

Significant GST simplification and rationalization measures unveiled during Quarter 2 of 2024-25

Vidya V Devan

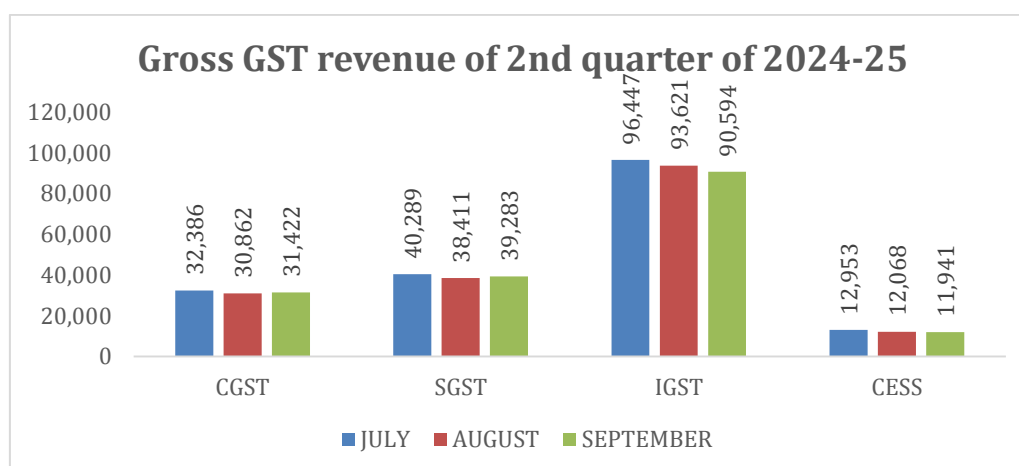
Assistant Professor, Gulati Institute of Finance and Taxation, Thiruvananthapuram.

I. GST Collections during July, August, and September 2024 in India

July witnessed the highest Gross GST Revenue in this quarter i.e. Rs 1,82,075 Crore, which shows a growth of 10.2% compared to July 2023. August, 2024 has once again seen enhanced GST collections of Rs. 1,74,962 crore, up by 10% on YoY basis. There has been a growth of 8.9% in CGST, 7.3% in SGST and 12.5% in IGST compared to August 2023. Total Gross GST Revenue of the month of September is Rs. 1,73,240 Crore.

Table 1

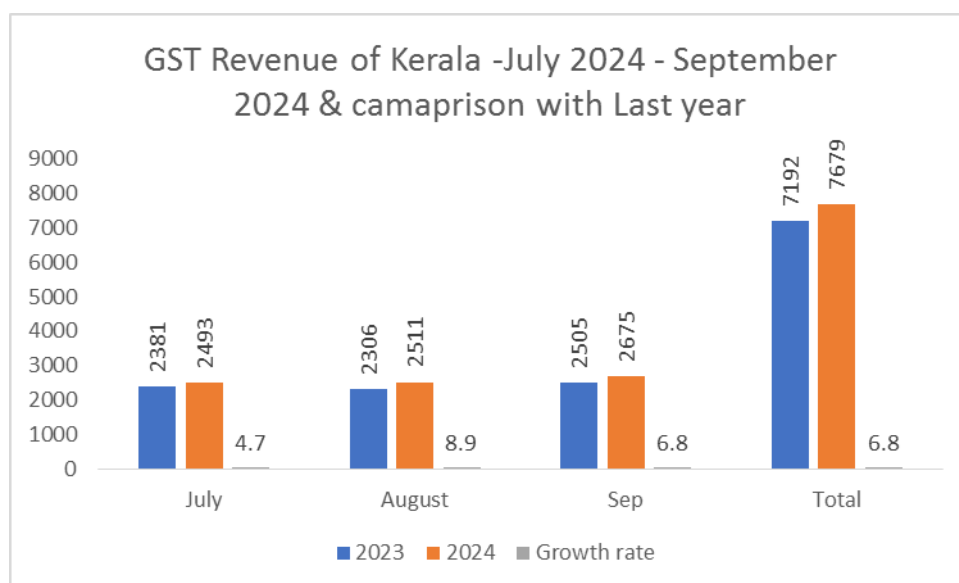
MONTHS	CGST	SGST	IGST	CESS
JULY	32,386	40,289	96,447	12,953
AUGUST	30,862	38,411	93,621	12,068
SEPTEMBER	31,422	39,283	90,594	11,941



