CA/CMA/CS Final
Indirect Taxation

AMENDMENT BOOKLET

For May/June 2025 Exams

[Amendments from 1/05/2024 to 31/10/24]

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AMENDMENTS

CA/CMA/CS Final: For May 2025 Exam

Amendment from 01/5/24 to Up to 31/10/2024

GST: CHAPTER WISE AMENDMENTS

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<tr><td>Supply</td><td>Circular No. 218/12/2024: Clarification regarding taxability of the transaction of providing loan by an overseas affiliate to its Indian affiliate or by a person to a related person

Issue: Whether the activity of providing loans by an overseas affiliate to its Indian affiliate or by a person to a related person, where there is no consideration in the nature of processing fee/ administrative charges/ loan granting charges etc., and the consideration is represented only by way of interest or discount, will be treated as a taxable supply of service and value shall be determined under Rule 28 ??

Clarification: Granting Loans: As per section 7 of the CGST Act, read with Schedule I of CGST Act, Supply of goods or services or both between related persons, when made in the course or furtherance of business, shall be treated as supply, even if made without consideration. Therefore, it is evident that the service of granting loan/ credit/ advances by an entity to its related entity is a supply under GST.

Interest: The supply of services of granting loans/ credit/ advances, in so far as the consideration is represented by way of interest or discount, is fully exempt under GST.

Without Processing Fee etc,: It is mentioned that overseas affiliates or domestic related persons are generally charging no consideration in the form of processing fee/ service fee, other than the consideration by way of interest or discount on the loan amount.

Accordingly, in the cases, where no consideration is charged by the person from the related person, or by an overseas affiliate from its Indian party, for extending loan or credit, other than by way of interest or discount, it cannot be said that any supply of service is being provided between the said related persons in the form of processing/ facilitating/ administering the loan, by deeming the same as supply of services as per section 7 of the CGST Act, read with Schedule I of CGST Act.</td></tr>
</table>

Accordingly, there is no question of levy of GST on the same by resorting to open market value for valuation of the same as per Rule 28.

With Processing Fee etc,: However, in cases of loans provided between related parties, wherever any fee in the nature of processing fee/ administrative charges/ service fee/ loan granting charges etc. is charged, over and above the amount charged by way of interest or discount, the same may be considered to be the consideration for the supply of services of processing/ facilitating/ administering of the loan, which will be liable to GST as supply of services by the lender to the related person availing the loan.

Circular No. 213/07/2024: Clarification on the taxability of ESOP [Employee Stock Option **] / ESPP [**Employee Stock Purchase Plan**] / RSU [**Restricted Stock Unit**] provided by a company to its employees [**to motivate them to perform better and to retain the employees**] through its overseas holding company**

Issue: Some of the **Indian companies provide the option to their employees for allotment of securities/shares of their foreign holding company** as part of the compensation package as per terms of contract of employment.

In such cases, on exercising the option by the employees of Indian subsidiary company, the securities/shares of foreign holding company are allotted directly by the holding company to the concerned employees of Indian subsidiary company, and the cost of such securities/shares is generally reimbursed by the subsidiary company to the holding company.

ESPPs and ESOPs are typically presented as 'options' granted to employees, whereas RSUs take the form of awards or rewards contingent upon the employee meeting specific performance standards. Regardless of the terminology used, the fundamental essence of the transaction remains the same i.e. the allocation of securities or shares from the employer to employee as part of compensation package with the aim of motivating enhanced performance.

Now, Whether such transfer of shares/ securities by the foreign holding company directly to the employees of the Indian subsidiary company and subsequent re-imbursement of the cost of such shares/ securities by the Indian subsidiary company to the foreign holding company can be considered as import of financial services by the Indian subsidiary company from the foreign holding company and whether the same can be considered as liable to GST in the hands of Indian subsidiary company on reverse charge basis.

Clarification: Purchase or sale of securities/shares, in itself, is neither a supply of goods nor a supply of services. Therefore, GST is not leviable on said transaction of sale/purchase/transfer of securities/shares.

The ESOP/ESPP/RSU is a part of remuneration of the employee by the employer as per terms of employment and will be treated as a part of Salary hence Not a supply and NO GST accordingly.

The foreign holding company directly transfers the shares/securities to the employees of the domestic subsidiary company on the request of the said domestic subsidiary company. Reimbursement of such securities/ shares is generally done by domestic subsidiary company to foreign holding company on cost-to-cost basis i.e. equal to the market value of securities without any element of additional fee, markup or commission.

Since the said reimbursement is for transfer of securities/shares, which is not a supply hence not import of Services and Accordingly No GST.

However, if the foreign holding company charges any additional fee, markup, or commission from the domestic subsidiary company for issuing ESOP/ESPP/RSU to the employees of the domestic subsidiary company, then the same shall be considered to be in nature of consideration for the supply of services of facilitating/ arranging the transaction in securities/ shares by the foreign

	holding company to the domestic subsidiary company. In this case, GST will be leviable on such amount of the additional fee, markup, or commission, charged by the foreign holding company from the domestic subsidiary for issuance of its securities/shares to the employees of the latter. The GST shall be payable by the domestic holding company on reverse charge basis on such import of services from the foreign holding company. **CBIC-20001/4/2024: Clarification on taxability of salvage/ wreck value earmarked in the claim assessment of the damage caused to the motor vehicle** **Issue:** Whether the insurance company is liable to pay GST on the salvage/ wreckage value earmarked in the claim assessment of the damage caused to the motor vehicle? **Clarification:** In cases where due to the conditions mentioned in the contract itself, general insurance companies are deducting the value of salvage as deductibles from the claim amount, the salvage remains the property of insured and insurance companies are not liable to discharge GST liability on the same. However, in cases, where the insurance claim is settled on full claim amount, without deduction of value of salvage/ wreckage (as per the terms of the contract), the salvage becomes the property of the insurance company and the insurance company will be obligated to discharge GST on supply of salvage to the salvage buyer. **Circular No. 234/28/2024: Clarifications regarding applicability of GST on certain services** **Issue: Whether incidental/ ancillary services such as loading/ unloading, packing, unpacking, transshipment, temporary warehousing etc., provided in relation to transportation of goods by road is to be treated as part of Goods Transport Agency service, being composite supply, or these services are to be treated as separate independent supplies:** **Clarification:** it is hereby clarified that ancillary or incidental services provided by GTA in the course of transportation of goods by road, such as loading/unloading, packing/unpacking, transshipment, temporary warehousing etc. will be treated as composite supply of transport of goods. The method of invoicing used by GTAs will not generally alter the nature of the composite supply of service. However, if such services are not provided in the course of transportation of goods and are invoiced separately, then these services will not be treated as composite supply of transport of goods. **Issue: Applicability of GST on Preferential Location Charges (PLC) collected along with consideration for sale/ transfer of residential / commercial properties:** **Clarification:** It is hereby clarified that location charges or Preferential Location Charges (PLC) paid along with the consideration for the construction services of residential /commercial/industrial complex forms part of composite supply where supply of construction services is the main service and PLC is naturally bundled with it and are eligible for same tax treatment as the main supply of construction service.
Place of supply	**Circular No. 209/3/2024: Clarification on the provisions of Section 10(1)(ca) of IGST Act.** **Issue: Place of supply of goods (particularly being supplied through e-commerce platform) to unregistered persons [B to C] where billing address is different from the address of delivery of goods.** **For Example:** Mr. A (unregistered person) located in X State places an order on an e-commerce platform for supply of a mobile phone, which is to be delivered at an address located in Y State. Mr. A, while placing the order on the e-commerce platform, provides the billing address located in X state. In such a scenario, what would be the place of supply of the said supply of mobile phone,

whether the State pertaining to the billing address i.e. State X or the State pertaining to the delivery address i.e. State Y?

Clarification: The place of supply of goods in accordance with the provisions of section 10(1)(ca) of IGST Act, shall be the **Address of delivery** of goods recorded on the invoice i.e. State Y in the present case where the delivery address is located.

Also, the supplier may record the delivery address as the address of the recipient on the invoice for the purpose of determination of place of supply of the said supply of goods.

Circular No 220/14/2024: Clarification on place of supply applicable for custodial services provided by banks to Foreign Portfolio Investors

Issue: Whether the activity of providing Custodial Services by banks or financial institutions to FPIs [**Foreign Portfolio Investors**] will be treated as services provided to 'account holder' under Section 13(8)(a) of the IGST Act, 2017? Further, how the place of supply of the said services shall be determined?

Clarification: According to the SEBI (Custodian of Securities) Regulations 1996, 'Custodial Services' **in relation to securities** means **safekeeping of securities of a client** and providing services incidental thereto, and includes-

- Main Activity: Maintaining accounts of securities of a client;
- Collecting the benefits or rights accruing to the client in respect of securities;
- keeping the client informed of the actions taken or to be taken by the issuer of securities, having a bearing on the benefits or rights accruing to the client; and
- maintaining and reconciling records of the services referred above.

As per Explanation (a) of Section 13(8) of IGST Act, *'account' means an account bearing interest to the depositor, and includes a non-resident external account [NRE] and a non-resident ordinary account [NRO]*

Question: What are the services that are provided by a banking company to an account holder (holder of an account bearing interest to the depositor)?

Answer: Following are examples of services that are provided by a banking company or financial institution to an "account holder", in the ordinary course of business :-

i) services linked to or requiring opening and operation of bank accounts such as lending, deposits, safe deposit locker etc;

ii) transfer of money including telegraphic transfer, mail transfer, electronic transfer etc.

Question: What are the services that are not provided by a banking company or financial institution to an account holder, in the ordinary course of business, and will consequently be covered under another Rule?

