup>st</sup> December, 2018.

**[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]**

**Government of India  
Ministry of Finance  
(Department of Revenue)  
[Central Board of Indirect Taxes and Customs]**

**Notification No. 04/2019 – Central Tax**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R (E).- In exercise of the powers under section 3 read with section 5 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and section 3 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Board of Indirect Taxes and Customs, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.2/2017- Central Tax, dated the 19<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 609(E), dated the 19<sup>th</sup> June, 2017, namely: -

In the said notification, -

- (i) in the opening paragraph, after serial number (k) and the entries relating thereto, the following serial number and entries shall be inserted, namely: -  
“(l) Joint Commissioner of Central Tax (Appeals),”;
- (ii) in paragraph 2, in serial number (c), after the words, “Additional Commissioners”, the words “or Joint Commissioners” shall be inserted;
- (iii) in paragraph 4, for the words and brackets “Additional Commissioners of Central Tax (Appeals)”, the words and brackets “any officer not below the rank of Joint Commissioner (Appeals)” shall be substituted;
- (iv) in Table I and Table III, after the words, “Additional Commissioner”, wherever they appear, the words “or Joint Commissioner” shall be inserted.

2. This notification shall come into force with effect from the 1st day of February, 2019.

[F.No.20/06/16/2018-GST (Pt. II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note: - The principal notification No.2/2017- Central Tax, dated the 19<sup>th</sup> June, 2017, was published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (i), vide number G.S.R. 609(E), dated the 19<sup>th</sup> June, 2017 and was last amended vide notification No.79/2018 - Central Tax, dated the 31<sup>st</sup> December, 2018, published vide number G.S.R.1283 (E), dated the 31<sup>st</sup> December, 2018.

**[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]**

**Government of India  
Ministry of Finance  
(Department of Revenue)  
[Central Board of Indirect Taxes and Customs]**

**Notification No. 05/2019 – Central Tax**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 10 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.8/2017 - Central Tax, dated the 27<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 648 (E), dated the 27<sup>th</sup> June, 2017, namely:-

In the said notification, for the portion beginning with the words “an amount calculated at the rate of” and ending with the words “half per cent. of the turnover of taxable supplies of goods in State in case of other suppliers”, the words and figures, “an amount of tax calculated at the rate specified in rule 7 of the Central Goods and Services Tax Rules, 2017:” shall be substituted.

2. This notification shall come into force with effect from the 1st day of February, 2019.

[F.No.20/06/16/2018-GST (Pt.II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note: - The principal notification No.8/2017- Central Tax, dated the 27<sup>th</sup> June, 2017, was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 648 (E), dated the 27<sup>th</sup> June, 2017 and was last amended vide notification No. 1/2018-Central Tax, dated the 1<sup>st</sup> January,2018, published vide number G.S.R 02 (E), dated the 1<sup>st</sup> January,2018.

**[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]**

**Government of India  
Ministry of Finance  
(Department of Revenue)  
[Central Board of Indirect Taxes and Customs]**

**Notification No. 06/2019 – Central Tax**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R. (E).— In exercise of the powers conferred by sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 65/2017-Central Tax, dated the 15<sup>th</sup> November, 2017, published in the Gazette of India, Extraordinary, vide number G.S.R. 1421 (E), dated the 15<sup>th</sup> November, 2017, namely: -

In the said notification, in the proviso, for the words, brackets, letters and figures “sub-clause (g) of clause (4) of article 279A of the Constitution, other than the State of Jammu and Kashmir”, words, brackets and figures “the first proviso to sub-section (1) of section 22 of the said Act, read with clause (iii) of the Explanation to the said section” shall be substituted.

2. This notification shall come into force with effect from the 1st day of February, 2019.

[F.No.20/06/16/2018-GST (Pt.II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note: - The principal notification No. 65/2017-Central Tax, dated the 15<sup>th</sup> November, 2017, was published in the Gazette of India, Extraordinary, vide number G.S.R. 1421 (E), dated the 15<sup>th</sup> November, 2017.