GST Revenue of Kerala - Change from July - September 2024 over July-September 2023

Table - 2

Month	2023	2024	Growth Rate
July	2381	2493	4.7
August	2306	2511	8.9
Sep	2505	2675	6.8
Total	7192	7679	6.8



Note: Rs in crore

Source: Goods and Services Tax

<https://services.gst.gov.in/services/advisoryandreleased/read/510>

<https://services.gst.gov.in/services/advisoryandreleased/read/516>

<https://services.gst.gov.in/services/advisoryandreleased/read/527>

II. Important recommendations by 54th Meeting of the GST Council held on 9th September 2024

The GST Council inter-alia made the following recommendations relating to changes in GST tax rates, provide relief to individuals, measures for facilitation of trade and measures for streamlining compliances in GST.

A. Changes/Clarifications in GST Tax Rates:

GOODS

1. Namkeens and extruded/expanded savoury food products

- The GST rate of extruded or expanded products, savoury or salted (other than un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion), falling under HS 1905 90 30 to be **reduced from 18% to 12%** at par with namkeens, bhujia, mixture, chabena (pre-packaged and labelled) and similar edible preparations in ready for consumption form which are classifiable under HS 2106 90. The GST rate of 5% will continue on un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion.
- To also **clarify** that the reduced GST rate of 12% on extruded or expanded products, savoury or salted (other than un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion), falling under HS 1905 90 30 is applicable **prospectively**.

2. Cancer drugs

- The GST rate on cancer drugs namely, Trastuzumab Deruxtecan, Osimertinib and Durvalumab **to be reduced** from 12% to 5%.

3. Metal scrap

- **Reverse Charge Mechanism (RCM) to be introduced** on supply of metal scrap by unregistered person to registered person provided that the supplier shall take registration as and when it crosses threshold limit and the recipient who is liable to pay under RCM shall pay tax even if supplier is under threshold.
- **A TDS of 2%** will be applicable on supply of metal scrap by registered person in B to B supply.

4. Roof mounted package unit (RMPU) air conditioning machines for railways

- To **clarify** that Roof Mounted Package Unit (RMPU) Air Conditioning Machines for Railways would be classified under HSN 8415 attracting a GST rate of 28%.

5. Car and motor cycle seats

- To **clarify** that car seats are classifiable under 9401 and attract a GST rate of 18%.
- GST rate on car seats classifiable under 9401 **to be increased** from 18% to 28%. This uniform rate of 28% will be applicable **prospectively** for car seats of motor cars in order to bring parity with seats of motorcycles which already attract a GST rate of 28%.

SERVICES

1. Life and health insurance

- GST Council recommended to constitute a Group of Ministers (GoM) to holistically look into the issues pertaining to GST on the life insurance and health insurance. The GoM members are Bihar, UP, West Bengal, Karnataka, Kerala, Rajasthan, Andhra Pradesh, Meghalaya, Goa, Telangana, Tamil Nadu, Punjab, and Gujarat. The GoM is to submit the report by end of October 2024.

2. Transport of passengers by helicopters

- To **notify** GST @ 5% on the transport of passengers by helicopters on seat share basis and to regularize the GST for past period on 'as is where is' basis. To also **clarify** that charter of helicopter will continue to attract 18% GST.

3. Flying training courses

- To clarify by way of a circular that the approved flying training courses conducted by DGCA approved Flying Training Organizations (FTOs) are exempt from the levy of GST.

4. Supply of research and development services

- The GST Council recommended to **exempt** supply of research and development services by a Government Entity; or a research association, university, college or other institution, notified under clauses (ii) or (iii) of sub-section (1) of section 35 of the Income Tax Act, 1961 using Government or private grants.
- Past demands to be **regularized** on 'as is where is' basis.

5. Preferential location charges (PLC)

- To **clarify** that location charges or Preferential Location Charges (PLC) paid along with the consideration for the construction services of residential/commercial/industrial complex before issuance of completion certificate 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 that is, construction service.