*Answer**: Following are examples of services that are generally NOT provided by a banking company or financial institution to an account holder (holder of a deposit account bearing interest),** in the ordinary course of business:-*

i) financial leasing services including equipment leasing and hire purchase;

ii) merchant banking services;

iii) Securities and foreign exchange (forex) broking, and purchase or sale of foreign currency, including money changing;

iv) asset management including portfolio management, all forms of fund management, pension fund management, ***custodial,*** *depository and trust services*

Accordingly, it is clarified that the custodial services provided by banks or financial institutions to FPIs are not to be treated as services provided to 'account holder' and therefore, the said services are not covered under Section 13(8)(a) of the IGST Act.

Therefore, the place of supply of such services is not to be determined under Section 13(8)(a) of the IGST Act but has to be determined under the default provision i.e., Section 13(2),

Circular No. 230/24/2024: Clarification in respect of advertising services provided to foreign clients:

Clarification regarding advertising services being provided by Indian advertising companies/agencies to foreign entities, as some of the field formations are considering the place of supply of the said services as within India, thereby denying the export benefits to such advertising companies.

A foreign company or firm hires an advertising company/agency in India for advertisement of its goods or services and may enter into a comprehensive agreement with the advertising company/agency encompassing all the issues related to advertising services ranging from media planning, investment planning for the same, creating and designing content, strategizing for maximum customer reach, the identification of media owners, dealing with media owners, procuring media space, etc. for displaying/broadcasting/printing of advertisement including monitoring of the progress of the same. In such a case, the advertising agency provides a one stop solution to the client who outsources the entire activity to the agency.

In this scenario, media owners raise invoice to the advertising agency for inventory costs, which are then paid by the advertising agency. Subsequently, the advertising agency raises invoice to the foreign client for the rendered advertising services and receives the payments in foreign exchange from the foreign client.

Issue 1 -Whether the advertising company can be considered as an "*intermediary*" between the foreign client and the media owners as per section 2(13) of IGST Act?

Clarification: The agreement, in the instant case, is in the nature of two distinct principal-to-principal supplies and no agreement of supply of services exists between the Media company and the foreign client. The advertising company is not acting as an agent but has been contracted by the client to procure and provide certain services. The advertising agency is providing the services to the client on its own account.

Thus, the same cannot be considered as "intermediary" in such a scenario and accordingly, the place of supply in the instant matter cannot be linked with the location of supplier of services in terms of section 13(8)(b) of the IGST Act.

Issue-2 Whether the representative of foreign client in India or the target audience of the advertisement in India can be considered as the "*recipient*" of the services being supplied by the advertising company ?

Clarification: In the instant scenario, the foreign client is liable to pay the consideration to advertising company for the supply of advertising and not the consumers or the target audience that watches the advertisement in India.

Further, in this case, even if a representative of the said foreign client based in India, including a subsidiary or related person of the said foreign client, is interacting with the advertising company on behalf of the said foreign client, the said representative based in India cannot be considered as a recipient of the service, if the agreement is between the foreign client and the advertising company, the invoice is being issued for the said service by the advertising company to the foreign

client and the payment for the said service is received by the advertising company directly from the said foreign client.

Further, the target audience of the advertisements may be based in India but such target audience cannot be considered as recipient of the said advertising services.

Therefore, in view of above, it is clarified that the recipient of the advertising services provided by the advertising company in such cases is the foreign client.

Issue-3 Whether the advertising services provided by the advertising companies to foreign clients can be considered as performance-based services as per section 13(3) of the IGST Act?

Clarification: It is clarified that the place of supply of advertising services in such cases can neither be determined as per the provision of section 13(3)(a) nor as per the provisions of section 13(3)(b) of IGST Act.

Further, it is observed that in the present scenario, the place of supply of the above-mentioned advertising services does not appear to be covered under any other provisions of Section 13(3) of the IGST Act.

It appears that the place of supply of the said advertising service being supplied by the advertising company to the foreign clients can only be determined as per the default provision, i.e. section 13(2) of IGST Act, i.e. the place of location of the recipient of the services.

Circular No. 232/26/2024: Clarification on place of supply of data hosting services provided by service providers located in India to cloud computing service providers located outside India

Facts: It has been represented that some field formations are of the view that the place of supply of data hosting services provided by the service providers located in India to cloud computing service providers located outside India is the location of data hosting service provider in India and therefore, the benefit of export of services is not available on such supply of data hosting services.

Issue: Whether data hosting service provider [DATA CENTRE] qualifies as 'Intermediary' between the cloud computing service provider and their end customers/users/subscribers as per Section 2(13) of the IGST Act and whether the services provided by data hosting service provider to cloud computing service providers are covered as intermediary services and whether the place of supply of the same is to be determined as per Section 13(8)(b) of IGST Act.

Clarification: it is clarified that in such a scenario, the services provided by data hosting service provider to its overseas cloud computing service providers cannot be considered as intermediary services and hence, the place of supply of the same cannot be determined as per section 13(8)(b) of IGST Act.

Whether the data hosting services are provided in relation to goods "made available" by recipient of services to service provider for supply of such services and whether the place of supply of the same is to be determined as per section 13(3)(a) of the IGST Act, 2017.

Clarification: it is clarified that data hosting services provided by data hosting service provider to the said cloud computing service providers cannot be considered in relation to the goods "made available" by the said cloud computing service providers to the data hosting service provider in India and hence, the place of supply of the same cannot be determined under section 13(3)(a) of the IGST Act.

<table>
<tr><td></td><td>Whether the data hosting services are provided directly in relation to "immovable property" and whether the place of supply of the same is to be determined as per section 13(4) of the IGST Act.

Clarification: it is clarified that in such a scenario, the data hosting services cannot be considered as the services provided directly in relation to immovable property or physical premises and hence, the place of supply of such services cannot be determined under section 13(4) of IGST Act.

Further, the place of supply for the data hosting services provided by data hosting service provider located in India to overseas cloud computing service providers does not appear to fit into any of the specific provisions outlined in sections 13(3) to 13(13) of the IGST Act. Therefore, the place of supply in such cases needs to be determined according to the default provision under section 13(2) of the IGST Act, i.e. the location of the recipient of the services. Where the cloud computing service provider receiving the data hosting services are located outside India, the place of supply will be considered to be outside India according to section 13(2) of the IGST Act.

Accordingly, supply of data hosting services being provided by a data hosting service provider located in India to an overseas cloud computing entity can be considered as export of services, subject to the fulfilment of the other conditions mentioned in section 2(6) of IGST Act.</td></tr>
<tr><td>TAXABLE PERSON</td><td></td></tr>
<tr><td>Exemptions
Section:11
E/N: 12/2017</td><td>
<table>
<tr><td rowspan="2">Educational Services</td><td>[Substitute] Any service in relation to national skill development programme or any other scheme implemented by NSDC [National Skill Development Corporation] or Vocational Skill Development Course or any other skill qualifying course</td><td>By NSDC, NCVT, Awarding Body Recognized by NCVET, A Training body accredited by NCVET.[National Council for Vocational Education and Training]</td><td>will be exempted.</td></tr>
<tr><td>[Newly added] Affilation services</td><td>By Central / state Educational Board or council or other similar body--

To a school establishment, owned or controlled by central / state Government, UT, Local Authority, Government Entity</td><td>will be exempted.</td></tr>
<tr><td colspan="4">Circular No. 234/28/2024: Clarifications regarding applicability of GST on certain services

Issue: Applicability of GST on the service of affiliation provided by universities to colleges:

Clarification: It is hereby clarified that the affiliation services provided by universities to their constituent colleges are not covered within the ambit of exemptions provided to educational</td></tr>
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institutions and GST at the rate of 18% is applicable on the affiliation services provided by the universities.

Issue: Applicability of GST on the service of affiliation provided by Central and State educational boards or Councils, or other similar bodies, to schools:

Clarification: It is clarified that services of affiliation, provided to schools by Central or State educational boards or councils, or other similar bodies, by whatever name called, are taxable.

Issue: Applicability of GST on the Directorate General of Civil Aviation (DGCA) approved flying training courses conducted by Flying Training Organizations [FTOs] approved by the DGCA:

Clarification: It is clarified that the approved flying training courses conducted by FTOs approved by DGCA, wherein the DGCA mandates the requirement of a completion certificate, are covered under Exemption.

Government Services	**[Newly added]** Services by way of – (a) Sale of platform tickets; (b) Facility of retiring rooms/waiting rooms; (c) Cloak room services; (d) Battery car services.	By Indian Railways to individuals	will be exempted.
	[Newly added] Supply of Services	by one zone/division to another zone(s)/division(s) under Indian Railways	will be exempted.
	[Newly added] Supply of Services - by way of allowing Indian Railways to use the infrastructure built and owned by them - during the concession period against consideration.	by Special Purpose Vehicles (SPVs) to Indian Railways	will be exempted.
	[Newly added] Services of maintenance in relation to the said infrastructure built and owned by the SPVs during the concession period against consideration	by Indian Railways to SPVs	will be exempted.
	[Newly added] R&D Services	By -- **(a)** Government entity or \\ **(b)** Research Association, University, college or other institution notified under Income tax Act	will be exempted.

			1961 at the time of supply of R &D service	
	Agriculture	[Newly added] Electricity related services like-- - Renting of metering equipment. - Testing for meters, Transformers, capacitor etc. - Shifting of meter/ service lines. - Issuing duplicate bill etc.	by electric transmission and distribution utility to their consumers	Will be exempted.
	Renting , Accomadation Services			**[Newly added]** **Explanation:** **However following will not be covered here** *[but will be discussed in next point]* (a) Accommoda-tion services for students in student residences; (b) Accommoda-tion services provided by Hostels, Camps, Paying Guest accommodations and the like.
	Renting , Accomadation Services	**[Newly added]** Supply of Accommodation services - having value upto Rs 20,000 per person per month and - Stay period is 90 days or more continuously	**Any**	will be exempted.
	Igst Exemption	**[Newly added]** Import of Service without any consideration	From Related Person or Any of his other establishment outside India By Branch /Head Office of A	Will be exempted. [subject to conditions-] (1) In India GST on Transportation of Goods /

		Foreign Airline company in India	Passenger in India is paid by Such company (2) It is to be certify by Ministry of Civil Aviation that Such Establishment in India is Designated by Foreign Government under Applicable Bilateral Air Service Agreement with India.