**[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]**

**Government of India  
Ministry of Finance  
(Department of Revenue)  
[Central Board of Indirect Taxes and Customs]**

**Notification No. 07/2019 – Central Tax**

**New Delhi, the 31<sup>st</sup> January, 2019**

G.S.R. (E):- In exercise of the powers conferred by sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 66/2018-Central Tax, dated the 29<sup>th</sup> November, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 1150(E), dated the 29<sup>th</sup> November, 2018, namely:-

In the said notification, for the words, figures and letters “the 31<sup>st</sup> day of January, 2019”, the words, figures and letters “the 28<sup>th</sup> day of February, 2019” shall be substituted.

[F. No. 20/06/17/2018-GST]

(Dr. Sreeparvathy S.L.)  
Under Secretary to the Government of India

Note: - The principal notification No. 66/2018-Central Tax, dated the 29<sup>th</sup> November, 2018 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 1150(E), dated the 29<sup>th</sup> November, 2018.

### **(III) CENTRAL TAX (RATE) NOTIFICATIONS**

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India  
Ministry of Finance  
(Department of Revenue)  
[Central Board of Indirect Taxes and Customs]**

**Notification No. 01/2019 – Central Tax (Rate)**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby rescinds the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 8/2017-Central Tax (Rate), dated the 28<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, vide number G.S.R. 680 (E), dated the 28<sup>th</sup> June, 2017, except as respects things done or omitted to be done before such rescission.

2. This notification shall come into force with effect from the 1<sup>st</sup> day of February, 2019.

[F.No.20/06/16/2018-GST (Pt. II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note: - The principal notification No. 8/2017- Central Tax (Rate), dated the 28<sup>th</sup> June, 2017, was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 680 (E), dated the 28<sup>th</sup> June, 2017 and was last amended vide notification No. 22/2018-Central Tax (Rate), dated the 6<sup>th</sup> August, 2018, published vide number G.S.R. 743 (E), dated the 6<sup>th</sup> August, 2018.

## **(IV) IGST TAX NOTIFICATIONS**

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India  
Ministry of Finance  
(Department of Revenue)  
[Central Board of Indirect Taxes and Customs]**

**Notification No. 01/2019 – Integrated Tax**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R. ....(E).— In exercise of the powers conferred by sub-section (2) of section 1 of the Integrated Goods and Services Tax (Amendment) Act, 2018 (32 of 2018), the Central Government hereby appoints the 1<sup>st</sup> day of February, 2019 as the date on which the provisions of the Integrated Goods and Services Tax (Amendment) Act, 2018 (32 of 2018) shall come into force.

[F.No.20/06/16/2018-GST (Pt. II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**[Central Board of Indirect Taxes and Customs]**

**Notification No. 02/2019 – Integrated Tax**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R.... (E).— In exercise of the powers conferred by section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.7/2017-Integrated Tax, dated the 14<sup>th</sup> September, 2017, published in the Gazette of India, Extraordinary, vide number G.S.R. 1155 (E), dated the 14<sup>th</sup> September, 2017, namely: -  
In the said notification, in the proviso, in clause (b), for the figures, “151”, the figure “5” shall be substituted.

2. This notification shall come into force with effect from the 1<sup>st</sup> day of February, 2019.

[F.No.20/06/16/2018-GST (Pt. II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note: - The principal notification No.7/2017-Integrated Tax, dated the 14<sup>th</sup> September, 2017, was published in the Gazette of India, Extraordinary, vide number G.S.R. 1155 (E), dated the 14<sup>th</sup> September, 2017.