6. Affiliation services

- (i) To **clarify** that affiliation services provided by educational boards like CBSE are taxable. However, to **exempt** affiliation services provided by State/Central educational boards, educational councils and other similarly placed bodies to Government Schools prospectively. The issue for the past period between 01.07.2017 to 17.06.2021 to be regularized on 'as is where is' basis.
- (ii) To **clarify** by way of circular that the affiliation services provided by universities to their constituent colleges are not covered within the ambit of exemptions provided to educational institutions in the notification No. 12/2017-CT(R) dated 28.06.2017 and GST **at the rate of 18% is applicable** on the affiliation services provided by the universities.

7. Import of service by branch office

- To **exempt** import of services by an establishment of a foreign airlines company from a related person or any of its establishment outside India, when made without consideration. The council also recommended to **regularise** the past period on '*as is where is*' basis.

8. Renting of commercial property

- To bring **renting of commercial property by unregistered person to a registered person** under **Reverse Charge Mechanism (RCM)** to prevent revenue leakage.

9. Ancillary/intermediate services are provided by GTA

- To clarify that when ancillary/intermediate services are provided by GTA in the course of transportation of goods by road and GTA also issues consignment note, the service will constitute a composite supply and all such ancillary/intermediate services like loading/unloading, packing/unpacking, transshipment, temporary warehousing etc. will be treated as part of the composite supply. If such services are not provided in the course of transportation of goods and invoiced separately, then these services will not be treated as composite supply of transport of goods.

Other changes

10. To regularize the GST liability for the past period prior to 01.10.2021 on 'as is where is' basis, where the film distributor or sub-distributor acts on a principal basis to acquire and distribute films.
11. To exempt supply of services such as application fees for providing electricity connection, rental charges against electricity meter, testing fees for meters/transformers/capacitors, labour charges from customers for shifting of meters/service lines, charges for duplicate bills etc. which are incidental, ancillary or integral to the supply of transmission and distribution of electricity by transmission and distribution utilities to their consumers, when provided as a composite supply. GST for the past period to be regularized on 'as is where is' basis.

B. Measures for facilitation of trade:

1. Procedure and conditions for waiver of interest or penalty or both, in respect of tax demands under section 73 of CGST Act, 2017 for FYs 2017-18, 2018-19 and 2019-20 as per section 128A of CGST Act, 2017:

The GST Council recommended insertion of rule 164 in CGST Rules, 2017, along with certain Forms, providing for the procedure and conditions for availment of benefit of waiver of interest or penalty or both, relating to tax demands under section 73 of CGST Act, pertaining to FYs 2017-18, 2018-19 and 2019-20, as per section 128A of CGST Act. The Council also recommended to notify under sub-section (1) of section 128A of CGST Act, 31.03.2025 as the date on or before which the payment of tax may be made by the registered persons, to avail the said benefit as per section 128A of the CGST Act. The Council also

recommended the issuance of a circular to clarify various issues related to availment of waiver of interest or penalty or both as per section 128A of CGST Act. The Council also recommended that section 146 of Finance (No. 2) Act, 2024, which provides for insertion of section 128A in CGST Act, 2017, may be notified with effect from 01.11.2024.

2. Providing a mechanism for implementation of newly inserted sub-section (5) and sub-section (6) in section 16 of CGST Act, 2017:

The GST Council recommended that section 118 and 150 of the Finance (No. 2) Act, 2024, which provides for insertion of sub-section (5) and sub-section (6) in section 16 of CGST Act, 2017 retrospectively with effect from 01.07.2017, may be notified at the earliest.

The Council also recommended that a special procedure for rectification of orders may be notified under section 148 of the CGST Act, to be followed by the class of taxable persons, against whom 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 sub-section (4) of section 16 of the CGST Act, but where such input tax credit is now available as per the provisions of sub-section (5) or sub-section (6) of section 16 of the CGST Act, and where appeal against the said order has not been filed. The Council also recommended issuance of a circular to clarify the procedure and various issues related to implementation of the said provisions of sub-section (5) and sub-section (6) of section 16 of CGST Act, 2017.

3. Amendments in rule 89 and rule 96 of CGST Rules, 2017 and to provide clarification in respect of IGST refunds on exports where benefit of concessional/exemption notifications specified under rule 96(10) of CGST Rules, 2017 has been availed on the inputs:

The GST Council recommended to clarify that where the inputs were initially imported without payment of integrated tax and compensation cess by availing benefits under Notification No. 78/2017-Customs dated 13.10.2017 or Notification No. 79/2017- Customs dated 13.10.2017, but IGST and compensation cess on such imported inputs are subsequently paid, along with applicable interest, and the Bill of Entry in respect of the import of the said inputs is got reassessed through the jurisdictional Customs authorities to this effect, then the IGST paid on exports, refunded to the said exporter shall not be considered to be in contravention of provisions of sub-rule (10) of rule 96 of CGST Rules.

