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In brief



Electronic Invoicing to be introduced from April 1, 2020 for entities with turnover exceeding INR 100 crores.

Notifications-CGST

Electronic Invoicing

Notification Numbers [68/2019](#), [69/2019](#), [70/2019](#), [71/2019](#) and [72/2019](#) – Central Tax dated December 13, 2019

- ♦ The GST Council in its 35th meeting introduced the concept of electronic invoicing (E-invoicing) for reporting of B2B (Business to Business) invoices to GST System which will be implemented in a phased manner.
- ♦ Phased implementation will be as follows:

| Entity's Turnover in a Financial Year (FY) | Date of Implementation | Basis of Implementation |
|--|------------------------|-------------------------|
| More than Rs.500 crores | January 1, 2020 | Voluntary |
| More than Rs.100 crores | February 1, 2020 | Voluntary |
| More than Rs.100 crores | April 1, 2020 | Mandatory |

- ♦ E-invoicing is not about generation of invoices using government portal. It is generation of "Invoice Reference Number" (IRN) for each B2B invoice reported on the Invoice Registration Portal (IRP). A Quick Response (QR) Code will also be generated along with the IRN.
- ♦ The objective of E-invoicing is to:
 - ▲ Standardize the format in which electronic data of an invoice will be shared with others to ensure there is interoperability of the data
 - ▲ Creation of complete trail of B2B invoices
 - ▲ Provide system level matching of input credit and output tax to reduce reconciliation issues

In brief

QR Code to be mentioned on B2C invoices by entities with turnover exceeding INR 500 crores from April 1, 2020.

ITC available in respect of invoices/debit or credit notes not uploaded by suppliers capped @ 10% of eligible credit reconciled with corresponding details uploaded by suppliers.

Right given to the tax authorities to restrict use of balance in the credit ledger in cases of fraudulent/ineligible credit.

QR Code

[Notification Number 72/2019 – Central Tax dated December 13, 2019](#)

B2C (Business to Consumers) Invoices issued by an entity, whose aggregate turnover in a Financial Year (FY) exceeds INR 500 crores, shall have QR code with effect from April 1, 2020.

CGST (9th Amendment) Rules, 2019

[Notification Number 75/2019 – Central Tax dated December 13, 2019](#)

- ♦ Input tax credit (ITC) to be availed by the recipient in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers shall not exceed 10% of the eligible credit available (*earlier it was 20%*).
- ♦ The tax authorities have been given right to restrict the use of balance in electronic credit ledger if the authorities believe that credit of input tax available in the electronic credit ledger has been fraudulently availed or is ineligible in as much as:
 - ▲ the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under Rule 36:
 - issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
 - without receipt of goods or services or both; or
 - ▲ the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under Rule 36 in respect of any supply, the tax charged in respect of which has not been paid to the Government or
 - ▲ the registered person availing the credit of input tax has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
 - ▲ the registered person availing any credit of input tax is not in possession of a tax invoice or debit note or any other document prescribed under Rule 36.

Return

In brief

GST Rate on woven and non-woven bags and sacks hiked to 18%.

Flexible intermediate bulk containers – addition to the tariff list, taxable @ 18%.

Exemption now available on upfront amount paid for long term lease provided by entities with Government ownership exceeding 20% subject to conditions.

RCM applicable on renting of motor-vehicle services received by a body corporate from vendor (other than body corporate) not charging GST @ 12% w.e.f. October 1, 2019

Notifications-CGST (Rate)

Rate Changes with effect from January 1, 2020

[Notification Number 27/2019 – Central Tax \(Rate\) dated December 30, 2019](#)

| HSN Code | Description | Original Rate | Amended Rate | Amendment |
|--------------|--|---------------|--------------|--------------------------------|
| 3923 or 6305 | Woven and non-woven bags and sacks of polyethylene or polypropylene strips or the like, whether or not laminated, of a kind used for packing of goods. | 12% | 18% | Rate change |
| 6501 | Textile Caps | 12% | NA | Omitted |
| 63053200 | Flexible intermediate bulk containers. | NA | 18% | Addition in the Rate Schedule. |

Amendment in Exemption

[Notification Number 28/2019 – Central Tax \(Rate\) dated December 30, 2019](#)

Upfront amount payable in respect of service by way of granting of long term lease of 30 years, or more of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 20% or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area subject to certain conditions. (Earlier the exemption was for entities with 50% or more ownership of Government)

Reverse Charge Mechanism (RCM) – Renting of motor vehicle services

[Notification Number 29/2019 – Central Tax \(Rate\) dated December 30, 2019](#) and [Circular Number 130/2019 – GST dated December 31, 2019](#)

RCM is applicable in respect to services of renting of motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient only if the supplier fulfils all the following conditions:

- ♦ is other than a body-corporate;
- ♦ does not issue an invoice charging GST @12% from the service recipient; and

In brief

Filing and disbursement of refund applications made fully electronic w.e.f. September 26, 2019

Circular on ITeS services withdrawn *ab-initio*.

Department to follow standard operating procedure for non-filers of returns.