**[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]**

**Government of India  
Ministry of Finance  
(Department of Revenue)  
[Central Board of Indirect Taxes and Customs]**

**Notification No. 03/2019 – Integrated Tax**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R.... (E).— In exercise of the powers conferred by section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 10/2017-Integrated Tax, dated the 13<sup>th</sup> October, 2017, published in the Gazette of India, Extraordinary, vide number G.S.R. 1260 (E), dated the 13<sup>th</sup> October, 2017, namely: -

In the said notification, in the proviso, for the words, brackets, letters and figures “sub-clause (g) of clause (4) of article 279A of the Constitution, other than the State of Jammu and Kashmir”, words, brackets and figures “the first proviso to sub-section (1) of section 22 of the said Act, read with clause (iii) of the Explanation to the said section” shall be substituted.

2. This notification shall come into force with effect from the 1<sup>st</sup> day of February, 2019.

[F.No.20/06/16/2018-GST (Pt. II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note: - The principal notification No. 10/2017-Integrated Tax, dated the 13<sup>th</sup> October, 2017, was published in the Gazette of India, Extraordinary, vide number G.S.R. 1260 (E), dated the 13<sup>th</sup> October, 2017.

## **(V) IGST TAX RATE NOTIFICATIONS**

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**[Central Board of Indirect Taxes and Customs]**

**Notification No. 01/2019 – Integrated Tax (Rate)**

**New Delhi, the 29<sup>th</sup> January, 2019**

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby rescinds the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 32/2017-Integrated Tax (Rate), dated the 13<sup>th</sup> October, 2017, published in the Gazette of India, Extraordinary, vide number G.S.R. 1263 (E), dated the 13<sup>th</sup> October, 2017, except as respects things done or omitted to be done before such rescission.

2. This notification shall come into force with effect from the 1<sup>st</sup> day of February, 2019.

[F.No.20/06/16/2018-GST (Pt. II)]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note: - The principal notification No. 32/2017- Integrated Tax (Rate), dated the 13<sup>th</sup> October, 2017, was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 1263(E), dated the 13<sup>th</sup> October, 2017 and was last amended vide notification No. 23/2018-Integrated Tax (Rate), dated the 6<sup>th</sup> August, 2018, published vide number G.S.R. 744 (E), dated the 6<sup>th</sup> August, 2018.

## **(VI) CGST CIRCULARS**

**Circular No. 82/01/2019- GST**

**F. No. 354/428/2018-TRU**

Government of India  
Ministry of Finance  
Department of Revenue  
Tax research Unit  
\*\*\*\*

**Room No. 146, North Block,  
New Delhi, the 1<sup>st</sup> January, 2019**

To:

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioner of Central Tax (All) /  
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

**Subject: Applicability of GST on various programmes conducted by the Indian Institutes of Managements (IIMs) – Reg.**

I am directed to invite your attention to the Indian Institutes of Management Act, 2018 which came into force on 31<sup>st</sup> January, 2018. According to provisions of the IIM Act, all the IIMs listed in the schedule to the IIM Act are “institutions of national importance”. They are empowered to (i) grant degrees, diplomas, and other academic distinctions or titles, (ii) specify the criteria and process for admission to courses or programmes of study, and (iii) specify the academic content of programmes. Therefore, with effect from 31<sup>st</sup> January, 2018, all the IIMs are “educational institutions” as defined under notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017 as they provide education as a part of a curriculum for obtaining a qualification recognised by law for the time being in force.

2. At present, Indian Institutes of Managements are providing various long duration programs (one year or more) for which they award diploma/ degree certificate duly recommended by Board of Governors as per the power vested in them under the IIM Act, 2017. Therefore, it is clarified that services provided by Indian Institutes of Managements to their students- in all such long duration programs (one year or more) are exempt from levy of GST. As per information received from IIM Ahmedabad, annexure 1 to this circular provides a sample list of programmes which are of long duration (one year or more), recognized by law and are exempt from GST.