Further, considering the difficulty being faced by the exporters due to restriction in respect of refund on exports, imposed vide rule 96(10), rule 89(4A) & rule 89(4B) of CGST Rules, 2017, in cases where benefit of the specified concessional/ exemption notifications is availed on the inputs, the Council recommended to prospectively omit rule 96(10), rule 89(4A) & rule 89(4B) from CGST Rules, 2017. This will simplify and expedite the procedure for refunds in respect of such exports.

4. Issuance of clarifications through the circulars to remove ambiguity and legal disputes in certain issues:

The GST Council recommended issuance of circulars to provide clarity and to remove doubts and ambiguities arising in the following issues due to varied interpretations by the field formations:

- i. Clarification on the Place of Supply of advertising services provided by Indian advertising companies to foreign entities.
- ii. Clarification regarding availability of Input Tax Credit on demo vehicles by the dealers of the vehicle manufacturers.
- iii. Clarification on Place of Supply of data hosting services provided by service providers located in India to cloud computing service providers located outside India.

5. The council also recommended amendments in some other provisions of CGST Rules, 2017.

C. Other measures:

1. B2C E-invoicing:

The GST Council recommended roll out of a pilot for B2C e-Invoicing, following the successful implementation of e-invoicing in the B2B sector. The Council recognized potential benefits of e-invoicing in retail, such as improved business efficiency, environmentally friendly, cost efficiency to the business, etc.

It would also provide an opportunity to the retail customers to verify the reporting of the invoice in the GST return. The pilot will be rolled out on voluntary basis in selected Sectors and States.

2. Invoice management system and new ledgers:

The Council also took note of the agenda on the enhancements being made to the existing GST return architecture. These enhancements include the introduction of a Reverse Charge Mechanism (RCM) ledger, an Input Tax Credit Reclaim ledger and an Invoice Management System (IMS). Taxpayers would be given the opportunity to declare their opening balance for these ledgers by 31st October 2024.

IMS will allow the taxpayers to accept, reject, or to keep the invoices pending for the purpose of availment of Input Tax Credit. This will be an optional facility for taxpayers to reduce errors in claiming input tax credit and improve reconciliation. This is expected to reduce notices issued on account of ITC mismatch in the returns.

Note: The recommendations of the GST Council have been presented in this release containing major item of decisions in simple language for information of the stakeholders. The same would be given effect through the relevant circulars/ notifications/ law amendments which alone shall have the force of law.

III. Notifications & Circulars issued during July, August & September 2024

Central Tax

- **Amendments to the CGST Rules, 2017 (Amendment 2024)**

The Central Government, based on the GST Council's recommendations, has introduced multiple amendments to the Central Goods and Services Tax (CGST) Rules, 2017, through Notification No. 12/2024-Central Tax, dated 10th July 2024. These revisions are intended to simplify processes, improve compliance, and address various operational issues related to GST like changes in application for registration, Bio metric based Aadhaar authentication, amendments in Rule 21 - Cancellation of Registration, Rule 21A - Suspension of Registration, Rule 28 : Value of Supply of Goods or Services, Rule 36 (4) : Conditions to claim ITC, Rule 37A :Reversal of input tax credit in the case of non-payment of tax by the supplier and re-availment thereof, Rule 39: Procedure for distribution of input tax credit by Input Service Distributor, Rule 40 - Manner of claiming credit in special circumstances, Rule 48- Manner of issuing invoice, Rule 59: Change in Table 5 of GSTR-1 w.e.f 1st August 2024, Rule 60: Form and manner of ascertaining details of inward supplies, Rule 62: New Date of GSTR-4, Rule 78:Matching of details furnished by the e-Commerce operator with the details

