



SUPPLEMENTARY_PAPER 7_FOR DECEMBER 2023 TERM OF EXAMINATION_SYLLABUS 2022

Indirect Tax (Paper 7B) – Circulars & Notification [01-06-2022 to 31-05-2023]

Amendment in CGST Rules [Notification No. 14/2022-CT dated 05-07-2022]

Amendment in Rule 21A (Suspension of registration)

Where the registration has been suspended under rule 21(2A) for contravention of the provisions contained in sec. 29(2)(b) or (c) [i.e., non-furnishing of return] and the registration has not already been cancelled by the proper officer under rule 22, the suspension of registration shall be deemed to be revoked upon furnishing of all the pending returns.

Amendment in Rule 43 [Manner of determination of ITC]

It is clarified that the aggregate value of exempt supplies shall also exclude the value of supply of Duty Credit Scrips specified in the Notification No. 35/2017 - CT(Rate), dated 13-10-2017.

Amendment in Rule 46 [Declaration in Tax Invoice]

A tax invoice shall also contain a declaration as below, that invoice is not required to be issued in the manner specified under rule 48(4) [i.e., Invoice Reference Number], in all cases where an invoice is issued, other than in the manner so specified under rule 48(4), by the taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than the aggregate turnover as notified under rule 48(4):

"I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule."

Amendment in Rule 87 [Electronic Cash Ledger]

Now, the deposit in this ledger can also be made through:

- Unified Payment Interface (UPI) from any bank;
- Immediate Payment Services (IMPS) from any bank

Further, where the payment is made by way of NEFT or RTGS, or IMPS mode from any bank, the mandate form shall be generated along with the challan on the common portal and the same shall be submitted to the bank from where the payment is to be made. The mandate form shall be valid for a period of 15 days from the date of generation of challan.



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Further, a registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger to the electronic cash ledger for central tax or integrated tax of a distinct person in FORM GST PMT-09. However, no such transfer shall be allowed if the said registered person has any unpaid liability in his electronic liability register.

Reduction in threshold limit for e-invoice [Notification No 17/2022 – CT dated 01-08-2022]

W.e.f. 01-10-2022, the limit shall be reduced from ₹ 20 crore to ₹ 10 crore. Further, vide Notification No. 10/2023 dated 10-05-2023, w.e.f. 01-08-2023, the threshold limit for issuance of e-invoice is reduced to ₹ 5 crore.

Condition for claiming ITC as specified u/s 16(2) [Notification No. 18/2022 dated 28/09/2022]

Sec. 16(2) provides various conditions required to be satisfied for claiming ITC. The Finance Act has inserted one more condition viz. the details of input tax credit in respect of the said supply communicated to such registered person u/s 38 has not been restricted. This provision shall be effective from 01/10/2022.

Amendment to Rule 21 [Registration to be cancelled in certain cases] [Notification No. 19/2022 dated 28/09/2022]

The registration granted to a person is liable to be cancelled in specified circumstances. Following are also included in the list:

- (h) being a registered person required to file return u/s 39(1) for each month or part thereof, has not furnished returns for a continuous period of 6 months;
- (i) being a registered person required to file return under proviso to sec. 39(1) for each quarter or part thereof, has not furnished returns for a continuous period of 2 tax periods.

Amendment to Rule 36 [Documentary requirements and conditions for claiming ITC] [Notification No. 19/2022 dated 28/09/2022]

In sub-rule(2), reference to GSTR-2 has been omitted. In sub-rule (4), reference to details of ITC in GSTR-2B has been made.

Substitution of Rule 37 [Reversal of input tax credit in the case of non-payment of consideration] [Notification No. 19/2022 dated 28/09/2022 and further amended by Notification No. 26/2022 dated 26-12-2022]



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1. A registered person, who has availed of input tax credit on any inward supply of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, but fails to pay to the supplier thereof, the amount towards the value of such supply, whether wholly or partly, along with the tax payable thereon, within the time limit specified in the second proviso to sec. 16(2), shall pay or reverse an amount equal to the input tax credit availed in respect of such supply, proportionate to the amount not paid to the supplier, along with interest payable thereon u/s 50, while furnishing the return in FORM GSTR-3B for the tax period immediately following the period of 180 days from the date of the issue of the invoice.