3. For the period from 1<sup>st</sup> July, 2017 to 30<sup>th</sup> January, 2018, IIMs were not covered by the definition of educational institutions as given in notification No. 12/ 2017 Central Tax (Rate)

**Circular No. 82/01/2019- GST**

dated 28.06.2017. Thus, they were not entitled to exemption under Sl. No. 66 of the said notification. However, there was specific exemption to following three programs of IIMs under Sl. No. 67 of notification No. 12/2017- Central Tax (Rate): –

- (i) two-year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the Indian Institute of Management,
- (ii) fellow programme in Management,
- (iii) five years integrated programme in Management.

Therefore, for the period from 1<sup>st</sup> July, 2017 to 30<sup>th</sup> January, 2018, GST exemption would be available only to three long duration programs specified above.

4. It is further, clarified that with effect from 31<sup>st</sup> January, 2018, all IIMs have become eligible for exemption benefit under Sl. No. 66 of notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017. As such, specific exemption granted to IIMs vide Sl. No. 67 has become redundant. The same has been deleted vide notification No. 28/2018- Central Tax (Rate) dated, 31<sup>st</sup> December, 2019 w.e.f. 1<sup>st</sup> January 2019.

5. For the period from 31<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2018, two exemptions, i.e. under Sl. No. 66 and under Sl. No. 67 of notification No. 12/ 2017- Central Tax (Rate), dated 28.06.2017 are available to the IIMs. The legal position in such situation has been clarified by Hon'ble Supreme Court in many cases that if there are two or more exemption notifications available to an assessee, the assessee can claim the one that is more beneficial to him. Therefore, from 31<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2018, IIMs can avail exemption either under Sl. No 66 or Sl. No. 67 of the said notification for the eligible programmes. In this regard following case laws may be referred-

- i. H.C.L. Limited vs Collector of Customs [2001 (130) ELT 405 (SC)]
- ii. Collector of Central Excise, Baroda vs Indian Petro Chemicals [1997 (92) ELT 13 (SC)]
- iii. Share Medical Care vs Union of India reported at 2007 (209) ELT 321 (SC)
- iv. CCE vs Maruthi Foam (P) Ltd. [1996 (85) RLT 157 (Tri.) as affirmed by Hon'ble Supreme Court vide 2004 (164) ELT 394 (SC)]



**Circular No. 82/01/2019- GST**

6. Indian Institutes of Managements also provide various short duration/ short term programs for which they award participation certificate to the executives/ professionals as they are considered as “participants” of the said programmes. These participation certificates are not any qualification recognized by law. Such participants are also not considered as students of Indian Institutes of Management. Services provided by IIMs as an educational institution to such participants is not exempt from GST. Such short duration executive programs attract standard rate of GST @ 18% (CGST 9% + SGST 9%). As per information received from IIM Ahmedabad, annexure 2 to this circular provides a sample list of programmes which are short duration executive development programs, available for participants other than students and are not exempt from GST.

7. Following summary table may be referred to while determining eligibility of various programs conducted by Indian Institutes of Managements for exemption from GST.

<b>Sl. No.</b>	<b>Periods</b>	<b>Programmes offered by Indian Institutes of Management</b>	<b>Whether exempt from GST</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	1 <sup>st</sup> July, 2017 to 30 <sup>th</sup> January, 2018	i. two-year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the Indian Institute of Management, ii. fellow programme in Management, iii. five years integrated programme in Management.	Exempt from GST
		i. One- year Post Graduate Programs for Executives, ii. Any programs other than those mentioned at Sl. No. 67 of notification No. 12/2017- Central Tax (Rate), dated 28.06.2017. iii. All short duration executive development programs or need based specially designed programs (less than one year).	Not exempt from GST
2	31 <sup>st</sup> January, 2018 onwards	All long duration programs (one year or more) conferring degree/ diploma as recommended by Board of Governors as per the power vested in them under the IIM Act, 2017 including one- year Post Graduate Programs for Executives.	Exempt from GST

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		All short duration executive development programs or need based specially designed programs (less than one year) which are not a qualification recognized by law.	Not exempt from GST
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8. This clarification applies, *mutatis mutandis*, to corresponding entries of respective IGST, UTGST, SGST exemption notifications. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours Faithfully,