Circular No. 228/22/2024: Applicability of GST on the incentive amount shared by acquiring banks with other stakeholders in the digital payment ecosystem under the notified Incentive Scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions.

it is hereby clarified that

- further sharing of the incentive amount by the acquiring bank with other stakeholders,
- up to the point where the incentive is distributed in the proportion and manner as decided by NPCI in consultation with the participating banks
- under the notified Incentive Scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions,
- is in the nature of a subsidy
- and is thus, not taxable.

Valuation/ Computation

Rule 28(2): Corporate Gaurantee

Value of service by supplier to recipient who is a related person LOCATED IN INDIA (Newly inserted)

- by way of providing Corporate Guarantee to any banking company or financial institution on behalf of said recipient
- shall be deemed to be 1% of the amount of such gaurantee offered per Annum (Newly inserted) or actual consideration which ever is higher.

(Newly inserted) Provided that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be AV.

Clarification on various issues pertaining to taxability and valuation of supply of services of providing corporate guarantee between related persons.

S. No.	Issue	Clarification
1	Whether Rule 28(2) of CGST Rules will apply to the corporate guarantees issued prior to	Rule 28(2) of CGST Rules is only for determination of the value of the taxable supply of providing corporate guarantee to any banking company or financial institution by a supplier to a related recipient, on behalf of the said recipient and not regarding the taxability of the said supply itself.

		insertion of the said sub-rule on 26th October 2023? Also, where intra-group corporate guarantees have been issued before 26th October 2023, which are still in force today, would they be liable to pay GST on "1% of the amount of such guarantee offered" on such guarantees?	Therefore, in respect of supply of services of providing corporate guarantee between related persons, in respect of corporate guarantee issued or renewed before 26th October 2023, the valuation of the said supply is to be done in accordance with Rule 28, as it existed during that time. However, if the corporate guarantee is issued or renewed on or after 26th October 2023, then the valuation of the said supply will be required to be done as per Rule 28(2) of CGST Rules.
	2	In cases where the corporate guarantee is provided for a particular amount, whereas the loan is only partly availed or not availed at all by the recipient, what will be the value of supply of corporate guarantee. Also, whether the recipient would be eligible to avail full ITC even before total loan is disbursed?	The activity of supply of the service of providing a corporate guarantee is not linked with the actual disbursal of the loan. The service that is provided by the guarantor to the guarantee is that of taking on the risk of default. Therefore, it is clarified that the value of supply of the service of providing a corporate guarantee will be calculated based on the amount guaranteed and will not be based on the amount of loan actually disbursed to the recipient of the corporate guarantee.
	3	In the case of takeover of existing loans, since there is merely an assignment of an already issued corporate guarantee, whether GST would be applicable again?	.Therefore, if the loan issued by the banking company/ financial institution is taken over by another banking company/ financial institution, the said activity of taking over of the loan does not fall under the service of providing corporate guarantee to any banking company or financial institution by a supplier to a recipient. Therefore, it is clarified that in such cases, there will be no impact on GST, unless there is issuance of fresh corporate guarantee or there is a renewal of the existing corporate guarantee. However, if the takeover of the loan is followed/ accompanied by issuance of fresh corporate guarantee, then GST would be payable on the same.

	4	Where corporate guarantee is provided by more than one entity / co-guarantor, what is the amount on which GST is payable by each co-guarantor?	In cases where corporate guarantee is being provided by multiple related entities, the value of such services of providing corporate guarantee shall be the sum of the actual consideration paid/ payable to co-guarantors, if the said amount of total consideration is higher than one per cent of the amount of such guarantee offered. In cases where the sum of the actual consideration is less than one per cent of the amount of such guarantee offered, then GST shall be payable by each co-guarantor proportionately on one per cent of the amount guaranteed by them. For instance, if there are two co-guarantors, A and B, who jointly provide a corporate guarantee to a banking/ financial institution on behalf a related recipient C for Rs. 1 crore, then A and B shall each pay GST on 0.5% of the amount guaranteed. However, if in the above case of A and B providing corporate guarantee jointly to a banking/ financial institution on behalf a related recipient C for Rs 1 crore, A provides guarantee for 60% of the guarantee amount and B provides guarantee for the remaining 40% of the guaranteed amount, then GST shall be payable by A and B proportionately i.e., 0.6% and 0.4% of the amount guaranteed. This is to say that A shall pay GST on 1% of the amount guaranteed by A, i.e., 1% on Rs. 60 lakhs and B shall pay GST on 1% of the amount guaranteed by B, i.e., 1% on Rs. 40 lakhs.
	5	Where intra-group corporate guarantee is issued, whether GST may be paid by the recipient under reverse charge, as in the absence of actual invoice and payment, the recipient entity may not be able to claim input tax credit of tax paid by the domestic guarantor?	It is clarified that in cases where domestic corporates issue intra-group guarantees, GST is to be paid under forward charge mechanism, and invoice is to be issued by the supplier of the service of providing corporate guarantee to the related recipient. However, in cases where such guarantee is provided by the foreign/ overseas entity for a related entity located in India, then GST would be payable under reverse charge mechanism, by the recipient of service, i.e., the related entity located in India.
	6	Whether the discharge of tax liability on corporate guarantee @ 1% of such guarantee offered is to be done one time or on yearly basis or on monthly basis and when issued for a fixed term of say, 5 years or	Rule 28(2) has been amended retrospectively with effect from 26th October 2023. It is clarified that the value of supply of the service of providing corporate guarantee to a banking company or a financial institution on behalf of a related recipient shall be 1% of the amount guaranteed **per annum** or the actual consideration, whichever is higher. The value of supply of the service of providing corporate guarantee to a banking company or a financial institution on behalf of a related recipient for a particular number of years shall be 1% of the amount of such guarantee offered multiplied by the number of years for which the said guarantee is offered or the actual consideration whichever is higher.

	10 years as per tenure of the loan?	In cases where the corporate guarantee is provided for a period less than a year, say 6 months (half a year), then in those cases as well, the valuation may be done on proportionate basis for the said period, i.e., in this case, the value of the said supply of services may be taken as half of one per cent of the amount of such guarantee offered (6/12 * one per cent), or the actual consideration, whichever is higher. To illustrate the same, if a corporate guarantee is issued for a period of say five years, then the value of such guarantee is to be calculated at one per cent per year of the amount of such guarantee offered, or the actual consideration, whichever is higher, i.e., the value of such corporate guarantee provided would be 5% of the amount guaranteed or the actual consideration, whichever is higher. Therefore, GST would be payable on such amount at the time of issuance of such corporate guarantee, i.e., 5% of the amount guaranteed or the actual consideration, whichever is higher. However, if a corporate guarantee is issued, say for a period of one year and is renewed five times, for a period of one year each, then tax would be payable on one per cent of the amount of such guarantee offered, or the actual consideration, whichever is higher, on the issue of such corporate guarantee in the first year as well as on every renewal in subsequent years.
7	Whether the valuation in terms of Rule 28(2) of CGST Rules will apply to the export of the service of providing corporate guarantee between related persons?	The provisions of the said sub-rule shall not apply to the export of the services of providing corporate guarantee between related persons BUT Provisions of Rule 28(1) shall apply.

Circular No. 210/4/2024: Clarification on valuation of supply of import of services by a related person where recipient is eligible to full input tax credit

Issue: It has been represented that the same treatment, which is being given to domestic related parties/ distinct persons, may also be provided in cases where a foreign entity is providing service to its related party located in India, in cases where full ITC is available to the said recipient located in India.

Clarification: Import of Service - RCM - Self Invoicing

In case of import of services by a registered person in India from a **related person located outside India, the tax is required to be paid by the registered person in India under reverse charge mechanism.** In such cases, the registered person in India is required to issue self-invoice under Section 31(3)(f) of CGST Act and pay tax on reverse charge basis.

Declared Value (which may also be NIL) = AV : In view of the above, it is clarified that in cases where the foreign affiliate is providing certain services to the related domestic entity, and where full input tax credit is available to the said related domestic entity, the value of such supply of

services declared in the invoice by the said related domestic entity may be deemed as open market value in terms of second proviso to Rule 28(1) of CGST Rules.

Further, in cases where full input tax credit is available to the recipient, if the invoice is not issued by the related domestic entity with respect to any service provided by the foreign affiliate to it, the value of such services may be deemed to be declared as Nil, and may be deemed as open market value in terms of second proviso to Rule 28(1) of CGST Rules.

Circular No. 212/6/2024: Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) [Reversal of ITC in case of POST Supply discounts] of the CGST Act, 2017 by the suppliers

Issue: In cases where the discounts are offered by the suppliers through tax credit notes, after the supply has been effected, the said discount is not to be included in the taxable value only if the condition of section 15(3)(b)(ii) for reversal of the input tax credit attributable to the said discount by the recipient, is satisfied.

Clarification: Presently, There is no facility available to the supplier as well as the tax officers on the common portal to verify whether the input tax credit attributable to the said discount [Post supply Discount] has been reversed [based on credit note] by the recipient or not.

Till the time a functionality/ facility is made available, the supplier may procure a certificate from the recipient of supply, issued by the Chartered Accountant (CA) or the Cost Accountant (CMA), certifying that the recipient has made the required proportionate reversal of input tax credit.