Further, the value of supplies made without consideration as specified in Schedule I shall be deemed to have been paid for the purposes of the second proviso to sec. 16(2).

Further, the value of supplies on account of any amount added in accordance with the provisions of sec. 15(2)(b) shall be deemed to have been paid for the purposes of the second proviso to sec. 16(2).

2. Where the said registered person subsequently makes the payment of the amount towards the value of such supply along with tax payable thereon to the supplier thereof, he shall be entitled to re-avail the ITC referred above
3. The time limit specified in sec. 16(4) shall not apply to a claim for re-availing of any credit, in accordance with the provisions of the Act or the provisions of this Chapter, that had been reversed earlier.

Reversal of input tax credit in the case of non-payment of tax by the supplier and reavailment thereof [Rule 37A (Notification No. 26/2022 dated 26-12-2022)]

Where input tax credit has been availed by a registered person in the return in FORM GSTR-3B for a tax period in respect of such invoice or debit note, the details of which have been furnished by the supplier in the statement of outward supplies in FORMGSTR-1 or using the invoice furnishing facility, but the return in FORM GSTR-3B for the tax period corresponding to the said statement of outward supplies has not been furnished by such supplier till the 30th day of September following the end of financial year in which the input tax credit in respect of such invoice or debit note has been availed, the said amount of input tax credit shall be reversed by the said registered person, while furnishing a return in FORM GSTR-3B on or before the 30th day of November following the end of such financial year.

However, where the said amount of input tax credit is not reversed by the registered person in a return in FORM GSTR-3B on or before the 30th day of November following the end of such financial year during which such input tax credit has been availed, such amount shall be payable by the said person



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along with interest thereon u/s 50.

Further, where the said supplier subsequently furnishes the return in FORM GSTR-3B for the said tax period, the said registered person may re-avail the amount of such credit in the return in FORM GSTR-3B for a tax period thereafter.

Amendment to Exemption Notification [Notification No. 04/2022-CT(R) dated 13/07/2022]

Revised entry are as follow:

Entry No.	Exempted services Notification No. 12/2017-Central Tax (Rate), dated 28-06-2017)
6	<p>Services by the Central Government, State Government, Union territory or local authority excluding the following services:</p> <ol style="list-style-type: none">services by the Department of Posts;services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;transport of goods or passengers; orany service, other than services covered under entries (a) to (c) above, provided to business entities.
7	<p>Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of upto such amount in the preceding financial year as makes it eligible for exemption from registration.</p> <p>However, the provisions of this entry shall not be applicable to:</p> <p>services,—</p> <ol style="list-style-type: none">by the Department of Posts;in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;of transport of goods or passengers; and <p>b. services by way of renting of immovable property.</p> <p><u>Taxpoint:</u></p> <ul style="list-style-type: none">➤ <i>Business entity means any person carrying out business</i>➤ <i>Renting in relation to immovable property means allowing, permitting or granting access, entry, occupation, use or any such facility, wholly or partly, in an immovable property, with or without the transfer of possession or control of the said immovable</i>