Susanta Mishra  
Technical Officer (TRU)  
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Annexure 1: (Programmes exempt under GST Law)

The IIM- Ahmedabad refers such persons as their students who attend long duration programmes offered by the Institute for which diplomas / degrees are awarded by the Institute. These programmes are awarded based on the recommendation by the Board of Governors as per the power vested in them under the IIM Act, 2017. Such programmes are:

1. Post-Graduate Programme (PGP) – 2-year program
2. Post-Graduate Programme in Food and Agri-Business Management (PGP-FABM) – 2-year program
3. Fellow Programme in Management (FPM) – 4 to 5-year program
4. Post-Graduate Programme in Management for Executives (PGPX) – 12 months (1 year) full time program
5. ePost-Graduate Programme (ePGP) – 2-year online program.

This list is an example of long duration programs recognised under IIM Act, 2017 offered by IIM Ahmedabad. Similar programs offered by other IIMs of India may kindly be referred by IIMs and tax authorities during assessment.

Annexure 2: Programmes not exempt under GST Law

The executives / professionals doing short term courses (less than one year) are considered as “participants” of the programmes of the IIM Ahmedabad:

1. Armed Forces Programme
2. Faculty Development Programme
3. Executive Education
  - a. Customized Executive Programmes
  - b. Open Enrolment Programme

This list is an example of short duration executive development programs offered by IIM Ahmedabad which are available to participants. Similar programs offered by other IIMs of India may kindly be referred by IIMs and tax authorities during assessment.

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**F. No. 354/428/2018-TRU**

Government of India  
Ministry of Finance  
Department of Revenue  
Tax research Unit  
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**North Block, New Delhi,  
Dated the 1<sup>st</sup> January, 2019**

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioner of Central Tax (All) /  
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

**Subject: Applicability of GST on Asian Development Bank (ADB) and International Finance Corporation (IFC) - reg.**

Representations have been received seeking clarification regarding applicability of GST on Asian Development Bank (ADB) and International Finance Corporation (IFC). The matter has been examined.

2. The ADB Act, 1966 provides that notwithstanding anything to the contrary contained in any other law, the Bank, its assets, properties, income and its operations and transactions shall be exempt from all the taxation and from all customs duties. The Bank shall also be exempt from any obligation for payment, withholding or collection of any tax or duty [Section 5 (1) of the ADB Act, 1966 read with Article 56 (1) of the schedule thereto refers]. DEA has already conveyed vide letter No. 1/28/2002-ADB dated 22-01-2004 addressed to ADB that taxable services provided by ADB are exempted from service tax.

2.1 Similarly, IFC Act, 1958 also provides that notwithstanding anything to the contrary contained in any other law, the Corporation, its assets, properties, income and its operations and transactions authorised by the Agreement, shall be immune from all taxation and from all customs duties. The Corporation shall also be immune from liability for the collection or payment of any tax or duty [Section 3 (1) of IFC Act, 1958 read with Article VI, Section 9 (a) of the Schedule thereto refers].

3. CESTAT Mumbai vide final order dated 17-10-2016 in the case of M/s Coastal Gujarat Power Ltd. has held that when the enactments that honour international agreements specifically immunize the operations of the service provider from taxability, a law contrary to that in the form of Section 66A of Finance Act, 1994 will not prevail. With the provider being not only immune from taxation but also absolved of any obligation to collect and deposit any tax, there is no scope for subjecting the recipient to tax. There is no need for a separate exemption and existing laws enacted by the sovereign legislature of the Union suffice for the purpose of giving effect to Agreements.

**Circular No. 83/02/2019- GST**

4. Accordingly, it is clarified that the services provided by IFC and ADB are exempt from GST in terms of provisions of IFC Act, 1958 and ADB Act. The exemption will be available only to the services provided by ADB and IFC and not to any entity appointed by or working on behalf of ADB or IFC.