furnished by the supplier, Rule 88B: Interest on Balance in E-Cash ledger, Rule 88C: Manner of dealing with difference in liability reported in statement of outward supplies and that reported in return, Rule 89: Refund in case of Upward revision in Export Price, Rule 96: Export Refund, Rule 96A, Rule 110: Appeal to the Appellate Tribunal, Rule 111: Application to the Appellate Tribunal, Amendment in Rule 138(3), New Proviso & New Form: E way bill in case of unregistered person, Rule 142: Notice and order for demand of amounts payable under the Act, Rule 163: Consent based sharing of information, Changes notified in Forms : GSTR-1, 3B, 2A, 2B, 7,8, 9, 4, RFD-01, APL, DRC-01A, DRC 03A, DRC 04 . New Rules where inserted like Rule 95B: Refund of tax paid on inward supplies of goods received by Canteen Stores Department, Rule 113A: Withdrawal of Appeal or Application filed before the Appellate Tribunal and New GSTR-1A form notified.

Source: Notification No. 12/2024-Central Tax dated 10.7.2024

- **Seeks to rescind Notification no. 27/2022-Central Tax dated 26.12.2022** by Notification No. 13/2024-Central Tax dated 10.7.2024
- **Exempts the registered person whose aggregate turnover in the financial year 2023-24 is up to two crore rupees, from filing annual return for the said financial year**

In exercise of the powers conferred by the first proviso to section 44 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby exempts the registered person whose aggregate turnover in the financial year 2023-24 is up to two crore rupees, from filing annual return for the said financial year.

Source: Notification No. 14/2024-Central Tax dated 10.7.2024

- **Amended Notification No. 52/2018-Central Tax, dated 20.09.2018.**

As per notification No. 52/2018-Central Tax, dated 20.09.2018. in section 52(1) it was fixed that every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of half percent of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator. Notification No. 15/2024-Central Tax dated 10.7.2024 amends the above notification and substitutes the words "half percent" with "0.25 percent."

Source: Notification No. 15/2024-Central Tax dated 10.7.2024

- **Notified Sections 11 to 13 of Finance Act (No.1) 2024**

As per the Notification No. 16/2024-Central Tax dated 16.8.2024

- a) sections 13 of the Finance Act (No.1) 2024 (Penalty for failure to register certain machines used in manufacture of goods as per special procedure) will be in force from the 1st day of October, 2024,
- b) and section 11 (section 2'(61) "Input Service Distributor") and section 12 (Substitution of section 20 of CGST Act) of the said Act shall come into force from the 1st day of April, 2025.

Source: Notification No. 16/2024-Central Tax dated 16.8.2024

- **Notified the provisions of Finance (No. 2) Act, 2024**

- a) sections 118, 142, 148 and 150 of the said Act shall come into force on 27th September 2024 and
- b) sections 114 to 117, 119 to 141, 143 to 147, 149 and 151 to 157 of the said Act shall come into force on the 1st day of November, 2024.

Source: Notification No. 17/2024-Central Tax dated 27.9.2024

- **Notification of Principal Bench of GST Appellate Tribunal to hear cases of anti-profiteering.**

In exercise of the powers conferred by 171(2) read section 109 (1) and second proviso to 109(5) of the Central Goods and Services Tax Act, 2017 (12 of 2017) the Central Government, on the recommendations of the Goods and Services Tax Council, empowers the Principal Bench of the Appellate Tribunal, constituted under section 109(3) of the CGST 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.

2. This notification shall come into force with effect from the 1st day of October, 2024.

Source: Notification 18/2024-Central Tax dated 30.9.2024

- **Notification under Section 171 of CGST Act to provide for the sunset date.**

The government has notified April 1, 2025, as the sunset date for the anti-profiteering clause in the GST law by this notification and this notification shall come into force on the date of its publication in the Official Gazette i.e on 30th September 2024.

Source: Notification 19/2024-Central Tax dated 30.9.2024

Central Tax (Rate)

- **Amended Notification No. 1/2017- Central Tax**

An amendment is made in notification No. 1/2017- Central Tax (Rate) dated 28th June, 2017 which notifies the rate of the central tax. By Notification no. 02/2024-Central Tax (Rate) dated 12.7.2024 certain items like Cartons, boxes and cases of, -

- (a) corrugated paper or paper board; or
- (b) non-corrugated paper or paper board"; Milk cans made of Iron, Steel, or

Aluminium"; Solar cookers"; etc is inserted in Schedule II which deals with items with 6% tax. And in Schedule III of the said notification which deals with items with 9 % of All Goods (other than Cartons, boxes and cases of, -

- (a) corrugated paper or paper board;or
- (b) non-corrugated paper or paper board)"; was added.