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	<p><i>property and includes letting, leasing, licensing or other similar arrangements in respect of immovable property</i></p>
8	<p>Services provided by the Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority.</p> <p>However, nothing contained in this entry shall apply to services—</p> <ol style="list-style-type: none">by the Department of Posts;in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;of transport of goods or passengers
9	<p>Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed ₹ 5,000:</p> <p>However, nothing contained in this entry shall apply to—</p> <ol style="list-style-type: none">services by the Department of Posts;services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;transport of goods or passengers. <p>However, where continuous supply of service, is provided by the Central Government, State Government, Union territory or a local authority, the exemption shall apply only where the consideration charged for such service does not exceed ₹ 5,000 in a financial year.</p>
12	<p>Services by way of renting of residential dwelling for use as residence except where the residential dwelling is rented to a registered person</p> <p>W.e.f. 01-01-2023, for the purpose of exemption under this entry, this entry shall cover services by way of renting of residential dwelling to a registered person where, –</p> <ol style="list-style-type: none">the registered person is proprietor of a proprietorship concern and rents the residential dwelling in his personal capacity for use as his own residence; andsuch renting is on his own account and not that of the proprietorship concern <p>- read with Circular No. 15/2022- CT(R) dated 30-12-2022</p>
14	Omitted
15	<p>Transport of passengers, with or without accompanied belongings, by:</p> <ol style="list-style-type: none">air in economy class, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal



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- a. non-airconditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or
- b. stage carriage other than airconditioned stage carriage.

However, nothing contained in items (b) and (c) above shall apply to services supplied through an electronic commerce operator, and notified u/s 9(5) the Act

Taxpoint:

- *Radio taxi means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using the Global Positioning System or General Packet Radio Service*
- *Stage carriage means a motor vehicle constructed or adapted to carry more than 6 passengers excluding the driver for hire or just reward at separate fares paid by or for individual passengers, either for the whole journey or for stages of the journey*
- *"Contract carriage" means a motor vehicle which carries a passenger or passenger or passengers for hire or reward and is engaged under a contract, whether expressed or implied, for the use of such vehicle as a whole for the carriage of passengers mentioned therein and entered into by a person with a holder of a permit in relation to such vehicle or any person authorised by him in this behalf on a fixed or an agreed rate or sum:-*
 - a. on a time basis, whether or not with reference to any route or distance; or
 - b. from one point to another, and in either case, without stopping to pick up or set down passengers not included in the contract anywhere during the journey, and includes--
 - i. a maxicab; and
 - ii. a motor cab notwithstanding that separate fares are charged for its passengers;

- 20 Services by way of transportation by rail or a vessel from one place in India to another of the following goods:
- a. relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap;
 - b. defense or military equipment's;
 - c. newspaper or magazines registered with the Registrar of Newspapers;
 - d. "Omitted"
 - e. agricultural produce;
 - f. milk, salt and food grain including flours, pulses and rice; and
 - g. organic manure.



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21	<p>Services provided by a goods transport agency, by way of transport in a goods carriage of:</p> <ol style="list-style-type: none">agricultural produce;'Omitted''Omitted'milk, salt and food grain including flour, pulses and rice;organic manure;newspaper or magazines registered with the Registrar of Newspapers;relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap;defense or military equipment's. <p>Taxpoint: Goods carriage means any motor vehicle constructed or adapted for use solely for the carriage of goods, or any motor vehicle not so constructed or adapted when used for the carriage of goods.</p>
23A	w.e.f. 01-01-2023, Omitted - vide Circular No. 15/2022- CT(R) dated 30-12-2022
24B	Services by way of storage or warehousing of cereals, pulses, fruits and vegetables
24C	Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams)
26	Omitted
32	Omitted
33	Omitted
47A	Omitted
51	Omitted
52A	<p>Tour operator service, which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India.</p> <p>- Value of the tour operator service performed outside India shall be such proportion of the total consideration charged for the entire tour which is equal to the proportion which the number of days for which the tour is performed outside India has to the total number of days comprising the tour, or 50% of the total consideration charged for the entire tour, whichever is less.</p>