5. Difficulty if any, in the implementation of this Circular may be brought to the notice of the Board.

Yours Faithfully,

(Shashikant Mehta)

OSD, TRU

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**F. No. 354/428/2018-TRU**

Government of India  
Ministry of Finance  
Department of Revenue  
Tax research Unit

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**Room No. 146G, North Block,  
New Delhi, the 1<sup>th</sup> January 2019**

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal  
Commissioners/ Commissioner of Central Tax (All) /  
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

**Subject: Clarification on issue of classification of service of printing of pictures  
covered under 998386– reg.**

It has been brought to the notice of the Board that the service of “printing of pictures” correctly covered under service code 998386 - “Photographic and videographic processing services” is being classified by trade under service code 998912 - “Printing and reproduction services of recorded media, on a fee or contract basis”. The two service codes attract different GST rate of 18% and 12% respectively and therefore wrong classification may lead to short payment of GST.

2. The matter has been examined. According to Explanatory Notes to the scheme of classification of services, the service code “**998386 Photographic and videographic processing services, includes, -**

*developing of negatives and the printing of pictures for others according to customer specifications such as enlargement of negatives or slides, black and white processing; colour printing of images from film or digital media; slide and negative duplicates, reprints, etc.; developing of film for both amateur photographers and commercial clients; preparing of photographic slides; copying of films; converting of photographs and films to other media”*

3. Further, according to explanatory notes, the service code 998912 “*Printing and reproduction services of recorded media, on a fee or contract basis*” clearly excludes, -  
*-colour printing of images from film or digital media, cf. 998386,  
-audio and video production services, cf. 999613”*

4. In view of the above, it is clarified that service of “printing of pictures” falls under service code “*998386: Photographic and videographic processing services*” and not

**Circular No. 84/03/2019-GST**

under “998912: *Printing and reproduction services of recorded media, on a fee or contract basis*” of the scheme of classification of service annexed to notification No. 11/2017-Central Tax(Rate) dated 28.06.2018. The service of printing of pictures attracts GST @ 18% falling under item (ii), against serial number 21 of the Table in notification No. 11/2017-Central Tax(Rate) dated 28.06.2018.

5. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours Faithfully,

Harsh Singh  
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Email: harshsingh.irs@gov.in

**F. No. 354/428/2018-TRU**  
Government of India  
Ministry of Finance  
Department of Revenue  
Tax research Unit  
\*\*\*\*

Room No. 156, North Block,  
New Delhi, the 1<sup>st</sup> January, 2019

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal  
Commissioners/ Commissioner of Central Tax (All) /  
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

**Subject: Clarification on GST rate applicable on supply of food and beverage services by educational institution- reg.**

Representations have been received seeking clarification as to the rate of GST applicable on supply of food and beverages services by educational institution to its students. It has been stated that the words “school, college” appearing in Explanation 1 to Entry 7 (i) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 give rise to doubt whether supply of food and drinks by an educational institution to its students is eligible for exemption under Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 Sl. No 66, which exempts services provided by an educational institution to its students, faculty and staff.

2. The matter has been examined. Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 7(i) prescribes GST rate of 5% on supply of food and beverages services. Explanation 1 to the said entry states that such supply can take place at canteen, mess, cafeteria of an institution such as school, college, hospitals etc. On the other hand, Notification No. 12/2017-Central Tax (Rate), Sl. No. 66 (a) exempts services provided by an educational institution to its students, faculty and staff. There is no conflict between the two entries. Entries in Notification No. 11/2017-Central Tax (Rate) prescribing GST rates on service have to be read together with entries in exemption Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017. A supply which is specifically covered by any entry of Notification No. 12/2017-Central Tax (Rate) dated 28-06-2017 is exempt from GST notwithstanding the fact that GST rate has been prescribed for the same under Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017.