Source: 02/2024-Central Tax (Rate) dated 12.7.2024

- **Amended notification No. 2/2017- Central Tax (Rate)**

By Notification No.03/2024-Central Tax (Rate) dated 12.7.2024 the notification No. 2/2017- Central Tax (Rate) which gives the list of exempted goods is amended. And inserted the words 'notwithstanding anything contained in the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder, as amended from time to time, the supply of agricultural farm produce in package(s) of commodities containing quantity of more than 25 kilogram or 25 liters shall not be considered as a supply made within the scope of expression 'pre-packaged and labelled'."

Source: 03/2024-Central Tax (Rate) dated 12.7.2024

- **Amended Notification No 12/2017- Central Tax (Rate) dated 28.06.2017.**

By Notification no.04/2024-Central Tax (Rate) dated 12.7.2024 the notification No. 12/2017-Central Tax (Rate) which gives the list of exempted goods is amended.

Source: 04/2024-Central Tax (Rate) dated 12.7.2024

Integrated Tax

- **Amended Notification No. 02/2018-Integrated Tax, dated 20.09.2018.**

As per notification No. 02/2018-Integrated Tax, dated the 20th September 2018 as per the second proviso to section 20 of IGST, Act read with section 52(1) of CGST Act, it was fixed that every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of one percent of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator. Notification No. 1/2024 integrated Tax dated 10.7.2024 amends the above notification and substitutes the words "one percent" with "half percent".

Source: Notification No. 01/2024 Integrated Tax dated 10.7.2024

Integrated Tax (Rate)

- **Amended notification No. 1/2017- Integrated Tax (Rate)**

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- (a) corrugated paper or paper board;or

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Source: Notification No. 02/2024 Integrated Tax (Rate) dated 12.7.2024

- **Amended notification No. 2/2017- Integrated Tax (Rate)**

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Source: Notification No. 03/2024 Integrated Tax (Rate) dated 12.7.2024

- **Amended Notification No 09/2017- Integrated Tax (Rate) dated 28.06.2017.**

By Notification No.04/2024 Integrated Tax (Rate) dated 12.7.2024 the notification No. 9 /2017- Integrated Tax (Rate) which gives the list of exempted goods is amended.

Source: Notification No. 04/2024 Integrated Tax (Rate) dated 12.7.2024

Union Territory Tax

- **Amended Notification No. 12/2018-Union Territory Tax, dated 28.09.2018.**

As per notification 12/2018-Union Territory Tax, dated the 28th September, 2018. in section 22(1) read with section 21 of Union Territory Goods and Services Tax Act, 2017 (14 of the 2017) and section 52(1) of CGST Act it was fixed that every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of half percent. of the net value of intra-state taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator. Notification dated No. 01/2024 Union Territory Tax dated 10.7.2024 amends the above notification and substitutes the words "half percent" with "0.25 percent.

Source: Notification No. 01/2024 Union Territory Tax dated 10.7.2024

Compensation Cess Rate

- **Seeks to provide exemption from Compensation Cess on supplies under heading 2202 by URCs to authorised customers.**

In exercise of the powers conferred section 11(1) of the Central Goods and Services Tax Act, 2017 read with section 11(1) of the Goods and Services Tax (Compensation to States) Act, 2017, and section 6 (1) of the Integrated Goods and Services Tax Act, 2017 read with section 11(2) of the Goods and Services Tax (Compensation to States) Act, 2017 the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts supply of goods falling under the heading 2202 by a Unit Run Canteen (URC) to authorised customers, from the whole of the Goods and Services Tax Compensation Cess leviable thereon under section 8 of the Goods and Services Tax (Compensation to States) Act, 2017.

Source: Notification No. 01/2024-Compensation Cess(Rate) dated 12th July, 2024

Circulars

- **Amendment in circular no. 1/1//2017 in respect of Proper officer for provisions relating to Registration and Composition levy under the Central Goods and Services Tax Act, 2017 or the rules made thereunder.**

Consequent to the shifting of the GST back office operations of Central Board of Indirect Tax & Customs from ACES-GST to GSTN BO, it has now been decided by the Board that the functions of proper officer in relation to section 30 & Proviso to sub-section (1) of section 27 of CGST Act, as well as rule 6, rule 23 & rule 25 of Central Goods and Services Tax Rules, 2017 may be assigned to Superintendent of Central Tax instead of Assistant or Deputy Commissioners of Central Tax or Assistant or Deputy Directors of Central Tax.