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	<p>- In making the above calculations, any duration of time equal to or exceeding 12 hours shall be considered as one full day and any duration of time less than 12 hours shall be taken as half a day.</p> <p>- 'foreign tourist' means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.</p> <p>Illustrations:</p> <p>A tour operator provides a tour operator service to a foreign tourist as follows:-</p> <p>a. 3 days in India, 2 days in Nepal; Consideration Charged for the entire tour: ₹ 1,00,000/- Exemption: ₹ 40,000/- (i.e., ₹ 1,00,000/- x 2/5) or ₹ 50,000/- (i.e., 50% of ₹ 1,00,000/-) whichever is less, i.e., ₹ 40,000/- (i.e., Taxable value: ₹ 60,000/-);</p> <p>b. 2 days in India, 3 nights in Nepal; Consideration Charged for the entire tour: ₹ 1,00,000/- Exemption: ₹ 60,000 (i.e., ₹ 1,00,000/- x 3/5) or ₹ 50,000/- (i.e., 50% of ₹ 1,00,000/-) whichever is less, i.e., ₹ 50,000/- (i.e., Taxable value: ₹ 50,000/-);</p> <p>c. 2.5 days in India, 3 days in Nepal; Consideration charged for the entire tour: ₹ 1,00,000/- Exemption: ₹ 54,545 (i.e., ₹ 1,00,000/- x 3/5.5) or ₹ 50,000/- (i.e., 50% of ₹ 1,00,000/-) whichever is less, i.e., ₹ 50,000/- (i.e., Taxable value: ₹ 50,000/-).</p>
53A	Omitted
54	<p>Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of:</p> <p>a. agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;</p> <p>b. supply of farm labour;</p> <p>c. processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;</p> <p>d. renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;</p> <p>e. loading, unloading, packing, storage or warehousing of agricultural produce;</p> <p><u>Taxpoint:</u> <i>Aforesaid services for processed product is not exempt. E.g. storage services</i></p>



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	<p>of green tea leave is exempt but that of black tea is not exempt here¹.</p> <p>f. agricultural extension services;</p> <p><u>Taxpoint:</u> <i>Agricultural extension means application of scientific research and knowledge to agricultural practices through farmer education or training</i></p> <p>g. services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.</p> <p><u>Taxpoint:</u></p> <p>➤ <i>Agricultural produce means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market</i></p> <p>➤ <i>Agricultural Produce Marketing Committee or Board means any committee or board constituted under a State law for the time being in force for the purpose of regulating the marketing of agricultural produce</i></p> <p>h. Omitted</p>
56	Omitted
73	Omitted
74	<p>Services by way of:</p> <p>a. health care services by a clinical establishment, an authorised medical practitioner or para-medics;</p> <p>However, nothing in this entry shall apply to the services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit(CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)] having room charges exceeding ₹ 5,000 per day to a person receiving health care services</p> <p>b. services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above.</p> <p><u>Taxpoint:</u></p> <p>➤ <i>Health care services means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of</i></p>

¹ Circular No. 16/16/2017-GST dated 15-11-2017



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	<p><i>medicines² in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma</i></p> <ul style="list-style-type: none">➤ <i>Clinical establishment means a hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called, that offers services or facilities requiring diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India, or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases</i>➤ <i>Authorised medical practitioner means a medical practitioner registered with any of the councils of the recognised system of medicines established or recognised by law in India and includes a medical professional having the requisite qualification to practice in any recognised system of medicines in India as per any law for the time being in force</i>➤ <i>Supply of services other than healthcare services such as renting of shops, auditorium, display of advertisement, etc. will be subject to GST</i>
75	Omitted
80	Services by way of training or coaching in: a. recreational activities relating to arts or culture, by an individual, or b. sports by charitable entities registered u/s 12AA or 12AB of the Income Tax Act
82A	Services by way right to admission to the events organised under FIFA U-17 Women's World Cup 2020, whenever rescheduled

Further, w.e.f. 01-03-2023, it is clarified that any authority, board or body set up by the Central Government or State Government including National Testing Agency for conduct of entrance examination for admission to educational institutions shall be treated as educational institution for the limited purpose of providing services by way of conduct of entrance examination for admission to educational institutions. – Circular No. 01/2023-CT(R) dated 28-02-2023.

