

# M/s.TIMISH V SALOT & ASSOCIATES

CHARTERED ACCOUNTANTS

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## Tax Update - Circular no.1 /September 2023

Amendments in CGST Act vide Section 137 to 162 (except sections 149 to 154 effective from 01.08.2023) of Finance Act 2023 and IGST Act vide Section 123 of Finance Act, 2021 notified by Government to be effective from 01.10.2023:

### I) Central Goods and Services Tax (Finance Act 2023):

Sr.no.	Description	Our comments, if any	Relevant Section / Rule / Schedule of CGST Act, 2017
1	<b>Composition persons:</b> The registered persons opting to pay tax under the composition levy shall not be restricted from making supply of goods through Electronic Commerce Operators.	Trade facilitation measure for composition persons	Section 10
2	<b>Payment of ITC availed in terms of proviso to Section 16(2):</b> The ITC amount availed attributable to value of supply & tax thereon unpaid beyond 180 days from the date of issue of invoice shall have to be paid along with interest payable under section 50	Aligning Section 16(2) with return filing system	Section 16(2)
3	<b>Restriction on availment of ITC attributable to value of exempt supply:</b> value of transaction of supply of warehouses goods to any person before clearance for home consumption covered under clause (a) of para 8 of Schedule III. Such transaction shall be includible as value of exempt in terms of Section 17(3) of CGST Act, 2017	Value of transaction covered under clause (a) of Para 8 of Schedule III shall be value of supply of goods from Duty Free Shops at arrival terminal in international airports to the incoming passengers	Section 17(3)
4	<b>Time limit for delayed furnishing of statement of outward supplies and returns etc. on the common portal:</b> Time limit of three years from the relevant due date as regards to:	To provide time limit of 3 years from the relevant due date as regards to furnishing of details / returns etc.	Section 37, Section 39, Section 44 and Section 52(4)

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	<p>a) furnishing of details of outwards supplies under Section 37(1) for a tax period;</p> <p>b) furnishing of returns under section 39 for a tax period;</p> <p>c) furnishing of annual returns for a financial year under section 44;</p> <p>d) furnishing of statement under section 52(4) for a month by the electronic commerce operator</p> <p>The Government based on recommendations of GST Council may extend the said time limit subject to conditions and restrictions</p>		
5	To provide for <b>manner of computation of period of delay for calculation of interest on delayed refunds</b> beyond sixty days from the date of receipt of application till the date of refund of tax	Government has prescribe rules for manner of computation of interest on delayed refunds (Rule 94)	Section 56
6	<b><u>Penal provisions for Electronic Commerce Operators</u></b> in case of contravention of provisions relating to supplies of goods or services made through them by unregistered persons or composition taxpayers and / or failure to furnish correct details in the statement furnished under section 52(4)	E-Commerce operators shall have to devise mechanism such that only GST registered person or persons exempted from registered by a notification and persons who are not required to be registered as are dealing in exempt supply are allowed to use their platform; persons ineligible to make inter-state supply should not be allowed to use platform for making inter-state supply; to furnish the correct details in statement	Section 122(1B)

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		to be furnished under section 52(4) of any outward supply of goods effected through it by person exempted from obtaining registration under the Act	
7	<p><b><u>De-criminalization of certain offences</u></b> like- preventing any officer to discharge his duties under GST law, tampering or destroying material evidence, supplying false information / failure to supply any information required to be supplied under GST law.</p> <p><b>Offences related to issuance of invoices without supply of goods or services or both would be liable for prosecution.</b></p>	Decriminalization of certain offences under the GST law	Section 132
8	Persons involved in issuance of invoices without supply of goods or services or both shall not be given option of compounding of the offences under the Act.	No option of compounding of offences under the GST law shall be available for persons involved in issuance of fake invoices without actual supplies	Section 138
9	<p><b><u>Rationalization of Minimum and Maximum amount for compounding of offences:</u></b> Minimum – 25% of tax involved and Maximum – 100% of tax involved</p>	Rationalization of amounts payable in case of Compounding of offences	Section 138
10	<p><b><u>Sharing of information</u></b> like particulars furnished in the registration application, returns filed under Section 39 or section 44, particulars uploaded for preparation of invoice, details of outward supplies under section 37, e-way bill etc, by the common portal with</p>	Sharing of the information furnished on the common portal with other systems	Section 158A

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	other systems as may be prescribed by the Government		

**Reference - Notification No.28/2023-Central Tax dated 31.07.2023**

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## II) Integrated Goods and Services Tax (Finance Act 2021):

Sr.no.	Description	Our comments, if any	Relevant Section / Rule / Schedule of IGST Act, 2017
1	<b>Zero rated supply:</b> Supply of goods or services or both for <b>authorized operations</b> to SEZ developer or a SEZ unit shall be treated as Zero Rated supply.	As words “ <i>For Authorised Operations</i> ” have been inserted vide Section 123(a) hence supplies other than for authorized operations shall not be treated as Zero rated supply	Section 16(1)
2	Trade would be liable to deposit the refund amount received along with interest in the event of non-realization of sale proceeds of export of goods within 30 days of expiry of time limit prescribed under FEMA 1999.	This amendment would lead to additional burden on the trade; timely realization of sales proceeds would be essential.	Section 16(3)

### Reference - Notification No.27/2023-Central Tax dated 31.07.2023

Sincerely,

**Timish V Salot**

**(M.Com., F.C.A., LL.B., C.T.M.)**

*DISCLAIMER: This communique is sent only for updating with recent developments in the ambit of Goods and Services Tax, is purely meant for informational purpose only and does not purport to advice or express any opinion, in any manner, whatsoever. The information provided is not intended to create a client relationship & is not for advertising or soliciting. Recipients / Readers are advised to seek professional opinion before taking any action based on this communique and we don't accept any responsibility for any loss etc. arising out of any such action.*