Such certificate issued by CA or CMA shall contain UDIN (Unique Document Identification Number). UDIN of the certificate issued by CAs can be verified from ICAI/ ICMAI website.

In cases, where the amount of tax (GST and including cess, if any) involved in the discount given by the supplier to a recipient through tax credit notes in a Financial Year is not exceeding Rs 5,00,000, then instead of CA/CMA certificate, the said supplier may procure an undertaking/ certificate from the said recipient that the said input tax credit attributable to such discount has been reversed by him.

RCM

5AB	Service by way of renting of [any immovable property] other than residential dwelling.	Any unregistered person	Any registered person."
8.	Metal scrap [RCM on Goods]	Any unregistered person	Any registered person

Invoice

Rule 48(3) : GSTR 1/IA

Time of supply

Circular No. 221/15/2024: Clarification on time of supply in respect of supply of services of construction of road and maintenance thereof of National Highway Projects of National Highways Authority of India (NHAI) in Hybrid Annuity Mode (HAM) model

Issue: Under HAM model of **National Highways Authority of India (NHAI)**, the concessionaire has to construct the new road and provide Operation & Maintenance of the same which is generally over a period of 15- 17 years and the payment of the same is spread over the years. What is the time of supply for the purpose of payment of tax on the said service under the HAM model?

Clarification: Under the Hybrid Annuity Model (HAM) of concession agreements, the highway development projects are under Design, Build, Operate and Transfer model (DBOT), wherein the concessionaire is required to undertake new construction of Highway, as well as the Operation and Maintenance (O&M) of Highways. The payment terms for the construction portion as well as the O&M portion of the contract are provided in the agreement between National Highways Authority of India (NHAI) and the concessionaire.

A HAM contract is a single contract for construction as well as operation and maintenance of the highway. The payment terms are so staggered that the concessionaire is held accountable for the repair and maintenance of the highway as well. The contract needs to be looked at holistically based on the services to be performed by the concessionaire and cannot be artificially split into two separate contracts for construction and operation and maintenance, based on the payment terms. The concessionaire is bound contractually to complete not only the construction of the highway but also to operate and maintain the same.

In HAM contract, the payment is made spread over the contract period in installments and payment for each installment is to be made after specified periods, or on completion of an event, as specified in the contract. The same appears to be covered under the 'Continuous supply of services'.

As per section 13(2) [Time of Supply of Services] read with section 31(5)[Issuance of Invoice under Continuous Supply of Services]: Time of supply of services under HAM contract, including construction and O&M portion,

- Where invoice is issued on time:Time of supply will be :The Date of issue of Invoice or Payment date [whichever is earlier]
- Where invoice is NOT issued on time:Time of supply will be : The Date of provision of the service or Payment date [whichever is earlier]

It is also clarified that as the installments/annuity payable by NHAI to the concessionaire also includes some interest component, the amount of such interest shall also be includible in the taxable value for the purpose of payment of tax on the said annuity/installment in view of the provisions of section 15(2)(d).

Circular No. 222/16/2024: Clarification on time of supply of services of spectrum usage and other similar services under GST

Issue: In cases of spectrum allocation where the successful bidder (i.e. the 'telecom operator') opts for making payments in instalments as mentioned in the Notice Inviting Application (NIA) and Frequency Assignment Letter (FAL) issued by Department of Telecommunications (DoT), Government of India, what will be the time of supply for the purpose of payment of GST on the said supply of spectrum allocation services.

Clarification: The GST is to be discharged on the supply of spectrum allocation services by the recipient of services (the telecom operator) on reverse charge basis.

In respect of supply of services, on which tax is paid or liable to be paid on reverse charge basis, as per Section 13(3) of CGST Act, 2017, the time of supply of services shall be the earlier of the following dates, namely:-

(a) The date of payment ; or

(b) 61st Day from invoice date

It is clarified that in case where full upfront payment is made by the telecom operator, GST would be payable when the payment of the said upfront amount is made or is due, whichever is earlier,

<table>
<tr><td></td><td>Whereas in case where deferred payment is made by the telecom operator in specified installments, GST would be payable as and when the payments are due or made, whichever is earlier.

It is also clarified that the similar treatment regarding the time of supply, may apply in other similar cases of natural Resources.</td></tr>
<tr><td>Input tax credit</td><td>Rule 36(3): No input tax credit shall be availed by a registered person

■ In respect of any tax that has been paid in pursuance of any order
■ Where any demand has been confirmed on account of
■ Any fraud, willful misstatement or suppression of facts under section 74.[Newly Added]

Rule 36(4)(a): GSTR 1/IA

Rule 37A: GSTR 1/IA

Rule 40 (1)(e): GSTR 1/IA

Circular no. 21/05/2024: Clarification on time limit under section 16 (4) of CGST Act, 2017 in respect of RCM supplies received from unregistered persons

Issue: view #1: Supply Received Basis: The time limit for availment of ITC under section 16 (4) of CGST Act is only upto the September/ November of the following financial year, i.e. the financial year following the financial year in which the said services was received.

view #2: Invoice Basis: ITC should be available on the said invoice under section 16 (4) of CGST Act till the September/ November of the financial year following the financial year in which such invoice has been issued.

Clarification: It is clarified that in cases of supplies received from unregistered suppliers, where tax has to be paid by the recipient under reverse charge mechanism (RCM) and where invoice is to be issued by the recipient of the supplies, the relevant financial year for calculation of time limit for availment of input tax credit under the provisions of section 16 (4) of CGST Act will be the financial year in which the invoice has been issued by the recipient, subject to payment of tax on the said supply by the recipient and fulfilment of other conditions and restrictions of section 16 and 17 of CGST Act.

In case, the recipient issues the invoice after the time of supply of the said supply and pays tax accordingly, he will be required to pay interest on such delayed payment of tax.

Further, in cases of such delayed issuance of invoice by the recipient, he may also be liable to penal action under the provisions of Section 122 of CGST Act

Circular no. 231/25/2024: Availability Of ITC in case of Demo Vehicles

The demo vehicles are used by Authorized Dealers

■ to provide trail Runs
■ to demonstrate vehicle
■ finally to promote sales of SUCH vehicle.

The demo vehicle is purchased by Authorised Dealer from vhicle manufacturer and typically reflected as capital assets in the books of Authorized Dealers and after certain period / Kilometre the vehicle is sold by dealer at WDV in the open market. In such cases whether ITC will be available?</td></tr>
</table>

Clarification: in case of Demo Vehicle ITC shall be allowed under wordings " USED FOR MAKING FURTHER SUPPLY OF SUCH *(not said) Motor Vehicle."* as demo vehicle is used to promote supply of such / like vehicle So ITC shall be allowed.

- Moreover it is not relevant that "Demo vehicle" is capitalized.
- Moreover, if depredation under income tax act is claimed on GST component also then ITC shall not be allowed.
- One more thing where Demo vehicle is sold out after a certain period then provisions of Section 18(6) will be applicable

However where Demo Vehicle is supplied by manufacturer to Authorized Agent and later on sold by Manufacturer in the open market then ITC of the same shall NOT be allowed to the Authorized Dealer.

Circular No. 214/8/2024 : Clarification on the requirement of reversal of input tax credit in respect of the portion of the premium for life insurance policies which is not included in taxable value

Issue: Whether the amount of insurance premium, which is not included in the taxable value as per Rule 32(4) of CGST Rules applicable for life insurance business, shall be treated as pertaining to a non-taxable supply/ exempt supply for the purpose of reversal of Input tax credit as per Section 17(1) of CGST Act read with Rule 42 & 43 of CGST Rules.

Clarification: it is clarified that the amount of the premium for taxable life insurance policies, which is not included in the taxable value as determined under Rule 32(4) of CGST Rules, cannot be considered as pertaining to a non-taxable or exempt supply and therefore, there is no requirement of reversal of input tax credit as per provisions of Rule 42 or rule 43 of CGST Rules,in respect of the said amount.

Circular No. 216/10/2024: Clarification in respect of GST liability and input tax credit (ITC) availability in cases involving Warranty/ Extended Warranty, in furtherance to Circular No. 195/07/2023

GST liability as well as liability to reverse input tax credit in respect of cases where goods as such or the parts are replaced under warranty:

Issue 1: Earlier Circulars clarifies regarding GST liability as well as liability to reverse ITC, only in cases involving replacement of 'parts' and not if goods as such are replaced under warranty.

In cases where warranty is provided by the manufacturer/ suppliers to the customers in respect of any goods, and if any defect is detected in the said goods during the warranty period, the manufacturer may be required to replace either one or more parts or the goods as such, depending upon the extent of damage/ defect noticed in the said goods.

However, Earlier circular only clarifies in respect of the situations involving replacement of part/ parts and does not specifically refer to the situation involving replacement of goods as such.

Clarification: It is clarified that the Earlier clarification of the said circular is also applicable in case where the goods as such are replaced under warranty.

Issue 2: in respect of cases where the distributor replaces the parts/ goods to the customer as part of warranty out of his own stock on behalf of the manufacturer and subsequently gets replenishment of the said parts/ goods from the manufacturer:

Clarification: *In such a case, no GST is payable on such replenishment of goods or the parts, as the case may be. Further, no reversal of ITC is required to be made by the manufacturer in respect of the goods or the parts, as the case may be, so replenished to the distributor."[Ie same Treatment as earlier]*

Issue 3: Nature of supply of extended warranty, at the time of original supply of goods, as a separate supply from supply of goods, if the supply of extended warranty is made by a person different from the supplier of the goods;

Clarification: Nature of supply of extended warranty, made after original supply of goods:

Different Person: There may be cases where the supplier of the goods may be the dealer while the supplier of extended warranty may be the OEM [Original Equipment Manufacturer] or third party. In such cases, the supplies being made by different suppliers cannot be treated as part of the composite supply. In such cases, supply of extended warranty will be treated as a separate supply from the original supply of goods.