Source: Circular no. 223/17/2024-GST dated 10-Jul-2024

- **Guidelines for recovery of outstanding dues, in cases wherein first appeal has been disposed of, till the Appellate Tribunal comes into operation.**

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 sub section (8) of section 112 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 circular also clarifies the situations where the tax payer does not make the pre deposit or already made the pre deposit in any other manner.

Source: Circular no. 224/18/2024-GST dated 11-Jul-2024

- **Circular no. 225/19/2024-GST provides clarification on various issues pertaining to taxability and valuation of supply of services of providing corporate guarantee between related persons. Circular gives answers to various representations that have been submitted by trade and industry,**

Source: Circular no. 225/19/2024-GST dated 11-Jul-2024

- **The mechanism for refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to export.**

The circular lays down the procedure for claim and processing of refunds of additional integrated tax paid on account of upward revision in prices of goods subsequent to their exports.

The exporter(s) may claim refund of the additional IGST paid on account of upward revision in price of goods subsequent to exports, by filing an application of refund **in FORM GST RFD-01** electronically on the common portal under the category "**Any other**" with remarks "*Refund of additional IGST paid on account of increase in price subsequent to export of goods*" along with the relevant documents as prescribed in clause (bb) of sub-rule (2) of rule 89 of the CGST Rules. The exporter shall also upload the statements 9A & 9B as prescribed in clause (bb) & clause (bc) of sub-rule (2) of rule 89 of the CGST Rules along with the said refund claim. The exporter may also upload any other document to establish that the refund is admissible to him.

The application for refund of additional IGST paid can be filed before the expiry of two years from the relevant date as per clause (a) of Explanation (2) of section 54 of the CGST Act.

Source: Circular no. 226/20/2024-GST dated 11-Jul-2024

- **Processing of refund applications filed by Canteen Stores Department (CSD).**

The Canteen Stores Department (CSD) may apply for refund with the jurisdictional Central tax/ State tax authority to whom the CSD has been assigned. In terms of rule 95B of the CGST Rules, the CSD is required to apply for refund once in every quarter. The CSD will also be allowed to file the refund application for multiple quarters, clubbing multiple FYs, as per their option. The refund of the tax paid by the CSD shall be available only if 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. The CSD while filing the refund application shall ensure that all the invoices declared by it have the GSTIN of the supplier and the GSTIN of the respective CSD clearly mentioned on them. The said refund application form shall be accompanied by the prescribed documents. The Circular also describes the procedure of processing the application by the department in detail.

Source: Circular no. 227/21/2024-GST dated 11-Jul-2024

- **Clarifications regarding applicability of GST on certain services -reg.**

The circular provides a detailed description of the applicability of GST on certain services like

- i) GST exemption on the outward supplies made by the Ministry of Railways (Indian Railways).
- ii) GST exemption on the transactions between Special Purpose Vehicles (SPVs) and Ministry of Railways (Indian Railways).
- iii) Applicability of GST on the statutory collections made by the Real Estate Regulatory Authority (RERA) in accordance with the Real Estate (Regulation and Development) Act, 2016.

- iv) Applicability of GST on the incentive amount shared by acquiring bank with other stakeholders in the digital payment ecosystem under the notified Incentive Scheme for promotion of Ru Pay Debit Cards and low value BHIM-UP1 transactions.
- v) GST liability on the reinsurance of specified general and life insurance schemes.
- vi) GST liability on the reinsurance of insurance schemes for which total premium is paid by the Government.
- vii) Applicability of GST on retrocession services.
- viii. GST liability on certain accommodation services.