**Circular No. 85/04/2019- GST**

2.1 Supply of all services by an educational institution to its students, faculty and staff is exempt under Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 66. Such services include supply of food and beverages by an educational institution to its students, faculty and staff. As stated in explanation 3 (ii) to Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 Chapter, Section, Heading, Group or Service Codes mentioned in column (2) of the table in Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 are only indicative. A supply is eligible for exemption under an entry of the said notification where the description given in column (3) of the table leaves no room for any doubt. Accordingly, it is clarified that supply of food and beverages by an educational institution to its students, faculty and staff, where such supply is made by the educational institution itself, is exempt under Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, vide Sl. No. 66 w.e.f. 01-07-2017 itself. However, such supply of food and beverages by any person other than the educational institutions based on a contractual arrangement with such institution is leviable to GST@ 5%.

3. In order to remove any doubts on the issue, Explanation 1 to Entry 7(i) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 has been amended vide Notification No. 27/2018-Central Tax (Rate) dated 31.12.2018 to omit from it the words “school, college”. Further, heading 9963 has been added in Column (2) against entry at Sl. No. 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, vide Notification No. 28/2018-Central Tax (Rate) dated 31.12.2018.

4. Difficulty, if any, in implementation of this Circular may be brought to the notice of the Board.

Yours Faithfully,

(Harish Y N)  
Technical Officer, TRU  
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**F. No. 354/428/2018-TRU**  
Government of India  
Ministry of Finance  
Department of Revenue  
Tax research Unit  
\*\*\*\*

**Room No. 156, North Block,  
New Delhi, the 1<sup>st</sup> January, 2018**

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal  
Commissioners/ Commissioner of Central Tax (All) /  
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

**Subject: GST on Services of Business Facilitator (BF) or a Business Correspondent (BC)  
to Banking Company- reg.**

Representations have been received seeking clarification on following two issues:

- (i) What is the value to be adopted for the purpose of computing GST on services provided by BF/BC to a banking company?
- (ii) What is the scope of services provided by BF/BC to a banking company with respect to accounts in its rural area branch that are eligible for existing GST exemption?

2. The matter has been examined. The issues involved are clarified as follows:

2.1 Issue 1: Clarification on value of services by BF/BC to a banking company: As per RBI's Circular No. DBOD.No.BL.BC. 58/22.01.001/2005-2006 dated 25.01.2006 and subsequent instructions on the issue (referred to as 'guidelines' hereinafter), banks may pay reasonable commission/fee to the BC, the rate and quantum of which may be reviewed periodically. The agreement of banks with the BC specifically prohibits them from directly charging any fee to the customers for services rendered by them on behalf of the bank. On the other hand, banks (and not BCs) are permitted to collect reasonable service charges from the customers for such service in a transparent manner. The arrangements of banks with the Business Correspondents specify the requirement that the transactions are accounted for and reflected in the bank's books by end of the day or the next working day, and all agreements/ contracts with the customer shall clearly specify that the bank is responsible to the customer for acts of omission and commission of the Business Facilitator/Correspondent.

2.3 Hence, banking company is the service provider in the business facilitator model or the business correspondent model operated by a banking company as per RBI guidelines. The banking company is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via business facilitator or the business correspondent.

3. Issue 2: Clarification on the scope of services by BF/BC to a banking company with respect to accounts in rural areas: It has also been requested that the scope of exemption to services provided in relation to “accounts in its rural area branch” vide Sl. No. 39 of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 be clarified. This clarification has been requested as the exemption from tax on services provided by BF/BC is dependent on the meaning of the expression “accounts in its rural area branch”.

3.1 It is clarified that for the purpose of availing exemption from GST under Sl. No. 39 of said notification, the conditions flowing from the language of the notification should be satisfied. These conditions are that the services provided by a BF/BC to a banking company in their respective individual capacities should fall under the Heading 9971 and that such services should be with respect to accounts in a branch located in the rural area of the banking company. The procedure for classification of branch of a bank as located in rural area and the services which can be provided by BF/BC, is governed by the RBI guidelines. Therefore, classification adopted by the bank in terms of RBI guidelines in this regard should be accepted.