Different Time: In case where a consumer enters into an agreement of extended warranty at any time after the original supply, then the same shall be treated as a supply of services distinct from the original supply of goods and the supplier of the said extended warranty shall be liable to discharge GST liability applicable on such supply of services."

Circular No. 217/11/2024: Entitlement of ITC by the insurance companies on the expenses incurred for repair of motor vehicles in case of reimbursement mode of insurance claim settlement

Issue 1: The insurance companies, which are engaged in providing general insurance services in respect of insurance of motor vehicles, insure the cost of repairs/ damages of motor vehicles incurred by the policyholders and settle the claims in two modes i.e., Cashless or Reimbursement. Whether ITC is available to insurance companies in respect of repair expenses reimbursed by the insurance company in case of reimbursement mode of claim settlement.

Clarification: Further, section 2(93) of CGST Act defines "recipient" of supply of goods or services or both, as the person who is liable to pay the consideration, where such consideration is payable for the said supply of goods or services or both.

Moreover, as per section 2(31) of CGST Act, "consideration" includes any payment made or to be made in relation to supply of the goods or services or both, whether by the recipient or by any other person.

In reimbursement mode of claim settlement, the payment is made by the insurance company for the approved cost of repair services through reimbursement to the insured.

Accordingly, it is clarified that ITC is available to Insurance Companies in respect of motor vehicle repair expenses incurred by them in case of reimbursement mode of claim settlement.

Issue 2 : Where the invoice raised by the garage also includes an amount in excess of the approved claim cost, the insurance company only reimburses the approved claim cost to the garage after considering the standard deductions viz. the compulsory deductibles to be borne by the insured, depreciation, improvements outside the coverage, value of salvage of the damaged parts of the motor vehicles, etc. The remaining amount is to be paid by the insured to the garage. What is the extent of ITC available to the insurer in such cases?

Clarification: In cases where the garage issues two separate invoices in respect of the repair services, one to the insurance company in respect of approved claim cost and second to the customer for the amount of repair service in excess of the approved claim cost, input tax credit may be available to the insurance company on the said invoice issued to the insurance company subject to reimbursement of said amount by insurance company to the customer.

However, if the invoice for full amount for repair services is issued to the insurance company while the insurance company makes reimbursement to the insured only for the approved claim cost, then, the input tax credit may be available to the insurance company only to the extent of reimbursement of the approved claim cost to the insured, and not on the full invoice value.

Issue 3: Whether ITC is available to the insurer where the invoice for the repair of the vehicle is not in name of the insurance company.

Clarification: In such a case, conditions as given under section 16 [Invoice must be received] is not satisfied and accordingly, input tax credit will not be available to the insurance company in respect of such an invoice.

Circular No. 219/13/2024: Clarification on availability of input tax credit on ducts and manholes used in network of optical fiber cables (OFCs) in terms of Section 17(5).

Issue: Whether the input tax credit on the ducts and manholes used in network of optical fiber cables (OFCs) for providing telecommunication services is barred in terms of clauses (c) and (d) of Section 17(5) of the CGST Act,?

Clarification: 1. Sub-section (5) to Section 17 of the CGST Act provides that input tax credit shall not be available, inter alia, in respect of the following:

i. Works contract services Except use for Repair, Installation etc of Plant and Machinery, Similar Activity; or

ii. goods or services or both received by a taxable person Except use for Repair, Installation etc of Plant and Machinery, Similar Activity

Explanation in Section 17 of CGST Act provides that the expression **"plant and machinery" means:**

- Apparatus, equipment, and machinery fixed to earth by foundation or structural support
- that are used for making outward supply of goods or services or both and
- Includes such foundation and structural supports
- but excludes land, building or any other civil structures; telecommunication towers; and pipelines laid outside the factory premises.

Ducts and manholes are basic components for the optical fiber cable (OFC) network used in providing telecommunication services. The OFC network is generally laid with the use of PVC ducts/sheaths in which OFCs are housed and service/connectivity manholes, which serve as nodes of the network, and are necessary for not only laying of optical fiber cable but also their upkeep and maintenance.

In view of the Explanation in Section 17 of the CGST Act, it appears that ducts and manholes are covered under the definition of “plant and machinery” as they are used as part of the OFC network for making outward supply of transmission of telecommunication signals from one point to another.

Moreover, ducts and manholes used in network of optical fiber cables (OFCs) have not been specifically excluded from the definition of “plant and machinery” in the Explanation to Section 17 of CGST Act, as they are neither in nature of land, building or civil structures nor are in nature of telecommunication towers or pipelines laid outside the factory premises.

Therefore, It is clarified that availment of input tax credit is not restricted in respect of such ducts and manhole used in network of optical fiber cables (OFCs), either under clause (c) or under clause (d) of Section 17 of CGST Act.

Section 16(5) [Newly Added]: - Notwithstanding anything contained in sub-section (4),

- In respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21,

- the registered person shall be entitled to take input tax credit in any return under section 39 which is filed up to the 30th day of November, 2021.

Section 16(6) [Newly Added]: Where Registration is canceled and subsequently Revoked and where availment of ITC was not time barred on the date of order of cancellation..

- The said person shall be entitled to take the ITC in the Return under section 39
- Filed upto last date for claiming ITC or
- for the period *[from the effective date of cancellation of Registration till the date of order of Revocation]* where such return is filed with in 30 days from the date of Revocation order
- whichever is later.

Notification No. 22/2024

1. The Central Government, hereby notifies the following special procedure for rectification of order, to be followed by the class of registered persons, against whom any order under section 73/74/107/108 has been issued confirming demand for wrong availment of input tax credit, on account of contravention of provisions of section 16(4), but where such input tax credit is now available as per the provisions of section 16(5)(6) of the said Act, and where appeal against the said order has not been filed, namely:–
2. The said person shall file, within a period of 6 months from the date of issuance of this notification, an application for rectification of an order issued under section 73/74/107/108.

3. The proper officer for carrying out rectification shall be the authority who had issued such order, and the said authority shall take a decision on the said application and issue the rectified order, as far as possible, within a period of 3 months from the date of the said application.

4. Where such rectification adversely affects the said person, the principles of natural justice shall be followed by the authority carrying out such rectification.

Circular No. 237/31/2024: Clarifying the issues regarding implementation of provisions of section 16(5)/(6)

Section 16(5)/(6) of the CGST Act, 2017 inserted in section 16 of the CGST Act, with effect from the 1st day of July, 2017, whereby the time limit to avail input tax credit under section 16(4) of CGST Act has been retrospectively extended in certain specified cases.

Further, it has been provided in section 150 of the Finance Act, 2024, that no refund of any tax paid or the input tax credit reversed shall be granted on account of the said retrospective insertion of section 16(5)/(6) of the CGST Act.

Section 150 of Finance Act, 2024: No refund of tax paid or input tax credit reversed: *No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed, had section 118 of FA 2024 [Related to Section 16(4)/(5)] been in force at all material times.*

The following action may be taken by the tax authorities and/ or the taxpayers in various scenarios for availment of benefit on account of retrospectively inserted provisions of section 16 (5)/(6) of the CGST Act:

Where no demand notice/statement has been issued under section 73 or section 74 of the CGST Act:

In cases, where any investigation/proceedings in respect of wrong availment of input tax credit alleging contravention of provisions of section 16(4) of the CGST Act has been initiated, but no demand notice/statement under section 73 or section 74 of the said Act has been issued, and taxpayers are now entitled to avail the said input tax credit under the provisions of section 16(5)/(6) of the CGST Act,

The proper office shall take cognizance of the section 16(5)/(6) of CGST Act, inserted retrospectively with effect from 01.07.2017 and take further appropriate action. This also includes the cases where an intimation in FORM DRC-01A has been issued under rule 142(1A) of the CGST Rules for denial of input tax credit on account of contravention of section 16(4) of the said Act, but no demand notice/statement under section 73 or section 74 of the said Act has been issued.

Where demand notice/ statement under section 73 or section 74 of CGST Act has been issued but no order under section 73 or section 74 of CGST Act has been issued by the Adjudicating Authority:

In such cases, the Adjudicating Authority shall take cognizance of section 16 (5)/(6) of the CGST Act, inserted retrospectively with effect from 01.07.2017, and pass appropriate order under section 73 or section 74 of the CGST Act.

Where order under section 73 or section 74 of the CGST Act has been issued and appeal has been filed under section 107 of the CGST Act with the Appellate Authority but no order under section 107 of the CGST Act has been issued by the Appellate Authority:

In such cases, the Appellate Authority shall take cognizance of section 16 (5)/(6) of the CGST Act, inserted retrospectively with effect from 01.07.2017, and pass appropriate order under section 107 of the CGST Act.

Where order under section 73 or section 74 of the CGST Act has been issued and Revisional Authority has initiated proceedings under section 108 of the CGST Act, but no order under section 108 of the CGST Act has been issued by the Revisional Authority:

In such cases, the Revisional Authority shall take cognizance of section 16 (5)/(6) of the CGST Act, inserted retrospectively with effect from 01.07.2017, and pass appropriate order under section 108 of the CGST Act.

Where order under section 73 or section 74 of the CGST Act has been issued but no appeal against the said order has been filed with the Appellate Authority, or where the order under section 107 or section 108 of the CGST Act has been issued by the Appellate Authority or the Revisional Authority but no appeal against the said order has been filed with the Appellate Tribunal:

In such cases, where any order under section 73 or section 74 or section 107 or section 108 of the CGST Act has been issued confirming demand for wrong availment of input tax credit on account of contravention of provisions of section 16 (4) of the CGST Act, but where such input tax credit is now available as per the provisions of section 16(5)/(6) of the CGST Act, and where appeal against the said order has not been filed, the concerned taxpayer may apply for rectification of such order under the special procedure under section 148 of the CGST Act within a period of 6 months from the date of issuance of the said notification.