- ♦ supplies the service to a body corporate

In terms of the Circular, the above amendment is only clarificatory in nature and therefore the above services are covered under reverse charge w.e.f. October 1, 2019.

Circulars-CGST

Electronic Refund Filing Process

[Circular No. 125/44/2019 GST dated November 18, 2019](#)

Procedure for filing refund application and disbursement thereof made fully electronic w.e.f. September 26, 2019

Ab-initio withdrawal of circular on ITeS services

[Circular No. 127/46/2019 GST dated December 4, 2019](#)

[Circular No 107/26/2019 GST dated July 18, 2019](#) wherein certain clarifications were given in relation to various doubts related to supply of Information Technology enabled Services (ITeS services) under GST is withdrawn *ab initio*.

Standard Operating Procedure – Non-filers of returns

[Circular No. 129/48/2019 GST dated December 24, 2019](#)

- ♦ A system generated message to be sent to all the registered persons 3 days before the due date for filing of the return.
- ♦ A system generated mail / message would be sent to all the defaulters immediately after the due date.
- ♦ Notice in Form GSTR-3A shall be issued electronically to such defaulters, requiring him to furnish such return within 15 days.
- ♦ Failure to file the Return within 15 days of the said notice, the proper officer may proceed to assess the tax liability of the said person, to the best of his judgement taking into account the relevant material available with him.
- ♦ In case the defaulter furnishes a valid return within 30 days of the service of assessment order, the said order shall be deemed to have been withdrawn. If the said return remains unfurnished within 30 days from issuance of order, recovery proceedings shall be initiated.
- ♦ The registration is also liable for cancellation in terms of Section 29 of the CGST Act.

Return

In brief

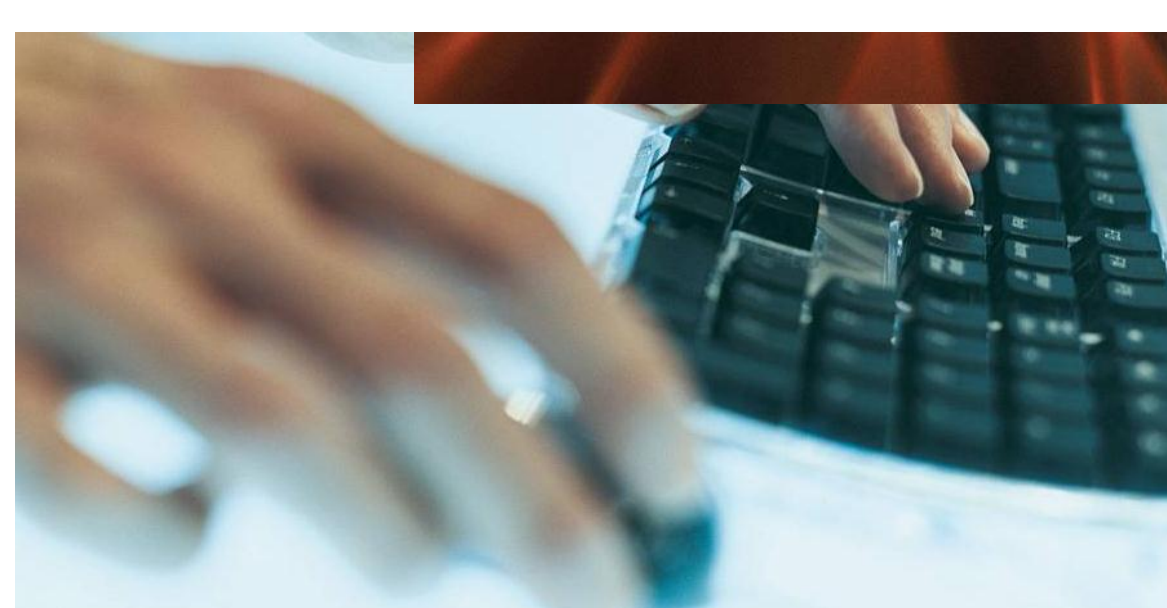
Due date for GSTR-9/9A and GSTR-9C for F.Y. 2017-18 extended to January 31, 2020

Removal of Difficulties Order, 2019

[Order No. 10/2019 – Central Tax dated December 26, 2019](#)

Due date for annual return and reconciliation statement in Form GSTR-9, GSTR-9A and GSTR-9C extended to January 31, 2020

[Return](#)



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Key Take Away

- E-Invoicing to be introduced from April 1, 2020 for entities with turnover exceeding INR 100 crores.
- QR Code to be mentioned on B2C invoices by entities with turnover exceeding INR 500 crores from April 1, 2020.
- ITC available in respect of invoices/debit or credit notes not uploaded by suppliers capped @ 10% of eligible credit reconciled with corresponding details uploaded by suppliers.
- RCM applicable on renting of motor-vehicle services received by a body corporate from vendor (other than body corporate) not charging GST @ 12% w.e.f. October 1, 2019 [Amendment – clarificatory in nature]
- Standard Operating Procedure to be followed for non-filers of returns
- Due date for GSTR-9, GSTR-9A and GSTR-9C for F.Y. 2017-18 extended to January 31, 2020.

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