Further, w.e.f. 01-03-2023, provisions of RCM, in so far as they apply to the Central Government and State Governments, shall also apply to the Parliament, State Legislatures, Courts and Tribunals – Circular No. 02/2023-CT(R) dated 28-02-2023

Amendment made in Notification No. 13/2017-CT(R) dated 28/06/2017 relating to Reverse charge

² Allopathy, Yoga, Naturopathy, Ayurveda, Homeopathy, Siddha, Unani and any other system of medicine that may be recognized by Central Government.



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in respect of supply of services [Notification No. 05/2022- CT(R) dated 13/07/2022]

Revised entry are as follow:

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
1	<p>Supply of Services in respect of transportation of goods by road</p> <p><u>Exception</u></p> <p>However, RCM shall not apply to services provided by a goods transport agency, by way of transport of goods in a goods carriage by road, to:</p> <p>a. a Department or establishment of the Central Government or State Government or Union territory;</p> <p>b. local authority;</p> <p>c. Governmental agencies, - which has taken registration under the CGST Act, 2017 only for the purpose of deducting tax u/s 51 and not for making a taxable supply of goods or services.</p> <p>Further, nothing contained in this entry shall apply where,</p> <p>i. the supplier has taken registration under the CGST Act, 2017 and exercised the option to pay tax on the services of GTA in relation to transport of goods supplied by him under forward charge; and</p> <p>ii. the supplier has issued a tax invoice to the recipient charging</p>	<p>Goods Transport Agency (GTA)</p>	<p>(a) Any factory registered under or governed by the Factories Act, 1948; or</p> <p>(b) any society registered under the Societies Registration Act, 1860 or under any other law for the time being in force in any part of India; or</p> <p>(c) any co-operative society established by or under any law; or</p> <p>(d) any person registered under the GST; or</p> <p>(e) any body corporate established, by or under any law; or</p> <p>(f) any partnership firm whether registered or not under any law including association of persons; or</p> <p>(g) any casual taxable person;</p> <p>- located in the taxable territory.</p>



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Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
	Central Tax at the applicable rates and has made a prescribed declaration on such invoice issued by him		
5	Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding: 1 renting of immovable property, and 2 services specified below: i. services by the Department of Posts; ii. services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; iii. transport of goods or passengers	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory.
5AA	Service by way of renting of residential dwelling to a registered person	Any person	Any registered person

Amendment to Notification No. 04/2017 dated 28-06-2017 [Reverse Charge in respect of supply of goods] [Circular No. 14/2022-CT(R) dated 30-12-2022]

In reverse charge notification, certain essential oils other than those of citrus fruit are liable to be charged under reverse charge mechanism, in the said list Mentha arvensis is also added.

[Notification No. 26/2022 dated 26-12-2022]

Registration



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Application for Registration [Rule 8]

Reference to mobile number and email address has been removed. Now, the OTP, for verification purpose, will be sent to the mobile number and email address registered with PAN.

Sub Rule 4A has been amended to provide that where an applicant, other than a person notified u/s 25(6D), opts for authentication of Aadhaar number, he shall, while submitting the application under sub-rule (4), undergo authentication of Aadhaar number and the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or 15 days from the submission of the application in Part B of FORM GST REG-01 under sub-rule (4), whichever is earlier.

Further, every application made under sub-rule (4) by a person, other than a person notified u/s 25(6D), who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by biometric-based Aadhaar authentication and taking photograph of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified u/s 25(6C) where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in FORM GST REG-01 at one of the notified Facilitation Centres and the application shall be deemed to be complete only after completion of this process.

The said sub rule 4A is applicable only for the State of Gujarat.

Verification of the application and approval [Amendment to Rule 9]

Where, a person, who has undergone authentication of Aadhaar number as specified in rule 8(4A), is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business, the registration shall be granted within 30 days of submission of application, after physical verification of the place of business in the presence of the said person

Grant of registration to persons required to deduct tax at source or to collect tax at source [Amendment to Rule 12]

Cancellation of registration in this case shall be made by the proper officer on a request made in writing by a person to whom a registration has been granted.