It is pertinent to note that in terms of section 150 of the Finance 2024, no refund of tax already paid or input tax credit already reversed would be available, where such tax has been paid or input tax credit has been reversed on account of contravention of provisions of section 16(4) of the CGST Act, and where such input tax credit is now available as per the provisions of section 16(5)/(6) of the CGST Act.

However, it is clarified that said restriction on refund under section 150 of the Finance Act, 2024 will not apply to the refund of an amount paid as **pre-deposit** by the taxpayer as per section 107(6) or section 112(8) of the CGST Act, at the time of filing of an appeal, where such appeals are decided in favor of the said taxpayer.

Registration	Rule 21: Cancellation of Registration: (f): GSTR: 1/ IA (ga): Violate the provisions of RULE 23(1) ie Not to file Return after revocation within prescribed time. Rule 21A (2A)(a) : GSTR: 1/ IA **Biomatric Provision: Now,** Biometric provision is applicable in Gijarat, Puducherry Andmaan and All other states and All UTs.
Manner of payment	**Rule 86: Electronic Credit Ledger** **(4B)(b)**:Where a registered person deposits the amount of erroneous refund sanctioned to him, – (a) under section 54(3) of the Act, or (b) (b) under Rule 96(3), ~~[in contravention of Rule 96(10)]~~ **Rule 88B :Manner of calculation of Interest** After sub-rule (1), the following proviso shall be inserted, namely: – Provided that ▪ Where any amount has been credited in the E- Cash Ledger on or before the due date of filing the said return, ▪ but is debited from the said ledger for payment of tax while filing the said return after the due date, ▪ the said amount shall not be taken into consideration while calculating such interest ▪ if the said amount is lying in the said ledger from the due date till the date of its debit at the time of filing return. Rule 88C: Comparision of Output Gst Liabilty (1): GSTR: 1/ IA
TDS /TCS	**Crux: TCS RATE : .5+.5% se 0.25% +0.25% ho gya hai**
Filing of Return	Rule 59,: Manner of Furnishing GSTR 1 (i) after sub-rule (1), the following proviso shall be inserted, namely:- Provided that ▪ the said person may, after furnishing GSTR-1 for a tax period ▪ but before filing of return GSTR-3B for the said tax period, ▪ at his own option, amend or furnish additional details of outward supplies of goods or services or both in GSTR-1A for the said tax period. (ii): Rs 2,50,000 replaced with Rs 1,00,000. [ie B to C supply - Inter state- High value invoice ie more than Rs 1,00,000] then invoice wise details shall be furnished in GSTR 1 and In otherwise cases consolidated details of invoice shall be furnished,

<table>
<tr><td></td><td>

Note: In furnishing GSTR 1A, details will be filed invoice wise or consolidated, for this the provision which is applicable for filing GSTR 1 will be followed.

Rule 60: GSTR: 1/ IA

Rule 60: Details of Inward Supplies

(7),after clause (ii), the following clause shall be inserted, namely: –

The Registered person

■ after furnishing GSTR 1
■ But before Filing GSTR 3B
■ May amend (Add /Less) the details in GSTR 1 - By way of filing GSTR 1A.

NOTIFICATION NO. 14/2024 : Exemption from filing Annual Return .. Registered person whose aggregate turnover in the FY 2023-24 is up to Rs. 2 crore, from filing annual return for the said financial year.
</td></tr>
<tr><td>Records</td><td></td></tr>
<tr><td>Refund</td><td>

Rule 89: Application of Refund [RFD 01]

(1B) [Newly inserted]

Any person, claiming refund of additional IGST paid on account of upward revision in price of the goods subsequent to exports, and

- on which the refund of IGST paid at the time of export of such goods has already been sanctioned as per rule 96,

- may file an application for such refund of additional integrated tax paid, electronically in FORM GST RFD-01 before the expiry of 2 years from the relevant date as per section 54, Explanation (2), clause (a).

Note: The said application for refund can, in cases where the relevant date as per section 54, Explanation (2), clause (a), was before the date on which this sub-rule comes into force, be filed before the expiry of 2 years from the date on which this sub-rule comes into force.

Rule 89(2)(bb) [Newly inserted]

A statement containing the number and date of export invoices along with copy of such invoices, the number and date of shipping bills or bills of export along with copy of such shipping bills or bills of export, the number and date of Bank Realisation Certificate or foreign inward remittance certificate in respect of such shipping bills or bills of export along with copy of such Bank Realisation Certificate or foreign inward remittance certificate issued by Authorised Dealer-I Bank, the details of refund already sanctioned under sub-rule (3) of rule 96, the number and date of relevant supplementary invoices or debit notes issued subsequent to the upward revision in prices along with copy of such supplementary invoices or debit notes, the details of payment of additional amount of integrated tax, in respect of which such refund is claimed, along with proof of payment of such additional amount of integrated tax and interest paid thereon, the number and date of foreign inward remittance certificate issued by Authorised Dealer-I Bank in respect of additional foreign exchange remittance received in respect of upward revision in price of exports along with copy of such foreign inward remittance certificate, along with a certificate issued by a practicing chartered accountant or a cost accountant to the effect that the said additional foreign exchange remittance is on account of such upward revision in price of the goods subsequent to exports and copy of contract or other documents, as applicable, indicating requirement for the revision in price of exported goods and the price revision thereof, in a case where the refund is on account of upward revision in price of such goods subsequent to exports.
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Rule 89(2)(bc) [Newly inserted]

A reconciliation statement, reconciling the value of supplies declared in supplementary invoices, debit notes or credit notes issued along with relevant details of Bank Realisation Certificate or foreign inward remittance certificate issued by Authorised Dealer-I Bank, in a case where the refund is on account of upward revision in price of such goods subsequent to exports.

Rule 95B: Refund to CSD: [Newly inserted]: Refund of tax paid on inward supplies of goods received by Canteen Stores Department:

(1) Notwithstanding anything contained in rule 95,

- a Canteen Stores Department under the Ministry of Defence,
- which is eligible to claim the refund of 50% of the applicable CGST paid by it on all inward supplies of goods received by it
- for the purposes of subsequent supply of such goods to the Unit Run Canteens of the Canteen Stores Department or to the authorised customers of the Canteen Stores Department as per notification issued under section 55,
- shall apply for refund in FORM GST RFD-10A once in every quarter.

(2) Such application for refund of tax paid on inward supplies of goods filed in FORM GST RFD-10A shall be dealt in a manner similar to that of application for refund filed in FORM GST RFD-01 in accordance with the provisions of Rule 89.

(3) The refund of tax paid by the applicant shall be available, if-

(a) The inward supplies of goods were received from a registered person against a tax invoice and details of such supplies have been furnished by the said registered person in his details of outward supply in FORM GSTR-1 and the said supplier has furnished his return in FORM GSTR-3B for the concerned tax period;

(b) Name and Goods and Services Tax Identification Number of the applicant is mentioned in the tax invoice; and

(c) Goods have been received by Canteen Stores Department for the purpose of subsequent supply to the Unit Run Canteens of the Canteen Stores Department or to the authorised customers of the Canteen Stores Department.".

Rule 96: Refund of IGST Paid on Export of Goods

(1): GSTR 1/ IA

Proviso to Rule 96(1)(c):[Newly inserted]

Provided that

- The exporter of goods may file an application in FORM GST RFD-01 for refund of additional IGST paid on account of upward revision in price of goods subsequent to export of such goods, and
- on which the amount of IGST paid at the time of export of such goods has already been refunded,
- and such application shall be dealt with in accordance with the provisions of Rule 89.

Rule 96(2): GSTR 1/ IA

Rule 96A(1)(b): [Substituted]

- 15 days after the expiry of 1 year, or the period as allowed under the FEMA, including any extension of such period as permitted by the RBI, whichever is later,
- from the date of issue of the invoice for export, or such further period as may be allowed by the Commissioner,
- if the payment of such services is not received by the exporter in convertible foreign exchange or in Indian rupees, wherever permitted by the RBI.

Clarification: Mechanism for refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to exports:

Issue: It has been represented that there are cases - where the price of export goods needs to be revised, subsequent to their exports, due to various reasons such as linking of the prices of the export commodities to some international index or as per the terms of contract between the two parties etc.

In such cases, where there is upward revision in price of goods subsequent to exports, the exporter is required to pay additional IGST on account of upward price revision along with applicable interest but there exists no mechanism for allowing them to claim refund of such additional IGST paid.

Clarification: Filing of refund claim for additional IGST paid on account of upward revision of prices of export goods, subsequent to export:

The refund of IGST paid on account of export of goods is processed by the proper officer of Customs.

However, there exists no mechanism for processing of refunds of any additional IGST paid on account of upward revision in price of goods, subsequent to exports, by the proper officer of customs.

Therefore, it has been decided that such exporter may file an application for refund of such additional IGST paid in FORM GST RFD-01 and such application for refunds would be processed by the jurisdictional GST officer of the concerned exporter. Accordingly, CGST Rules have been amended to provide for filing of such refund application in FORM GST RFD-01, which shall be dealt with in accordance with provisions of Rule 89 of CGST Rules.

GSTN is in the process of development of a separate category of refund in FORM GST RFD-01, for filing an application of refund of such additional IGST paid.

However, till the time, such exporter(s) may claim refund by filing an application of refund in FORM GST RFD-01 under the category "**Any other**" with remarks "*Refund of additional IGST paid on account of increase in price subsequent to export of goods*"

Minimum Refund Amount: Section 54(14) provides that no refund shall be paid to an applicant, if amount is less than Rs 1000. Therefore, no such refund shall be paid if the amount claimed is less than Rs 1000.