Source: Circular no. 228/22/2024-GST dated 15-Jul-2024

- **Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 53rd meeting held on 22nd June 2024, at New Delhi -reg.**

The circular provides clarification regarding GST rate on Solar Cookers, Fire Water Sprinklers, Poultry-keeping machinery, expression 'pre-packaged and labelled' for supply of agricultural farm produce and supplies of goods made to or by agency engaged by Government,

Source: Circular no. 229/23/2024-GST dated 15-Jul-2024

- **Clarification in respect of advertising services provided to foreign clients.**

The circular provides the answers for the questions like

- i) Whether the advertising company can be considered as an "intermediary" between the foreign client and the media owners in terms of section 2(13) of Integrated Goods and Services Tax Act, 2017 (herein after referred to as the "IGST Act"), thereby resulting in determination of place of supply under section 13(8)(b) of the IGST Act?
- ii) 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 under section 2(93) of CGST Act?

- iii) 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?

Source: Circular no. 230/24/2024-GST dated 11-Sep-2024

- **Clarification on availability of input tax credit in respect of demo vehicles.**

The demo vehicles are the vehicles which the authorised dealers for sale of motor vehicles are required to maintain at their sales outlet as per dealership norms and are used for providing trial run and for demonstrating features of the vehicle to the potential buyers. Normally the ITC for demo cars are blocked under clause(a) of section 17(5) of Central Goods & Services Tax Act, 2017. Circular No. 231/25/2024-GST dated 11-Sep-2024 clarifies that in what all situations the ITC is available in the case of demo cars.

Source: Circular no. 231/25/2024-GST dated 11-Sep-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.**

The circular provides the answers for the questions like

- i) Whether data hosting service provider qualifies as 'Intermediary' between the cloud computing service provider and their end customers/users/subscribers as per Section 2(13) of the Integrated Goods and Services Tax Act, 2017 (herein after referred to as 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.
- ii) 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.
- iii) 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.

Source: Circular no. 232/26/2024-GST dated 11-Sep-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.**

The circular clarifies that if the inputs were initially imported without payment of integrated tax and compensation cess by availing benefits under Notification No. 78/2017-Customs dated 13.10.2017 or Notification No. 79/2017-Customs dated 13.10.2017, but subsequently, IGST and compensation cess on such imported inputs are paid at a later date, along with interest, and the Bill of Entry in respect of the import of the said inputs is got reassessed through the jurisdictional Customs authorities to this effect, then the IGST, paid on exports of goods, refunded to the said exporter shall not be considered to be in contravention of provisions of sub-rule (10) of rule 96 of CGST Rules.

Source: Circular no. 233/27/2024-GST dated 11-Sep-2024

Guidelines.

- **Guidelines for Second Special All-India Drive against fake registrations-regarding.**

The second Special All-India Drive may be launched by all Central and State Tax administrations from 16th August 2024 to 15th October 2024 to detect suspicious/ fake GSTINs and to conduct requisite verification and further remedial action to weed out these fake billers from the GST eco-system and to safeguard Government revenue.

Identification of fraudulent GSTINs:

GSTN, in coordination with Directorate General of Analytics and Risk Management (DGARM), CBIC, will identify suspicious/ high-risk GSTINs, based on detailed data analytics and risk parameters, for the purpose of verification by the State and Central Tax authorities during the said drive and share the details of such suspicious GSTINs, jurisdiction wise, with the concerned tax administration. In case of such suspicious GSTINs falling under the jurisdiction of Central Tax, the details will be shared with the Central Tax authorities by GSTN through DGARM. Besides, the State and Central Tax Authorities, may, at their own option, supplement this list by data analysis/ intelligence gathering at their end, using various

available analytical tools like BIFA/ GAIN, ADVAIT, NIC Prime, E-Way Bill Analytics etc., as well as through human intelligence, modus operandi alerts, experience gained through the past detections, as well as the first special All-India drive.

The guideline also prescribe in detail the measures to be adopted when the fraud is detected.

Source: Instruction No. 02/2024-GST dated 12-Aug-2024

Applying para 2(g) of Instruction No. 01/2023-24-GST (Inv.) dt. 30-3-2024 in Audit.

Certain guidelines are issued for maintaining ease of doing business while engaging in investigations with regular taxpayers.

Source: Instruction No. 03/2024-GST dated 14-Aug-2024

Sources:

<https://www.cbic.gov.in/entities/gst>

<https://www.taxmanagementindia.com/>

<https://taxinformation.cbic.gov.in/content-page/explore-notification>

<https://pib.gov.in/indexd.aspx>

<https://gstcouncil.gov.in/sites/default/files/Newsletter-dynemic/newsletter%20january%202024.pdf>