Tax Invoice

Content of the invoice [Rule 46 - Amended]

Where any taxable service is supplied by or through an electronic commerce operator or by a supplier of online information and database access or retrieval services to a recipient who is un-registered,



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irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name and address of the recipient along with its PIN code and the name of the State and the said address shall be deemed to be the address on record of the recipient

Aforesaid proviso has been inserted in clause f of Rule 46

Invoice-cum-bill of supply [Amendment to Rule 46A]

Where a invoice-cum-bill of supply is issued, such invoice-cum-bill of supply shall contain the particulars as specified under rule 46 or rule 54, as the case may be, and rule 49.

Form and manner of furnishing details of outward supplies [Rule 59 – Amended]

Apart from restriction provided in respect of furnishing return in rule 59(6), following is also inserted:

- A registered person, to whom an intimation has been issued on the common portal under rule 88C(1) in respect of a tax period, shall not be allowed to furnish the details of outward supplies of goods or services or both u/s 37 in FORM GSTR-1 or using the invoice furnishing facility for a subsequent tax period, unless he has either deposited the amount specified in the said intimation or has furnished a reply explaining the reasons for any amount remaining unpaid, as required under rule 88C(2).

Payment of Taxes

Electronic Cash Ledger [Rule 87 – amended]

Proviso to sub rule (8) has been inserted which provides that where the bank fails to communicate details of Challan Identification Number (CIN) to the Common Portal, the Electronic Cash Ledger may be updated on the basis of e-Scroll of the Reserve Bank of India in cases where the details of the said e-Scroll are in conformity with the details in challan generated in FORM GST PMT-06 on the Common Portal.

Clarifications regarding applicability of GST on certain services [Circular No. 190/02/2023-GST dated 13-01-2023]

Applicability of GST on accommodation services supplied by Air Force Mess to its personnel

Whether GST is payable on accommodation services supplied by Air Force Mess to its personnel.

All services supplied by Central Government, State Government, Union Territory or local authority to any person other than business entities (barring a few specified services such as services of postal department, transportation of goods and passengers etc.) are exempt from GST vide Sl. No. 6 of notification No. 12/2017 –CT (Rate) dated 28-06-2017. Therefore, as recommended by the GST



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Council, it is hereby clarified that accommodation services provided by Air Force Mess and other similar messes, such as, Army mess, Navy mess, Paramilitary and Police forces mess to their personnel or any person other than a business entity are covered by Sl. No. 6 of the said notification provided the services supplied by such messes qualify to be considered as services supplied by Central Government, State Government, Union Territory or local authority.

Applicability of GST on incentive paid by MeitY to acquiring banks under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions

Whether GST is applicable on the incentive paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions.

Under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions, the Government pays the acquiring banks an incentive as a percentage of value of RuPay Debit card transactions and low value BHIM-UPI transactions up to ₹2,000/-.

The Payments and Settlements Systems Act, 2007 prohibits banks and system providers from charging any amount from a person making or receiving a payment through RuPay Debit cards or BHIM-UPI. The service supplied by the acquiring banks in the digital payment system in case of transactions through RuPay/BHIM UPI is the same as the service that they provide in case of transactions through any other card or mode of digital payment. The only difference is that the consideration for such services, instead of being paid by the merchant or the user of the card, is paid by the central government in the form of incentive. However, it is not a consideration paid by the central government for any service supplied by the acquiring bank to the Central Government. The incentive is in the nature of a subsidy directly linked to the price of the service and the same does not form part of the taxable value of the transaction

As recommended by the Council, it is hereby clarified that incentives paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.

Other Amendments

Pre-packaged and labelled Curd, Lassi and Butter milk shall attract GST @ 5%. Similarly, jaggery of all types including Cane Jaggery (gur), Palmyra Jaggery, pre-packaged and labelled; Khandsari Sugar, pre-packaged and labelled; Rab, pre-packaged and labelled shall attract GST @ 5%. In general, all goods covered in exempted list shall not be exempted if it is pre-packaged and labelled or it is pre-packaged commodity.