Time limit for filing refund: The application for refund of additional IGST paid can be filed before the expiry of two years from the relevant date as given under section 54, Explanation (2),clause (a).

GSTR 1 and 3B of Excess: The proper officer while processing such refund claim shall verify that the exporter has duly reported the details of the export invoice and the debit note in FORM GSTR-1 and has duly paid such additional amount of IGST along with applicable interest.

Downward Revision of Prices: There may be certain cases where there is downward revision in price of goods subsequent to exports, when the export has been made with payment of IGST.

In all such cases, the supplier of goods/exporter is required to deposit the refund of the IGST received in proportion to the reduction in price of exported goods, along with applicable interest.

The proper officer while granting the refund, shall also verify whether the exporter has deposited the excess refund amount in the cases where there is a downward revision in price of goods subsequent to exports, during the relevant tax period, if any.

Rule 89: Application for refund of tax, interest, penalty, fees or any other amount

Changes in Rule 89(4)(5)……………

(4) In the case of zero-rated supply of goods or services or both without payment of tax under bond or letter of undertaking in accordance with the provisions of section 16(3) of the IGST Tax Act, 2017, refund of input tax credit shall be granted as per the following formula –

Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷Adjusted Total Turnover

Where, -

(A) "Refund amount" means the maximum refund that is admissible;

(B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period ~~other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both.~~

(C) “Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking or the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, whichever is less ~~other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both.~~

(D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:-

Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;

(E) “Adjusted Total Turnover” means the sum total of the value of-

(a) the turnover in a State or a Union territory, as defined under section 2(112), excluding the turnover of services; and

(b) the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services,

"excluding the value of exempt supplies other than zero-rated supplies; ~~and the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any,~~ during the relevant period."

(F) "Relevant period" means the period for which the claim has been filed.

Explanation. – For the purposes of this sub-rule, the value of goods exported out of India shall be taken as –

(i) the Free on Board (FOB) value declared in the Shipping Bill or Bill of Export form, as the case may be, as per the Shipping Bill and Bill of Export (Forms) Regulations, 2017; or

(ii) the value declared in tax invoice or bill of supply,

[whichever is less.**]**

~~[(4A) In the case of supplies received on which the supplier has availed the benefit of the Government of India, Ministry of Finance, notification No. 48/2017-Central Tax dated the 18th October, 2017 published in the Gazette of India, Extraordinary, Part II, refund of input tax credit, availed in respect of other inputs or input services used in making zero-rated supply of goods or services or both, shall be granted.~~

[8]~~[(4B) Where the person claiming refund of unutilised input tax credit on account of zero rated supplies without payment of tax has –~~

~~(a) received supplies on which the supplier has availed the benefit of the Government of India, Ministry of Finance, notification No. 40/2017-Central Tax (Rate), or notification No. 41/2017-Integrated Tax (Rate), dated the 23rd October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), or~~

~~(b) availed the benefit of notification No. 78/2017-Customs, or notification No. 79/2017-Customs, dated the 13th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i),~~

~~the refund of input tax credit, availed in respect of inputs received under the said notifications for export of goods and the input tax credit availed in respect of other inputs or input services to the extent used in making such export of goods, shall be granted.~~

(5) In the case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formula:-

Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) x Net ITC ÷ Adjusted Total Turnover} - **[**{tax payable on such inverted rated supply of goods and services x (Net ITC÷ ITC availed on inputs and input services)}.**]**.

Explanation:- For the purposes of this sub-rule, the expressions –

a) Net ITC shall mean input tax credit availed on inputs during the relevant period ~~["other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both"]~~; and

(b) "Adjusted Total turnover" and "relevant period" shall have the same meaning as assigned to them in sub-rule (4).

Rule 96 (10): omiited

~~[(10) The persons claiming refund of integrated tax paid on exports of goods or services should not have -~~

~~(a) received supplies on which the benefit of the Government of India, Ministry of Finance except so far it relates to receipt of capital goods by such person against Export Promotion Capital Goods Scheme or notification No. 40/2017-Central Tax (Rate), or notification No. 41/2017-Integrated Tax (Rate), has been availed; or~~

	~~(b) availed the benefit under notification No. 78/2017-Customs, or notification No. 79/2017-Customs, except so far it relates to receipt of capital goods by such person against Export Promotion Capital Goods Scheme.~~ ~~[Explanation.- For the purpose of this sub-rule, the benefit of the notifications mentioned therein shall not be considered to have been availed only where the registered person has paid Integrated Goods and Services Tax and Compensation Cess on inputs and has availed exemption of only Basic Customs Duty (BCD) under the said notifications.]~~ **Circular No. 233/27/2024:** **Clarification regarding regularization of refund of IGST availed in contravention of rule 96(10) of CGST Rules, 2017, in cases where the exporters had imported certain inputs without payment of integrated taxes and compensation cess** *For the purpose of this sub-rule, the benefit of the notifications mentioned therein shall not be considered to have been availed only where the registered person has paid IGST and Compensation Cess on inputs and has availed exemption of only Basic Customs Duty (BCD) under the said notifications.*
Assessments	
Advance Ruling	
Audit, Inspections	
Demand & recovery	**Rule 142:Notice and Order of Demand** **(2)** Where, before the service of notice or statement, the person chargeable with tax makes payment of the tax and interest in accordance with the provisions of section 73(5) …………………………. he shall inform the proper officer of such payment in FORM GST DRC-03 and ~~[the proper officer shall issue an acknowledgement, accepting the payment made by the said person in FORM GST DRC– 04",~~] an acknowledgement, in FORM GST DRC– 04 shall be made available to the person through the common portal electronically. (2A) [INSERTION] Where the person referred to in sub-rule (1A) has made partial payment of the amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in **Part B** of **FORM GST DRC-01A** and thereafter the proper officer may issue an intimation in Part-C of FORM GST DRC-01A, accepting the payment or the submissions or both, as the case may be, made by the said person. (2B) [Newly added] Where an amount of tax, interest, penalty or any other amount payable by a person under section 52 or section 73 or section 74 or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130, ■ has been paid by the said person through an intimation in FORM GST DRC-03 under sub-rule (2), ■ instead of crediting the said amount in the electronic liability register in FORM GST PMT 01 against the debit entry created for the said demand, the said person may file an application in FORM GST DRC-03A electronically on the common portal, and ■ the amount so paid and intimated through FORM GST DRC-03 shall be credited in Electronic Liability Register in FORM GST PMT 01 against the debit entry created for the said demand, as if the said payment was made towards the said demand on the date of such intimation made through FORM GST DRC-03:

	Provided that where an order in FORM GST DRC-05 has been issued in terms of sub-rule (3) concluding the proceedings, in respect of the payment of an amount in FORM GST DRC-03, an application in FORM GST DRC-03A cannot be filed by the said person in respect of the said payment.
Penalties	**[Newly inserted:] Section 122A: Penalty for failure to register certain machines used in manufacture of goods as per special procedure** (1) Notwithstanding anything contained in this Act, ■ Where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, ■ acts in contravention of the said special procedure, ■ he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, ■ be liable to pay a penalty ■ equal to an amount of Rs 1,00,000 for every **machine not so registered.** (2) In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation. Provided that such machine shall not be confiscated where— (a) The penalty so imposed is paid; and (b) The registration of such machine is made in accordance with the special procedure within 3 days of the receipt of communication of the order of penalty. **Rule 163: Consent Based sharing of Information:** Form GSTR 1 /1A
Appeal	**Circular No. 207/02/2024** The Board, fixes the following monetary limits below which appeal or application or Special Leave Petition, shall not be filed by the GST officers before GST-AT, High Court and Supreme Court.

Appellate Forum	Monetary Limit in Rs.)
GST-AT	20,00,000/-
High Court	1,00,00,000/-
Supreme Court	2,00,00,000/-

Inclusions: While determining whether a case falls within the above monetary limits or not, the following principles are to be considered:

Where the dispute pertains to demand of **TAX** (with or without penalty and/or interest),	The aggregate of the amount of **GST and cess** in dispute only, shall be considered.
Where the dispute pertains to demand of **Interest** only,	The amount of **interest** shall be considered.
Where the dispute pertains to imposition of **Penalty** only,	The amount of **penalty** shall be considered.
Where the dispute pertains to imposition of **Late fee** only,	The amount of **late fee** shall be considered.
Where the dispute pertains to demand of **interest, penalty and/or late fee** (without involving any disputed tax amount),	The **aggregate** of amount of interest, penalty and late fee shall be considered.
Where the dispute pertains to erroneous **Refund,**	The amount of **refund of GST and Cess** in dispute shall be considered.

Note 1: Disputed Amount Only: Monetary limit shall be applied on the disputed amount of tax/interest/penalty/late fee, as the case may be, in respect of which appeal or application is contemplated to be filed in a case.

Note 2: Combined Order: In a composite order which disposes more than one appeal/demand notice, the monetary limits shall be applicable on the total amount of tax/interest/penalty/late fee, as the case may be, and not on the amount involved in individual appeal or demand notice.

EXCLUSIONS:[Non Applicabilty Monetary Limits, But Decide on merit based] Monetary limits will not be applicable in the following circumstances where the decision to file appeal shall be taken on merits irrespective of the said monetary limits:

i	Where any provision of the GST /Cess Act has been held to be **ultra vires** to the Constitution of India; or
ii	Where any Rules or regulations made under GST /Cess Act have been held to be **ultra vires** the parent Act; or
iii	Where any order, notification, instruction, or circular issued by the Government or the Board has been held to be **ultra vires** of the GST /Cess Act the Rules made there under; or
iv	Where the matter is related to - ■ Classification of goods or services; or ■ Place of Supply; or ■ Valuation of goods or services; or ■ Refunds; or ■ Any other issue, which is **recurring** in nature and/or **involves interpretation** of the provisions of the Act /the Rules/ notification/circular/order/instruction etc; or
v	Where strictures/**adverse comments** have been passed and/or cost has been imposed against the Government/Department or their officers; or
vi	**Any other case** or class of cases, where in the opinion of the Board, it is necessary to contest in the interest of justice or revenue

In case of High amount cases Appeal Not to be fled as decided by Board: It is pertinent to mention that an appeal should not be filed merely because the disputed tax amount involved in a case exceeds the monetary limits fixed above. Filing of appeal in such cases is to be decided on merits of the case.