4. Difficulty if any, in the implementation of this Circular may be brought to the notice of the Board.

Yours Faithfully,

(Harish Y N)  
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**Circular No. 87/06/2019-GST**

**F. No. 267/80/2018-CX.8  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes and Customs**

New Delhi, the 2<sup>nd</sup> Jan, 2019

To

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/ Commissioner of Central Tax (All)

The Principal Director Generals/ Director Generals (All)

Madam/ Sir,

**Sub: Central Goods and Services Tax (Amendment) Act, 2018-Clarification regarding section 140(1) of the CGST Act, 2017-reg.**

Attention is invited to sub-section (a) of section 28 of the CGST (Amendment) Act, 2018 (No. 31 of 2018) which provides that section 140(1) of the CGST Act, 2017 be amended with retrospective effect to allow transition of CENVAT credit under the existing law viz. Central Excise and Service Tax law, only in respect of "eligible duties". In this regard, doubts have been expressed as to whether the expression "eligible duties" would include CENVAT credit of Service Tax within its scope or not.

2. Therefore, in exercise of powers conferred under section 168 of the Central Goods and Services Act (hereinafter referred to as "Act"), for the purposes of uniformity in the implementation of the Act, the Central Board of Indirect Taxes and Customs hereby directs the following:

3.1 The CENVAT credit of service tax paid under section 66B of the Finance Act, 1994 was available as transitional credit under section 140(1) of the CGST Act and that legal position has not changed due to amendment of section 140(1) on account of following reasons:

- i) The amendment in provisions of section 140(1) and the explanations to section 140 need to be read harmoniously such that neither any provision of

the amendment becomes otiose nor does the legislative intent of the amendment get defeated.

- ii) The intention behind the amendment of section 140(1) to include the expression "eligible duties" has been indicated in the "Rationale/ Remarks" column (at Sl. No. 37) of the draft proposals for amending the GST law which was uploaded in the public domain for comments. It is clear that the transition of credit of taxes paid under section 66B of the Finance Act, 1994 was never intended to be disallowed under section 140(1) and therefore no such remark was present in the document.
- iii) Under tax statutes, the word "duties" is used interchangeably with the word "taxes" and in the present context, the two words should not be read in a disharmonious manner.

3.2 Thus, expression "eligible duties" in section 140(1) which are allowed to be transitioned would cover within its fold the duties which are listed as "eligible duties" at sl. no. (i) to (vii) of explanation 1, and "eligible duties and taxes" at sl. no. (i) to (viii) of explanation 2 to section 140, since the expression "eligible duties and taxes" has not been used elsewhere in the Act.

3.3 The expression "eligible duties" under section 140(1) does not in any way refer to the condition regarding goods in stock as referred to in Explanation 1 to section 140 or to the condition regarding inputs and input services in transit, as referred to in Explanation 2 to section 140.

4. Further, it has been decided not to notify the clause (i) of sub-section (b) of section 28 and clause (i) of sub-section (c) of section 28 of CGST (Amendment) Act, 2018 which link Explanation 1 and Explanation 2 of section 140 to section 140(1). This would ensure that the credit allowed to be transitioned under section 140(1) is not linked to credit of goods in stock, as provided under Explanation 1, and credit of goods and services in transit, as provided under Explanation 2. However, the duties and taxes for which transition is allowed shall be governed by para 3.2 above.

5. No transition of credit of cesses, including cess which is collected as additional duty of customs under sub-section (1) of section 3 of the Customs Tariff Act, 1975, would be allowed in terms of Explanation 3 to section 140, inserted vide sub-section (d) of section 28 of CGST Amendment Act, 2018 which shall become effective from the date the same is notified giving it retrospective effect.

6. Trade may be suitably informed and difficulty, if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(KUMAR VIVEK)  
OSD (CX.3/8)