Appeal Filing in Similar Cases: Non-filing of appeal based on the above monetary limits, shall not preclude the tax officer from filing appeal or application in any other case involving the same or similar issues in which the tax in dispute exceeds the monetary limit or case involving the questions of law.

Inform to Tribunal and Court: In respect of such cases where no appeal is filed based on the monetary limit, the Departmental representatives/counsels must make every effort to bring to the notice of the GSTAT or the Court, as the case may be, that the appeal in such cases was not filed only for the reason of the amount of the tax in dispute being less than the specified monetary limit and, therefore, no inference shall be drawn that the decisions rendered therein were acceptable to the Department.

Section 109: Constitution of Appellate Tribunal and Benches thereof.

(1)The Government shall, by notification, establish with effect from such date as may be specified therein, an Appellate Tribunal known as the GST-AT for hearing appeals against the orders passed by the AA or the RA or for conducting an examination or adjudicating the cases referred to in section 171(2), if so notified under the said section [newly added]

(5) The Principal Bench and the State Bench shall hear appeals against the orders passed by the Appellate Authority or the Revisional Authority:

Provided that the cases in which any one of the issues involved relates to the place of supply, shall be heard only by the Principal Bench.

[Proviso Newly Added]: Provided further that the matters referred to in section 171(2) shall be examined or adjudicated only by the Principal Bench:

Provided also that the Government may, on the recommendations of the Council, notify other cases or class of cases which shall be heard only by the Principal Bench.

(6) **[**Subject to the provisions of sub-section (5), the President (Newly Added)**]** shall, from time to time, by a general or special order, distribute the business of the Appellate Tribunal among the Benches and may transfer cases from one Bench to another.

Rule 110: Appeal to the Appellate Tribunal [Substituted]

(1) An appeal to the Appellate Tribunal shall be filed in FORM GST APL-05, along with the relevant documents and provisional acknowledgement shall be issued immediately.

Provided that an appeal to the Appellate Tribunal may be filed manually in FORM GST APL-05, only if the Registrar allows the same and a provisional acknowledgement shall be issued to the appellant immediately.

(2) A memorandum of cross-objections to the Appellate Tribunal if any, shall be filed electronically in FORM GST APL-06:

Provided that the memorandum of cross-objections may be filed manually in FORM GST APL-06, only if the Registrar allows the same.

(3) Where the order appealed against is uploaded on the common portal, a final acknowledgement, indicating appeal number, shall be issued in FORM GST APL-02 *on removal of defects, if any*, and the date of issue of the provisional acknowledgement shall be considered as the date of filing of appeal.

With in 7 days: Provided that where the order appealed against is not uploaded on the common portal, the appellant shall submit or upload, as the case may be, a self-certified copy of the said order within a period of 7 days from the date of filing of FORM GST APL-05 and the date of issue of the provisional acknowledgment shall be considered as the date of filing of appeal:

After 7 days: Provided further that where the said self-certified copy of the order is submitted or uploaded after a period of 7 days from the date of filing of FORM GST APL-05, and the date of submission or uploading of such self-certified copy shall be considered as the date of filing of appeal.

Explanation: For the purposes of this rule, the appeal shall be treated as filed only when the final acknowledgement, indicating the appeal number, is issued.

(5) The fees for filing of appeal or restoration of appeal shall be Rs 1000 for every Rs 1 lakh of tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined in the order appealed against, subject to a maximum of Rs 25,000 and a minimum of Rs 5000.

Provided that the fees for filing of an appeal in respect of an order not involving any demand of tax, interest, fine, fee or penalty shall be Rs 5,000.

(6) There shall be no fee for application made before the Appellate Tribunal for rectification of errors referred to in section 112(10).

Rule 111: Application to the Appellate Tribunal [Substituted]

(1) An application to the Appellate Tribunal shall be filed in Form GST APL-07, along with the relevant documents, electronically and a provisional acknowledgement shall be issued to the appellant immediately:

Provided that an application to the Appellate Authority may be filed manually in FORM GST APL-07, along with the relevant documents, only if the Registrar allows the same and in such case, a provisional acknowledgement shall be issued to the appellant immediately.

(2) A memorandum of cross-objections to the Appellate Tribunal if any, shall be filed electronically in FORM GST APL-06:

Provided that the memorandum of cross-objections may be filed manually in FORM GST APL-06, only if the Registrar allows the same

(3) Where the order appealed against is uploaded on the common portal, a final acknowledgement, indicating appeal number, shall be issued in FORM GST APL-02 on removal of defects, if any, and the date of issue of the provisional acknowledgement shall be considered as the date of filing of appeal.

Provided that where the order appealed against is not uploaded on the common portal, the appellant shall submit or upload, as the case may be, a self-certified copy of the said order within a period of 7 days from the date of filing of FORM GST APL-07 and a final acknowledgment, indicating appeal number shall be issued in Form GST APL-02 and the date of issue of the provisional acknowledgment shall be considered as the date of filing of appeal:

Provided further that where the said self-certified copy of the order is submitted or uploaded after a period of 7 days from the date of filing of FORM GST APL-07, a final acknowledgement, indicating appeal number, shall be issued in FORM GST APL-02 on removal of defects, if any, and the date of submission or uploading of such self-certified copy shall be considered as the date of filing of appeal.

Explanation: 1- For the purposes of this rule, the appeal shall be treated as filed only when the final acknowledgement, indicating the appeal number, is issued.

Explanation 2: For the purposes of rule 110 and 111, 'Registrar' shall mean a Registrar appointed by the Government for this purpose, and shall include Joint Registrar, Deputy Registrar and Assistant Registrar. ".

Rule 113A: Withdrawal of Appeal or Application filed before the Appellate Tribunal: [Newly Inserted]

The appellant may, at any time before the issuance of the order under section 113(1), in respect of any appeal filed in FORM GST APL-05 or any application filed in FORM GST APL-07, file an application for withdrawal of the said appeal or the application, as the case may be, by filing an application in FORM GST APL-05/07W:

Provided that where the final acknowledgment in FORM GST APL-02 has been issued, the withdrawal of the said appeal or the application, as the case may be, would be subject to the approval of the Appellate Tribunal and such application for withdrawal of the appeal or application, shall be decided by the Appellate Tribunal within 15 days of filing of such application:

Provided further that any fresh appeal or application, as the case may be, filed by the appellant pursuant to such withdrawal shall be filed within the time limit specified.

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Circular No. 224/18/2024 : Guidelines for recovery of outstanding dues, in cases wherein first appeal has been disposed of, till Appellate Tribunal comes into operation.

In cases, where the first appellate authority has confirmed the demand issued by the adjudicating authority, partially or fully, the taxpayers cannot file appeal against the said appellate order at present due to non operation of GST Appellate Tribunal as yet.

Pre-Deposit in Advance for Stay on Recovery: In order to facilitate the taxpayers to make the payment of the amount of pre-deposit as per section 112(8) of CGST Act, and to avail the benefit of stay from recovery of the remaining amount of confirmed demand as per section 112(9) of CGST Act, it is hereby clarified that in cases where the taxpayer decides to file an appeal against the order of the appellate authority and wants to make the payment of the amount of pre-deposit as per section 112(8) of CGST Act, he can make the payment of an amount equal to the amount of pre-deposit by navigating to ***Services >> Ledgers>> Payment towards demand***, from his dashboard. The taxpayer would be navigated to Electronic Liability Register (ELL) Part-II in which he can select the order, out of the outstanding demand orders, against which payment is intended to be made. The amount so paid would be mapped against the selected order and demand amount would be reduced in the balance liability in the aforesaid register. The said amount deposited by the taxpayer will be adjusted against the amount of pre-deposit required to be deposited at the time of filing appeal before the Appellate Tribunal.

The taxpayer also needs to file an undertaking/ declaration with the jurisdictional proper officer that he will file appeal against the said order of the appellate authority before the Appellate Tribunal, as and when it comes into operation, within the timelines mentioned in section 112.

On providing the said undertaking and on payment of an amount equal to the amount of pre-deposit as per the procedure mentioned in para 4 above, the recovery of the remaining amount of confirmed demand as per the order of the appellate authority will stand stayed.

In case, the taxpayer does not make the payment of the amount equal to amount of pre-deposit or does not provide the undertaking/ declaration to the proper officer, then it will be presumed that taxpayer is not willing to file appeal against the order of the appellate authority and in such cases, recovery proceedings can be initiated as per the provisions of law.

Similarly, when the Tribunal comes into operation, if the taxpayer does not file appeal within the timelines specified in Section 112 of the CGST Act, the remaining amount of the demand will be recovered as per the provisions of law.

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NOTIFICATION NO. 18/2024: Section 171: Anti Profiteering Measure

The Central Government, on the recommendations of the GST Council, hereby empowers the Principal Bench of the Appellate Tribunal, constituted under section 109(3) of the said Act,

- to examine whether input tax credits availed by any registered person or

- the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by that registered person.

In Section 171(2): following proviso and Explanation newly added

'Provided that the Government may by notification, on the recommendations of the Council, specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have

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	actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him. **Explanation: 1 -** For the purposes of this sub-section, "request for examination" shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.'; **Explanation: 2 -** For the purposes of this section, the expression "Authority" shall include the "Appellate Tribunal",,